

Ordinance No 29

of 12 December 2015

on Establishing the Procedure for Financing the Administrative Expenses of the Bulgarian Deposit Insurance Fund

(Issued by the Bulgarian National Bank; published in the Darjaven Vestnik,
issue 103 of 30 December 2015; effective as of 30 December 2015)

Chapter 1

GENERAL PROVISIONS

Article 1. (1) This Ordinance shall establish the amount and procedure for levying the annual fee paid by banks and bank branches under Article 1, paragraphs 2 and 3 of the Law on Bank Deposit Guarantee covered by the deposit guarantee scheme in the Republic of Bulgaria for defraying the administrative expenses of the Bulgarian Deposit Insurance Fund (BDIF) and the Bank Resolution Fund (BRF).

(2) The amount of the annual fee under paragraph 1 shall be set on the basis of the requisite BDIF and BRF administrative and technical expenses provided for in the BDIF annual budget.

(3) The Management Board of the Bulgarian Deposit Insurance Fund shall manage the BRF, and all expenses on BRF management shall be part of the administrative expenses of the BDIF.

(4) The BDIF shall send for information its draft annual budget for administrative expenses to the Bulgarian National Bank and the Association of Banks in Bulgaria.

(5) The BDIF Management Board shall adopt the annual budget for BDIF administrative expenses and the report on its implementation and submit them to the BNB and the National Audit Office within 30 days of their adoption.

Chapter Two

DETERMINING THE ANNUAL FEES

Article 2. Administrative expenses budget for the following year adopted by the BDIF Management Board shall be no higher than 0.0056 per cent of the amount of covered deposits under Article 1, paragraph 1 as of the end of September of the current year, but no less than the BDIF administrative expenses budget for the current year.

Article 3. (1) The total amount of the fees due by banks for the following year shall be equal to 0.0056 per cent of the amount of banks' /covered deposits under Article 1, paragraph 1 as of the end of September of the current year.

(2) The BDIF Management Board shall notify until 20 November of the current year the Association of Banks in Bulgaria and the BNB of the total amount of annual fees.

(3) The positive difference between the total amount of the fees due by banks for the relevant year and the total amount of BDIF's administrative expenses budget determined under the procedure of Article 2 shall constitute the available funds of the BDIF in accordance with the Appendix thereto.

Article 4. (1) The individual annual fee of each bank, as determined by the BDIF Management Board, shall be equal to the total amount of the fees due by banks for the relevant year, determined under Article 3, paragraph 1, multiplied by the ratio between covered deposits with this bank and their total amount in the banking system as an average value as of 31 December of the previous year, 31 March, 30 June and 30 September of the current year.

(2) Banks shall send to the BDIF until the end of the month following the quarter information on the amount of covered deposits under Article 4, paragraph 1.

(3) The BDIF shall notify each bank of its individually determined fee for the following year by 30 November of the current year.

(4) If banks do not submit to the BDIF within the time limit under paragraph 2 all relevant information for calculating individual annual fees, the BDIF shall determine the annual fee due by each bank on the basis of its own assessments.

Chapter Three

DEPOSITING ANNUAL FEES

Article 5. (1) Banks shall deposit their individual fees by 10 January of the year the budget relates to.

(2) In case of failure to pay an annual fee within the specified deadline, the BDIF Management Board shall charge interest on the due amount for the period of delay, applying the statutory interest rate.

(3) If a bank or branches of a bank under Article 1, paragraphs 2 and 3 of the LBDG discontinue their participation in the deposit guarantee scheme in the Republic of Bulgaria, the BDIF is not obliged to recover their fee deposited for the current year.

Chapter Four

USE OF COLLECTED FEES

Article 6. (1) The BDIF shall earmark collected fees for financing the administrative and technical expenses provided for in its annual budget.

(2) Where it is found after reporting of the budget in the following year that the BDIF has achieved economies, the amount of the economies shall be added to the BDIF's available funds.

(3) Where in the process of preparing the budget for the following year the amount of BDIF's available funds is equal to or exceeds BDIF's administrative expenses budget for the following year, the Management Board may decide not to collect fees from banks for the relevant year.

Chapter Five

REVISING BDIF BUDGET

Article 7. (1) Where extraordinary circumstances during the year lead to a revision of BDIF's budget, the Management Board of the BDIF may use all available funds generated hitherto or collect extraordinary fees from banks.

(2) Extraordinary fees paid by banks shall be calculated on the basis of the last four quarters preceding the quarter of the budget revision and on which the BDIF has information about covered deposits, and the rate applied may not exceed the rate set out in Article 3, paragraph 1.

(3) In adopting a decision on a budget revision, the BDIF Management Board shall discuss required changes and submit the revised budget to the BNB and the National Audit Office within 30 days of approving this revision.

(4) Banks shall deposit extraordinary fees within 30 days of the date of notification.

TRANSITIONAL AND FINAL PROVISIONS

§ 1. This Ordinance is issued on the grounds of Article 2, paragraph 6 of the Law on Bank Deposit Guarantee and adopted by Resolution No 121 of the BNB Governing Council of 12 December 2015.

§ 2. The requirement for determining the annual fees under Article 3, paragraphs 1 and 2 shall apply from 1 January 2016 with regard to the bank fees for 2017.

§ 3. (1) The fee due by banks for 2016 shall be determined on the basis of available information at the BDIF on the average amount of covered deposits as of 31 December 2014, 31 March, 30 June and 30 September 2015.

(2) The amount of covered deposits until 14 August 2015 shall be set under the procedure of the repealed Law on Bank Deposit Guarantee (repealed, Darjaven Vestnik; issue 62 of 2015) and after 14 August 2015, under the Law on Bank Deposit Guarantee (Darjaven Vestnik; issue 62 of 2015).

(3) The Management Board of the BDIF shall determine the total amount of the fees due by banks for 2016 under Article 4 until 22 December 2015, notifying the Association of Banks in Bulgaria and the BNB.

(4) Until 30 December 2015, the BDIF shall notify each bank of its individually set fee for 2016.

§ 4. This Ordinance shall come into force on the date of its publication in the Darjaven Vestnik.

Appendix
to Article 3, paragraph 3

No	BDIF ADMINISTRATIVE EXPENSES BUDGET	Amount in BGN thousand
I.	REVENUE	
I.1.	Total amount of annual fees due by banks	
I.2.	Available funds carried over from previous years	
	TOTAL REVENUE I	
II.	EXPENDITURE	
II.1.	Operating expenditure	
II.1.1.	Expenditure on materials	
II.1.2.	Expenditure on hired services	
II.1.3.	Expenditure on wages	
II.1.4.	Social security and allowance expenditure	
II.1.5.	Other expenditure	
II.1.	Operating expenditure, total	
II.2.	Financial expenditure	
II.3.	Extraordinary expenditure	
II.4.	Expenditure on acquiring tangible and intangible assets	
	TOTAL EXPENDITURE II	
III.	Available funds in the current year (I – II)	

Chief Accountant: Chairman
of the BDIF Management Board: