

STRATEGY

**OF THE FINANCIAL SUPERVISION
COMMISSION**

FOR THE PERIOD 2025 – 2027

**THE FINANCIAL
SUPERVISION
COMMISSION :**
GUARANTOR OF
STABILITY OF THE
NON-BANK
FINANCIAL SECTOR IN
THE REPUBLIC OF
BULGARIA



Dear Ladies and Gentlemen,

I am pleased to present to you the Strategy of the Financial Supervision Commission for the period 2025 - 2027.

In times defined by global economic change, technological advances and a growing focus on sustainability, the Financial Supervision Commission (FSC / the Commission) has a vital role to play in ensuring the stability of the country's non-bank financial sector. Our work ensures that capital, social insurance and insurance markets function successfully and benefit society as a whole.

With great responsibility and strategic vision, the Commission reaffirms its commitment to promote transparency and innovation in the non-bank financial sector. At the same time, through digitisation and the development of the fintech sector, we are also evolving as a regulator to ensure unwavering protection of consumer interests, support for business growth and integration into the global financial system.

Applying consistent and predictable regulatory activity is fundamental to our work. When we provide clarity and consistency in our policies to stakeholders, we create a financial ecosystem in which both businesses and consumers can operate and grow with increasing confidence and in an environment of mutual trust.

Effective risk-based supervision is vital to the stability of financial markets. The Commission is continuously improving its tools and methodologies to identify, monitor and mitigate risks in the non-bank financial sector. Whether it is the supervision of insurance companies, pension funds or capital markets, we remain vigilant in our efforts to protect investors, consumers and the wider economy.

Consumer protection is a fundamental pillar of the FSC's mission. The non-bank financial sector is an integral part of the lives of millions of Bulgarians and provides essential services such as insurance, supplementary pensions and unlocking the potential for investment. Our role is to ensure that consumers are protected and have the financial literacy needed to make informed decisions. Through initiatives aimed at raising financial awareness, we strive to improve public awareness.

The Commission supports Bulgaria's accession to the euro area and has a proactive role to play to prepare the non-bank financial sector for this key transition to the single European market. Our regulatory frameworks are being aligned with European standards to ensure a smooth adoption process, minimising risks and maximising opportunities for both businesses

and consumers. This transition is a testament to Bulgaria's commitment to a stronger and more financially integrated future, and also a requirement for careful management of regulatory processes to ensure seamless integration and protection of all stakeholders during this period of change.

The Commission promotes a business environment conducive to the success of Bulgarian companies, especially in the context of the transition to sustainable finance, by respecting ESG principles for a greener future, green bonds, green investments and responsible business practices.

A stable regulator requires sustainable systems and the FSC is leading by example by building its institutional capacity and improving its administrative management. Through training, digital transformation and the development of IT infrastructure, we are adapting to evolving challenges and opportunities in the financial sector. By fostering a culture of continuous improvement across our institution, we are committed to investing in the training of our teams, streamlining internal processes and embracing innovative technologies to optimise regulatory oversight. Through the implementation of its unified information system, the FSC is actively enhancing its technological capabilities to ensure real-time monitoring, data-driven decision-making and secure information sharing.

I am confident that the FSC will continue to improve the regulatory environment and address new challenges, steadfastly defending its mission to ensure stability, promote innovation and protect the interests

of all stakeholders in the non-bank financial sector. I believe that together we will build a financial future that meets the highest standards of sustainability, responsibility and innovation.



Бойко Аманасов

Introduction

The strategy of the Financial Supervision Commission for the period 2025-2027 is based on the successful functioning of the regulatory and supervisory authority and on the analysis of the challenges and trends in the development of the non-bank financial sector in the Republic of Bulgaria.

The FSC will implement its strategy for the defined period, focusing on the main priorities, with a focus on the market mechanisms in the sectors it regulates - investment, insurance and social insurance - in order to ensure their stability and efficiency.

In a constantly evolving financial ecosystem, the FSC remains committed to strengthening public confidence in non-bank financial markets. Maintaining safety and stability, as well as creating environment for safe investment, is material evidence of the effectiveness and reliability of the Commission's supervisory

activities.

Through its transparent, consistent and reliable activities, the FSC seeks not only to protect the rights of consumers of non-bank financial services, but also to enhance financial literacy while ensuring a favourable business environment for the three sectors it supervises.

Taking into account the advent of digitalisation, new trends and the resulting cyber risks, the FSC promotes fintech and technological innovations in order to respond to each challenge and be a partner to non-bank financial sector companies.

In addition to the digital transition, the FSC is also extremely mindful of the green transition, emphasising the importance of sustainability at the core of financial policies by accelerating technological innovation ensuring investors have the information they need to make informed investment decisions.

The EU digital finance legislation that the FSC will enforce includes the Markets in Crypto-Assets Regulation (MiCA) and the Digital Operational Resilience Act (DORA). These regulations will be fundamental to building a secure, innovative and competitive financial environment. They will improve consumer protection and stimulate technological progress in the financial sector.

As part of the European System of Financial Supervision, the Commission is actively involved in

the work of the European Supervisory Authorities - the European Securities and Markets Authority, the European Insurance and Occupational Pensions Authority and the European Banking Authority. Within the working structures of the European Supervisory Authorities, the Commission contributes to the identification of EU-wide priorities relevant to the non-bank sector.

The FSC continues to be actively involved in Bulgaria's accession to the Organisation for Economic Co-operation and Development, seeking to contribute to the country's strategic transformation and to reaffirm its commitment to establishing Bulgaria as a strong and reliable partner on the international economic scene.

I. Mission

The main mission of the Commission is to ensure by legal, administrative and informational means the stability and transparency of the non-bank financial sector in the Republic of Bulgaria, by providing adequate and stable infrastructure as well as to protect the interests of investors, insured and socially insured persons.





II. Vision

Ongoing improvement of the regulatory and supervisory activities meeting the challenges of the investment, insurance and social insurance sector in order to protect the interests of consumers of non-bank financial services.

III. Principles and values in the implementation of regulatory and supervisory functions

The Commission performs its function and powers to achieve the strategic goals in accordance with the following principles:

- ▶▶ **Law, impartiality, and justice;**
- ▶▶ **Responsibility, honesty, and transparency;**
- ▶▶ **Effectiveness, efficiency, and proportionality.**

Integrity in the application of the principles and values is a key factor in all aspects of the Commission activities, ensured by ethical standards of conduct, internal rules, annual plans, financial management and control, information security management, control and assessment of performance, internal auditing.

IV. Priorities for the period 2025 – 2027

Priority 1. Implementation of consistent, transparent and predictable regulatory activities

In order to fulfil its statutory functions to achieve stability and confidence in financial markets, the Commission will continue to pursue a consistent, transparent and predictable regulatory policy, as well as a policy to ensure a level playing field, while respecting and ensuring the protection of the rights and interests of consumers of non-bank financial products and services. The main objective is to maintain high standards with regard to the regulatory process, based on an effectively functioning legal framework, clear and predictable policies, and equitable treatment of non-bank financial sector entities.

The Commission will continue its active involvement in the discussion and preparation of European acts and acts adopted within the Organisation for Economic Co-operation and Development (OECD). In the process of aligning national legislation with European and OECD acts, the Commission will follow best practices and standards at international level, as well as monitoring the regulatory framework in other EU and OECD Member States.

In order to implement this priority, the Commission sets the following operational objectives:

1.1. Coordination and

harmonization of national and European law and OECD decisions and recommendation in the field of financial markets.

This objective will be achieved through:

- ▶ Active participation and interaction with other competent Bulgarian institutions in the process of discussion and preparation of European and OECD acts in the field of financial markets;

- ▶ Development of national financial market legislation in areas not directly regulated by EU and OECD law through a review of EU and OECD Member State legislation and the introduction of good practices.

1.2. Compliance of the national regulations with the specifics of the Bulgarian financial markets in order to stimulate its development

This objective will be achieved through:

- ▶ Introduction of new regulations that deploy at national level internationally established mechanisms and create new opportunities for financial market participants in the non-bank financial sector.

1.3. Conducting a predictable and consistent regulatory policy to reduce the administrative burden

This objective will be achieved through:

- ▶ Introduction of good practices in the Commission's regulatory activities to reduce the administrative burden;

- ▶ Application of regulatory policy in favour of economic development, taking into account the business environment and its specifics;

- ▶ Use of e-government tools to achieve regulatory quality and legal security.

1.4. Providing the public with timely and accessible information about the regulatory activities of the Commission

This objective will be achieved through:

- ▶ Disclosure of practices followed by the regulatory authority in order to comply with the principle of predictability of the administration;

- ▶ Effective discussions on proposals to amend the regulatory framework through digital and traditional communication channels;

- ▶ Proactive communication with the competent authorities, institutions, branch organizations and other stakeholders, holding public consultations, clarification of problems in the application of regulations and / or providing clarifications in connection with newly introduced regulatory requirements;

1.5. Strengthening the regulatory framework and compliance with cybersecurity regulations

This objective will be achieved through:

- ▶ Update internal policies and procedures in line with

international cybersecurity standards;

- ▶ Assess and adapt to new European Union requirements regarding network and information security.

Priority 2. Implementing effective risk-based supervision of the non-bank financial sector and maintaining stable financial markets

The Commission is implementing a risk-based supervisory approach as a response to the dynamic environment and developments in financial markets in need of more effective and efficient supervision and regulation. In this environment, the Commission focuses its supervisory powers on market participants that exhibit a higher level of risk in their activities and focuses on identifying potential risks in order to mitigate them.

The ranking of actions according to their relative importance, the prevention of unexpected situations and the use of early warning indicators play a key role in the supervision of the non-bank financial sector. The risk-based supervision framework allows the Commission to focus its efforts on addressing those issues that pose the greatest risk to the achievement of supervisory objectives and financial stability.

The following operational objectives have been defined to address this priority:

2.1. Conducting supervisory activities in accordance with the relevant uniform policies and standards

This objective will be achieved through:

- ▶▶ Identifying and introducing new practices, policies and standards to improve risk-based supervision;
- ▶▶ Updating internal documents (manuals, policies and procedures) for risk-based supervision in line with new supervisory practices;
- ▶▶ Active exchange of information and participation in activities related to the convergence of supervisory practices in the European Union.

2.2. Early identification, analysis and assessment of the risks associated with the activities of supervised entities

This objective will be achieved through:

Stress tests for identification of problematic areas in the activities of supervised entities and analysis of the impact of changes in macroeconomic indicators on participants in the non-bank financial sector;

▶▶ Assessment of the individual risk indicators and determining the risk profile of supervised entities in terms of the sectoral legislation, as well as in terms of the AML/CTF requirements.

▶▶ Identification and analysis of the risks related to the digitalization process;

▶▶ Effective allocation of the

supervisory resources based on the identified risks to supervised entities.

▶▶ Taking timely and adequate supervisory actions to mitigate the negative consequences of events, crises and other emergencies both globally and nationally.

2.3. Expanding supervision on the market behaviour of supervised entities

This objective will be achieved through:

▶▶ Monitoring the channels for distribution of products, accessibility and clarity of the information provided to the user of investment, insurance and social insurance products and services, and compliance with the process of concluding contracts with consumers.

▶▶ Conducting thematic studies on the adequacy of products on the market, creating new products, revision and modification of existing products, and distribution channels;

▶▶ Monitoring the value for money of products on the market.

Priority 3. Ensuring effective protection of consumers of non-bank financial services and products, increasing financial literacy and strengthening public confidence in financial markets

Ensuring the protection of consumer interests is one of the leading factors that contribute to the effective functioning of financial markets and reducing the risks associated with financial stability of market participants. Pursuing an effective consumer protection policy contributes to building consumer confidence while stimulating market growth.

In order to ensure effective consumer protection, including consumer awareness, increased consumer confidence and the proper functioning of the Single Market, a Programme for Protection of Consumers of Non-bank Financial Services and Products 2025-2028 has been adopted in line with the European Consumer Policy, which the Commission will continue to implement, updating it to ensure a higher level of consumer protection. The Commission will work proactively to raise consumer awareness of the risks of investing in activities without the required licence or authorisation and to prevent these activities, working closely with other public institutions.

The following operational objectives have been determined to address this priority:

3.1. Raising awareness and limiting activities without the required license or permit

This objective will be achieved through:

- ▶ Holding awareness campaigns to identify the activities of licensed supervised entities;

- ▶ Producing and publishing educational presentation materials and videos on the Commission's website.

- ▶ Periodic publication of press releases on the Commission's website and updating of the list of persons providing services and activities without the necessary license, as well as updating the list of persons with revoked licenses.

- ▶ Close cooperation with other state institutions, with a view to the timely establishment and cessation of activities carried out without a license or permit.

- ▶ Including the topic in seminars and initiatives held with consumers.

3.2. Increasing the financial culture of consumers of non-bank financial products and services

This objective will be achieved through:

- ▶ Running informational,

awareness, and digital campaigns for consumers of non-bank financial services and products;

- ▶▶ Using social networks and digital channels for initiatives to improve the financial literacy of the digitally active population;

- ▶▶ Organizing educational and information programmes for different age groups to present the legal framework and new business practices in the non-bank financial sector;

3.3. Ensuring the protection of consumers of non-bank financial products and services by taking timely and effective regulatory and supervisory measures

This objective will be achieved through:

- ▶▶ Adequate and prompt response within the legal powers in order to prevent any damage to the consumers of financial products and services;

- ▶▶ Analysis of the received complaints and signals from the users of financial products and services and preparation of proposals for change of the regulatory framework and supervisory practices;

- ▶▶ Establish mechanisms to ensure equal treatment of consumers, access to sufficient, clear and reliable information.

3.4. Increasing public confidence in the Commission's work by raising awareness

This objective will be achieved through:

- ▶▶ Information updates: Regularly publishing and updating

information on the Commission's website and other digital channels on the state of the non-bank financial sector and the Commission's activities.

- ▶▶ Partnerships with the media: Maintaining transparent and open relations with the media in order to provide accurate and timely information to promote the importance of the Commission's supervisory and regulatory work to the public.

- ▶▶ Educational campaigns: Organizing public information campaigns related to financial stability in the non-bank sector and consumer protection.

- ▶▶ Events with supervised entities: Conducting events involving supervised entities and government and non-government stakeholders.

- ▶▶ Implementation of the measures and techniques provided in the Communication Strategy for Information and Publicity on Bulgaria's Accession to the Euro Area, prepared in implementation of the measures foreseen in the National Euro Changeover Plan. The aim is to promote the process of preparation of our country for joining the Euro Area, and good information of the public about the introduction of the new currency is crucial for the success of the process.

- ▶▶ Educational programmes: Developing and implementing classes and workshops aimed at increasing the financial literacy of various target groups, including vulnerable groups facing a higher risk of poverty. Organising short-term internships for students to increase financial literacy and

introduce them to the non-bank financial sector.

▶ Information campaigns: Conducting campaigns in the media and digital platforms to inform consumers about the importance of financial literacy, their rights and obligations when accessing financial services, and the proper management of financial products.

▶ Partnerships with organisations: Collaborating with educational institutions, non-governmental and industry organizations, and businesses to develop resources and tools for financial education.

▶ Accessible resources: Creating online tools and materials, including videos, that provide easy and free access to information and advice on the proper use of financial services and products.

▶ Creating digital content for the Commission's social channels and strategic communication messages that address the activities of the non-bank financial sector in the country.

3.5. Ensuring consumer protection in the non-bank financial sector in the process of adopting the euro in the Republic of Bulgaria

▶ Analysis of consumer satisfaction with non-bank financial products and services in the context of the adoption of the euro;

▶ Taking supervisory action in the event of reports of irregularities in connection with the euro adoption process in the Republic of Bulgaria;

▶ Publication of information

material related to the euro adoption process;

▶ Organizing educational programs focused on different age groups in order to increase financial literacy and provide information on the legal framework and new business practices in the non-bank financial sector;

3.6. Supporting the process of resolving consumer disputes by concluding out-of-court settlements and providing useful information to consumers.

The sectoral Conciliation Committees have been set up as an alternative for handling and resolving a civil dispute arising between a consumer and a company providing services in the non-bank financial sector.

▶ This objective will be achieved through:

▶ Participation of Commission employees in the Conciliation Committees in the three sectors of the non-bank financial market.

▶ Providing more information to consumers on the possibilities of conciliation as a way of out-of-court settlement of disputes.

▶ Cooperation, exchange of information and good practices of the Consumer Protection Commission.

Priority 4. Enabling the transition to sustainable finance

The Commission recognises the growing importance of sustainability and accelerating the transition to a green economy, and that incorporating environmental, social and governance (ESG) considerations into regulatory and supervisory practices will enable investors to actively participate in the transition to a sustainable economy by making informed investment decisions. The non-bank financial sector has an important role to play in this transition, contributing to reorienting investment towards more sustainable technologies and businesses, financing growth in a sustainable way over the long term, and contributing to the creation of a low-carbon and circular economy conducive to climate resilience. The Commission will continue to encourage the investment community to participate responsibly and actively in this process, which has already begun.

The following operational objectives have been determined to address this priority:

4.1. Assisting supervised entities in the transition to sustainable finance

This objective will be achieved through:

- ▶ Increasing the skills of Commission employees in the field of sustainable finance;
- ▶ Effective dialogue with supervised entities and industry organisations on the proper implementation of the legal

framework;

- ▶ Timely communication to supervised entities on established good practices related to the transition to sustainable investments.

4.2. Effective and consistent oversight of compliance with sustainable finance requirements

This objective will be achieved through:

- ▶ Promoting high quality, clear, truthful and non-misleading sustainability disclosures;
- ▶ Monitoring and early identification of inaccurate disclosures and claims, including greenwashing;
- ▶ Building internal capacity to analyse and assess sustainability risks;
- ▶ Developing a comprehensive oversight methodology and related tools;
- ▶ Raising awareness among supervised persons.
- ▶ Implementing effective and timely supervisory measures regarding the names of investment funds that inappropriately use ESG or sustainability-related terms and their investments.

Priority 5. Holding a consistent policy and process management in the non-bank financial sector in connection with the introduction of the euro in the Republic of Bulgaria

In connection with Bulgaria's membership of the Exchange Rate Mechanism II (ERM II) and the Banking Union, the Commission assists the Ministry of Finance in the course of the euro adoption procedure.

The following operational objectives have been defined to address this priority:

5.1. Implementation of the commitments of the Commission and the supervised entities set out in the Action Plan to the National Euro Changeover Plan.

These objective will be achieved through:

- ▶▶ Active interaction and cooperation with the competent Bulgarian and European institutions in connection with the successful preparation of the Republic of Bulgaria for changeover to the euro;

- ▶▶ Follow-up to improve the supervision of the non-bank financial sector upon accession to the ERM II, building on existing measures and reforms in this sector;

- ▶▶ Active involvement in the work of the interdepartmental groups formed for the implementation of the measures set by the government;

5.2. Providing the necessary information and close cooperation

with stakeholders in connection with the adoption of the euro and its impact on the non-bank financial sector

- ▶▶ Regular publication of information on the necessary actions in order to support the implementation of the process of changeover to the euro as legal tender;

- ▶▶ Holding meetings and round tables with stakeholders and clarifying issues related to the conversion process;

Priority 6: Supporting the process of building a more favourable business environment for small and medium enterprises and ensuring access to financing

Small and medium-sized enterprises are an important source of stability, innovation and competitiveness in the financial markets and ensuring access to finance is vital for them. The Commission will pursue the following objectives to help these businesses raise capital:

- ▶ Implementation of the main activities set out in the National Strategy for Small and Medium Enterprises (SMEs) in Bulgaria 2021 - 2027;

- ▶ Establishing close cooperation with the operators of the growth markets, in order to ensure their development as an important factor for financing the activities of small and medium enterprises;

- ▶ Active support for the development of licensed crowdfunding platforms which enable financing innovative projects developed by small and medium enterprises, and support for the establishment of new platforms.

Priority 7: Creating and sustaining a culture of financial innovation in the non-bank financial sector

Recognising the trends of digital transformation, the Commission aims to foster and create the conditions for building a stable, dynamic and secure fintech ecosystem ensuring market integrity and financial sector resilience. Recognising the risks arising from the penetration of new digital solutions, the Commission is aligning national legislation with the European fintech regulatory framework and setting out in the adopted Fintech Sector Monitoring Strategy 2025-2027 a new vision, objectives and priorities in the context of an evolving and growing digital integration of financially innovative solutions based on distributed ledger, artificial intelligence and the expanding scope of application of cryptoassets, seeking to establish conditions of operational sustainability and market integrity

The following operational objectives have been determined to address this priority:

7.1. Encouraging a proactive approach to financial technology and consumer engagement with digital financial solutions

This objective will be achieved through:

- ▶ Improving the digital infrastructure and functionality of the reporting and dialogue platform between business and the Commission;

- ▶ Increasing digital financial literacy of adolescents, working age population, elderly and vulnerable consumer groups;

- ▶ Creating quality web content through information material on the development of the financial innovation market at European and national level.

7.2. Ensuring market integrity and financial stability in the non-bank financial sector

This objective will be achieved through:

- ▶ Exploring the need for innovative solutions by conducting consultations and market research to frame fintech risks;

- ▶ Developing and implementing specific supervisory mechanisms to mitigate the risks identified in the assessment process;

- ▶ Implementing innovative solutions that improve the quality of sustainability disclosures by businesses and contribute their supervisory and regulatory work to an effective transition to a sustainable economy;

- ▶ Systematically introducing good regulatory and supervisory practices by maintaining and upgrading acquired key competencies and qualifications on topics related to digitalisation.

7.3. Regulatory support in the implementation of new European regulations in the field of financial technology

▶ Providing preventive support to entities aiming to implement new European regulation in relation to the offering of cryptoassets and/or the use of distributed ledger technology for the creation, storage and offering of innovative instruments;

▶ Active communication with persons in the context of licensing proceedings initiated on the basis of the new European regulation relating to innovative technologies and the assets offered through them.

▶ Supporting supervised entities and verifying the effectiveness of the implementation of the operational sustainability requirements for digital technologies in the financial sector.

Priority 8. Institutional development and capacity building for effective administrative management

The Commission aims to maintain a policy of high organisational efficiency and to develop the institutional structure in accordance with its statutory mandate. Capacity building for effective management is achieved through regular review of the organisational structure, work processes, internal administrative rules and procedures, analysis for their optimisation and examination of the results of implemented organisational changes. The Commission's efforts will also focus on ensuring the financial stability of the institution, improving planning and effective management of financial resources.

The following operational objectives have been defined to address this priority:

8.1. Maintaining optimal organizational structure

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This objective will be achieved through:

- ▶ Review and assessment of the current state of the organisational structure and regular analysis of the performance of the Commission's core, management and support processes to identify opportunities for optimisation;

- ▶ Increasing the governance

capacity, upgrading the leadership skills of employees at all levels of management and developing a sustainable corporate policy;

- ▶ Effective implementation of the Commission's Code of Professional Ethics to ensure that managers and staff adhere to the Commission's principles and values.

- ▶ Maintaining high professional and personal ethics and developing the Commission's capacity to prevent corruption;

8.2. Digital competence, motivation and training of employees

This objective will be achieved through:

- ▶ Improving the institution's expert employees by applying flexible quality selection procedures;

- ▶ Development of conditions and a climate that provide a stimulating working environment that enhances staff confidence, motivation and satisfaction;

- ▶ Maintaining professional commitment and training at a high level and enhancing the qualifications and skills of staff through mentoring programmes and ongoing training tailored to both individual staff needs and regulatory and organisational requirements;

- ▶ Enhancing and deepening the digital competence of

employees in order to effectively use modern technological capabilities, including to achieve a higher level of cyber security by conducting regular training and simulations for all employees. Maintaining the working capacity of Commission staff through health monitoring and participation in active sports programmes.

preparation of the periodic and annual financial statements.

8.3. Securing financing of the identified objectives through the planning and management of public funds in accordance with the principles of sound financial management, legality and transparency

This objective will be achieved through:

- ▶▶ Preparing a medium-term budget forecast and a draft budget taking into account all external and internal factors affecting budget implementation;

- ▶▶ Preparing and reporting on the extent to which the Commission's objectives, priorities and performance results are being met, analysing the implementation of budget indicators in the Commission's programme budget;

- ▶▶ Collecting the Commission's revenue with high efficiency and effectiveness, and encouraging voluntary payment;

- ▶▶ Monitoring compliance with financial legislation and financial discipline, analysing and optimising expenditure;

- ▶▶ Providing reliable, accurate and trustworthy information on the financial and asset situation of the Commission, as an information basis for management decision-making by improving the activities of the

Priority 9: Maintenance and development of modern information infrastructure

Between 2025 and 2027, the Commission will continue the processes related to maintaining, upgrading and achieving high resilience of the existing information infrastructure, as well as maintaining and developing the achieved level of compliance and integrity with the information systems of the European Supervisory Authorities.

Efforts will continue to ensure that the established infrastructure meets all regulatory requirements for interoperability and information and cyber security.

The following operational objectives have been defined to address this priority:

9.1. Applying the principles of e-government, improving administrative services and focus on consumers of financial services and product

This objective will be achieved through:

- ▶ Review of the regulatory framework related to the Commission's activities and drafting amendments/amendment proposals for removing from administrative proceedings of requirements that are contrary to the principles of e-government;

- ▶ Organising and implementing the Commission's clerical work in accordance with the legal requirements for handling electronically signed documents. Provision of electronic administrative services through an

accessible interface and their integration into the single environment for the electronic exchange of documents with access to the single portal for electronic administrative services.

9.2. Improving the level of information and cyber security and the quality of the IT services provided

In an environment of increasing digitalisation and use of innovative technologies in the non-bank financial sector, the threats of cyber-attacks are increasing significantly. The Commission strives to ensure a high degree of cyber security for both its information systems and supervised entities.

This objective will be achieved through:

- ▶ Upgrading the information infrastructure, in the direction of increasing the level of information security in compliance with the national standards for network and information security, by building modern security and control systems;

- ▶ Thorough information security assessment when working with IT vendors and implementing secure practices in processes related to software development and upgrades;

- ▶ Managing and controlling cyber security risk and implementing a range of measures

to address identified risks;

- ▶ Enhancing cooperation with national and international cybersecurity authorities, including the European Union Agency for Cybersecurity (ENISA) and other regulatory bodies in the European Union, to share information and best practices;

- ▶ Organising annual campaigns for supervisors focusing on new threats, innovative security technologies and regulatory requirements.

9.3. Maintenance and development of an effective integrated information system to cover the tasks and objectives of the Commission.

This objective will be achieved through:

- ▶ Upgrading the Commission's integrated IT system with new functionalities and improving administrative efficiency;

- ▶ Upgrading automated processes and control of incoming information from and to supervised entities in data exchange;

- ▶ Development of the established centralised data warehouse and its upgrade with data models needed for supervisory purposes and business analysis;

- ▶ Automated display of public information on the Commission website or automated data transfer with Commission external systems.

- ▶ Maintaining systems corresponding to the new technologies and their development, in order to facilitate their use by supervised entities;

- ▶ Developing compatibility and interaction mechanisms in line with

the National Strategy for Small and Medium Enterprises 2021-2027 to deliver digital services.

Priority 10. Maintaining effective and productive international cooperation

A major focus of the Commission's international work is joint work and cooperation with the European institutions and bodies, with the supervisory authorities of the Member States of the European Union, but also of countries acceding to the Union, and with third countries.

The Commission will also actively participate in international organisations that promote principles and standards in the field of financial markets. Subject to the necessary conditions and international arrangements for this, the Commission will exchange information with the relevant supervisory authorities of third countries which are not members of the European Union.

The accession of the Republic of Bulgaria to the Organisation for Economic Co-operation and Development is an activity of national priority. The Commission will continue to participate actively in the accession process by implementing its commitments under the National Roadmap for the period 2023-2025 adopted by the Council of Ministers.

In order to implement this priority, the Commission sets the following operational objectives:

10.1. Active participation in the activities of European institutions and bodies related to the non-bank financial sector and

cooperation with the national competent authorities of the EU Member States.

▶▶ Regular participation in the forums of the European Supervisory Authorities - Board of Supervisors, committees and working groups, taking into account the specificities and protecting the interests of the Bulgarian non-bank financial sector and the rights of consumers of financial services;

▶▶ Involvement in decision-making on common policies on convergence of supervisory practices in the EU;

▶▶ Regulatory review of the European Commission's Technical Support Instrument (TSI) programmes to help build the Commission's supervisory capacity and ensure accurate and efficient implementation of projects for which the FSC is a beneficiary;

▶▶ Actively exchanging supervisory information with EU Member States and agreeing common negotiating positions in the development of new European policies and requirements;

▶▶ Participation in workshops, conferences and seminars organised by national competent authorities of Member States.

10.2. Close cooperation with the supervisory authorities of the candidate countries for membership of the European Union

This objective will be achieved through:

- ▶ Maintaining active cooperation and information exchange with supervisory authorities of the candidate countries for membership of the European Union;

- ▶ Participation in conferences, seminars and round tables organized by the supervisory authorities of the EU candidate countries.

10.3. Furthering the activities for international cooperation and information exchange with third countries and fulfilment of obligations to international organizations

This objective will be achieved through:

- ▶ Meeting obligations to the International Organization of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS) and the International Organization of Pension Supervisors (IOPS).

- ▶ Participation in fora of international organisations and exchange of information within their working groups;

- ▶ Organisation and participation in international conferences, seminars and round tables;

- ▶ Information exchange with the supervisory authorities of third countries according to the Commission's international agreements.

the process of accession to OECD committees

This objective will be achieved through:

- ▶ Completion of the process of accession to the three Committees in which the Commission is directly involved, in accordance with the Roadmap for 2023-2025 adopted by the Council of Ministers - Financial Markets Committee, Insurance and Private Pensions Committee, Corporate Governance Committee. Implementation of follow-up commitments and recommendations after accession;

- ▶ Contributing to the examination and development of the OECD analytical documents and draft acts in effective cooperation with other competent government authorities, taking into account the interests and specificities of the Bulgarian non-bank financial sector and financial services consumers;

- ▶ Assistance to other national authorities on reviews in OECD committees where the Commission has a supporting role.

10.4. Active participation in

Indicators

To measure the achievement of the priorities in the current strategy, the following performance indicators have been formulated:

Nº	Indicator
1	Correspondence between the results of the analysis for determining the risk profile of the supervised entities and the subsequent supervisory actions based on it
2	Maximum implementation of the annual supervisory plans
3	Relative share of current internal rules and documents
4	Decrease in the balance of overdue payables
5	Share of persons supervised by the Commission which include in their activity environmental, social and governance (ESG) considerations.
6	Share of innovative solutions aimed at increasing financial literacy
7	Share of supported proposals submitted through the innovation hub
8	Number of realised initiatives together with the trading venues and crowdfunding platforms to promote and optimize their activity
9	Maximum fulfilment of the annual plan for training of Commission employees
10	Employee satisfaction with the organisation as an employer
11	Share of administrative services at level 3 (requesting the service electronically - electronic submission of data and documents and/or electronic processing of forms (electronic forms) and electronic personal identification of users, execution of transactions involving online payment)
12	Share of satisfied requests for information in the framework of international cooperation

This strategy was adopted by a decision of the Financial Supervision Commission under Protocol No. 74 of 3 December 2024.



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