

ACT ON RESTRICTION OF CASH PAYMENTS

*Prom. SG. 16/22 Feb 2011, amend. SG. 109/20 Dec 2013, suppl. SG. 98/28 Nov 2014, amend. and suppl. SG. 107/24 Dec 2014, **amend. SG. 95/8 Dec 2015***

Chapter one.

SUBJECT AND EXCEPTIONS FROM THE SCOPE

Art. 1. This act shall provide for the restrictions of cash payments on the territory of the country.

Art. 2. The act shall apply in:

1. drawing and depositing money in cash from/in own payment accounts;
2. drawing and depositing money in cash from/in accounts of inactive and restricted active persons, of spouses and relative of direct line;
3. deals with foreign currency in cash by profession;
4. operations with banknotes and coins, party of which is the Bulgarian National Bank;
5. exchange of banks of damaged Bulgarian banknotes and coins;
6. payment of labour remunerations in the meaning of the Labour Code;
7. (new – SG 98/14, in force from 28.11.2014) payment of sums of the guaranteed deposits according to the Guarantee of Bank Deposits Act.

Chapter two.

RESTRICTIONS IN CASH PAYMENTS

Art. 3. (1) Payments on the territory of the country shall be done only through transfer or deposit in payment account, where they are:

1. (amend. - SG 95/15, in force from 01.01.2016) at value, equal to or exceeding BGN 10 000;
2. (amend. - SG 95/15, in force from 01.01.2016) at value under BGN 15 000, representing part of money prestation on a contract, whose value is equal to, or exceeding BGN 10 000.

(2) (amend. - SG 95/15, in force from 01.01.2016) Para. 1 shall apply also in the cases of payment in foreign currency, where their BGN equivalence is equal to, or exceeds BGN 10 000. The equation in BGN shall be defined by the rate of the Bulgarian National Bank (BNB) on the day of payment.

Art. 4. (amend., SG 109/13, in force from 20.12.2013) (1) (amend. - SG 107/14, in force from 01.01.2015) Bank services in the country of operation of budget organisations related to collection of revenues and other proceeds through card payments shall be carried out on the basis of contracts concluded between the Ministry of Finance and the banks pursuant to Art. 154, para 9 of the Act on the Public Finances.

(2) The software and resource provision of card payments under Para. 1 and the services and settlement related thereto shall be carried out by the licensed by the BNB payment system operator with settlement finality for servicing payments by operations with

bank payment cards on the territory of the country on the basis of a contract concluded with the Ministry of Finance according to Art. 154, para 9 of the Act on the Public Finances.

(3) Card payment services of collection of revenues and other proceeds of budget organizations which is not covered by the contracts referred to in para 1, shall be based on a contract concluded between the respective bank and the budget organization.

(4) The amounts payable by the Ministry of Finance under the contracts referred to in Para. 1 and 2 shall be on the account of the central budget and the ones due under para 3 - at the expense of the respective budget.

(5) For card payments to budget organisations under Para. 1 and 3, the natural and legal persons shall not pay bank commissions and charges.

(6) The Minister of Finance and the Governor of the Bulgarian National Bank shall give written instructions about the implementation of paras 1 to 5.

Art. 4a. (new - SG 107/14, in force from 01.01.2015) (1) The budget organisations may withdraw cash funds from their bank accounts only for payments, which due to the particular circumstances of the activity it is practically impossible to use a payment transfer, as well as by exception, in case of pressing objective need.

(2) Funds for cash payment, which have been withdrawn from bank accounts of budget organisations but have remained unused, shall be timely refunded to the respective bank accounts, except by exception, in case of pressing objective circumstances to store them in cash for future payments.

(3) The funds collected in cash by the budget organisations shall be deposited to their respective bank accounts in a timely manner.

(4) Direct spending from the funds of the budget organisation of collected cash funds shall be implemented only by exception or where due to the nature of the activities the application of Para 1 and 3 is practically impossible.

(5) The heads of budget organisations shall develop the details and enable the implementation of Para 1 - 4 by introducing the respective control activities as set out in Art. 13 of the Act on the Financial Management and Control in the Public Sector.

(6) In case of failure to perform the requirements of Para 1 - 5 the Ministry of Finance may apply the measures under Art. 132, Para 4 of the Public Finance Act.

(7) The Minister of Finance shall issue instructions for implementation of Para 1 - 6.

Chapter three. ADMINISTRATIVE-PENAL PROVISIONS

Art. 5. (1) Anyone, who commits or admits a breach under Para. 3 shall be punished by a fine in the amount of 25% of the total amount of the made payment – if he/she is a natural person or by a property sanction in the amount of 50% of the total amount of the made payment – if it is a legal person.

(2) In repeated breach under Para. 1, the amount of the fine shall be 50% of the amount of the payment and of the property sanction – 100% of the amount of the payment.

Art. 6. (1) The instruments for establishing the violations under this act shall be drawn up by the bodies of the National Revenue Agency, and the penal decrees shall be issued by the executive director of the National Revenue Agency or by officials, authorized by him/her.

(2) Drawing up, issuing, appealing and implementation of the penal decrees shall be

carried out under the Act on Administrative Breaches and Punishments.

Additional provisions

§ 1. "Repeated" shall be the breach committed within one year term after the enforcement of the penal decree, by which the person has been punished for the same type of a breach.

Transitional and concluding provisions

§ 2. This act shall apply also to payments under Art. 3, not having been finalized on the day of its enforcement.

§ 3. For 2011 the Ministry of Finance may negotiate the clauses and prices under Art. 4, Para. 1 within the frames of the contracts under § 22, Para. 6 of the Transitional and Final Provisions of the Act on State Budget of the Republic of Bulgaria for 2011.

§ 4. In the Currency Act (publ., SG, 83/1999; amend., 45/2002, 60/2003, 36/ 2004, 105/2005, 43, 54 and 59/2006 and 24/2009) in Art. 2, Para. 1 the words "in this act" shall be replaced by "by an act".

§ 5. In the Act on Measures against Money Laundering (publ., SG, 85/1998; amend., 1 and 102/2001, 31/2003, 103 and 105/2005, 30, 54, 59, 82 and 108/2006, 52, 92 and 109/2007, 16, 36, 67 and 69/2008, 22, 23 and 93/2009 and 88 and 101/2010) in Art. 3 the following amendments shall be made:

1. In Para. 2 p. 21 and 24 shall be repealed.
2. Para 7 shall be revoked.

The act has been adopted by the 41st National Assembly on 9 February 2011 and has been sealed by the official stamps of the National Assembly.

Concluding provisions

TO THE ACT FOR THE STATE BUDGET OF THE REPUBLIC OF BULGARIA IN 2014
(PROM. – SG 109/13, IN FORCE FROM 01.01.2014)

§ 10. The act shall enter into force on 1 January 2014, except for § 2 which shall enter into force on the day of its promulgation in State Gazette.

Transitional and concluding provisions TO THE STATE BUDGET FOR 2014 ACT

(PROM. – SG 98/14, IN FORCE FROM 28.11.2014)

§ 12. The Act shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions
TO THE ACT OF THE NATIONAL SOCIAL INSURANCE BUDGET IN 2015**

(PROM. – SG 107/14, IN FORCE FROM 01.01.2015)

§ 21. The Act shall enter into force on 1 January 2015, except for § 3, Item 5, Letter “b”, Items 18 and 31, which shall enter into force on the 1 January 2016.

**Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION
ACT**

(PROM. - SG 95/15, IN FORCE FROM 01.01.2016)

§ 24. This Act shall enter into force from 1st of January 2016.