

# **Ordinance No. 26**

## **of 23 April 2009**

### **on Financial Institutions**

(Issued by the Bulgarian National Bank; published in the Darjaven Vestnik, issue 36 of 15 May 2009; amended, Darjaven Vestnik, issue 58 of 2010; amended, Darjaven Vestnik, issue 60 of 2012; amended, Darjaven Vestnik, issues 44 and 68 of 2014)

#### *Chapter One*

### **General Provisions**

#### **Subject**

**Article 1.** This Ordinance shall lay down the following:

1. (amended; Darjaven Vestnik, issue 44 of 2014) the procedure and necessary documents for entry and deletion of financial institutions under Article 3a of the Law on Credit Institutions (LCI) in/from the register of the Bulgarian National Bank;

2. (amended; Darjaven Vestnik, issue 44 of 2014) the requirements regarding the capital and activities of financial institutions under Article 3a of the Law on Credit Institutions, to persons who manage and represent them, and persons with a qualifying holding or being actual owners; and

3. (new; Darjaven Vestnik, issue 44 of 2014) the financial statements and other information provided by the registered financial institutions to the BNB.

#### **Requirement for Registration**

**Article 2.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) A person with a commercial registration on the territory of the Republic of Bulgaria, which intends to conduct activities under Article 3a, paragraph 1 of the Law on Credit Institutions, if they are material, shall meet the terms and conditions under Article 3a, paragraph 2 of the Law on Credit Institutions (the register), before commencement of these activities.

(2) A foreign financial institution that shall conduct activity on the territory of the Republic of Bulgaria *via* a branch or directly shall be entered in the register if the conditions of Articles 24 and 27 of the LCI are in place.

(3) (new; Darjaven Vestnik, issue 60 of 2012; amended, Darjaven Vestnik, issue 44 of 2014; amended Darjaven Vestnik, issue 68 of 2014) The requirement for registration shall not apply to financial institutions whose principal activity is conducting the activities under Article 2, paragraph 2, items 6 and 7 and Article 3, paragraph 1, item 3 of the LCI with related persons.

## Exemption from Registration

**Article 2a.** (new; Darjaven Vestnik, issue 60 of 2012; amended, Darjaven Vestnik, issue 44 of 2014) Financial institutions whose activity under Article 3a, paragraph 1 of the LCI shall be conducted with funds provided for the purposes of the implementation of targeted projects and programmes of the European Union may be exempt from the requirement for the entry into the register on the basis of a written application and documents proving that the conditions for the exemption exist. The Deputy Governor of the BNB heading the Banking Supervision Department shall reasonably consider the application and shall issue consent or refusal for the exemption.

## Register

**Article 3.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall keep a register of financial institutions pursuant to Article 3a of the LCI.

(2) The following information shall be entered in the registers under paragraph 1:

1. (amended; Darjaven Vestnik, issue 44 of 2014) the registration number of the financial institution; the number and date of the order of the Deputy Governor of the BNB heading the Banking Supervision Department on the entry of the institution into the register.

2. the unified identification code (UIC) of the legal entity;

3. the name and legal form of the legal entity;

4. (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) the registered and head office addresses, correspondence address and contact persons;

5. (amended; Darjaven Vestnik, issue 44 of 2014) the activities under Article 3a, paragraph 1 of the LCI carried on by way of business;

6. (amended; Darjaven Vestnik, issue 44 of 2014) the number and date of the order of the Deputy Governor of the BNB heading the Banking Supervision Department on the deletion from the register and the grounds thereof;

7. (new; Darjaven Vestnik, issue 44 of 2014) any other information relating to the financial institution.

(3) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik; issue 44 of 2014) The register is public, electronically available and updated *via* an automated uniform system on the basis of the data provided by the registered persons.

## Capital

**Article 4.** (amended; Darjaven Vestnik, issue 44 of 2014) (1) The minimum required paid-in capital for the entry of a financial institution in the register shall be BGN 1,000,000.

(2) (amended; Darjaven Vestnik, issue 68 of 2014) The contributions up to the minimum required capital under paragraph 1 may only be in cash and shall be made from the own funds of the financial institution. The provisions of Article 13, paragraph 3 of the LCI shall apply when calculating the amount of the own funds.

(3) The origin of the funds for contributions to the capital shall be clear and legitimate.

(4) A company that is not newly established shall have both paid-in capital and own funds, each not less than the amount under paragraph 1.

(5) A registered financial institution shall, at any time, hold own funds up to an amount not less than the amount referred to in paragraph 1. The amount of the own funds shall be specified according to the financial statements under Article 15, paragraph 1.

(6) (new; Darjaven Vestnik, issue 68 of 2014) Own funds shall be the sum total of: registered and paid-in capital, company's reserves formed under Article 246 of the Law on Commerce, retained earnings from previous years and current profit as of the respective reporting period. This amount shall be reduced by losses for previous years and current losses as of the respective reporting period. Where redeemed shares/units exist, the amount of the own funds of the company shall be reduced by the amount of the redeemed shares/units.

### **Requirements for the Management and Owners**

(title amended; Darjaven Vestnik, issue 44 of 2014)

**Article 5.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) A person managing and representing a financial institution, including by virtue of authorisation, shall meet the following requirements:

1. has a university education;
2. has at least three years professional experience in the field of economics, law, finance, or computer science;
3. has not been convicted of a premeditated crime of general character, unless rehabilitated;
4. has not, during the last two years, been a member of a managing or controlling body, or general partner in a company, which has been terminated by bankruptcy, if creditors have not been paid;
5. has not been deprived of the right to hold positions of financial responsibility;
6. has not been included in the list under Article 5, paragraph 1 of the Law on Measures Against Terrorist Financing;
7. (new; Darjaven Vestnik, issue 44 of 2014) there are no apparent facts raising reasonable doubts about his/her qualification, professional experience and reputation.

(2) (amended; Darjaven Vestnik, issue 44 of 2014) Natural persons with a direct or indirect qualifying holding in the capital of the financial institution, as well as the actual owners shall meet the requirements under paragraph 1, items 3

to 6; no apparent facts raising any doubts about the reliability, financial stability and reputation of these persons shall exist, and in the case of legal entities – there shall be no doubt about their financial stability and reputation.

(3) The requirements under paragraph 2 shall also apply to the persons who by law represent the legal entities with a direct or indirect qualifying holding in the capital of the financial institution.

## *Chapter Two*

# **PROCEDURE AND DOCUMENTS FOR ENTRY IN THE REGISTER. REFUSAL AND DELETION**

## **Documents for Entry in the Register**

**Article 6.** (1) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) To be entered in the register, a person with commercial registration on the territory of the Republic of Bulgaria who intends to conduct activity as a financial institution under Article 3a of the LCI shall submit a written application to the Bulgarian National Bank and a registration form drawn up in the format established by the Bulgarian National Bank. The documents for registration shall be submitted in paper and the registration form and information under Article 6, paragraph 3, item 2, paragraph 4, item 2 and paragraph 5, item 7 also in electronic form signed by qualified electronic signature.

(2) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) The application under paragraph 1 shall contain the name, the unified identification code (UIC), the registered office and head office addresses of the applicant and the description of the activities to be performed under Article 3a, paragraph 1 of the LCI. The following documents related to the applicant shall be enclosed to the application:

1. a certified copy of the Statute or the Articles of Association;
2. (amended; Darjaven Vestnik, issue 44 of 2014) documents evidencing that the required capital under Article 4 has been paid-in;
3. (deleted; Darjaven Vestnik, issue 44 of 2014);
4. (amended; Darjaven Vestnik, issue 60 of 2012) a list of the shareholders/partners, the number and the relevant stake of shares/units in the capital of the applicant;
5. (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) a list of the shareholders/partners with an indirect qualifying holding in the capital of the applicant;
6. (new; Darjaven Vestnik, issue 44 of 2014 ) a list of the actual owners within the meaning of the Law on Measures Against Money Laundering;
7. (amended; Darjaven Vestnik, issue 60 of 2012; former item 6, amended; Darjaven Vestnik, issue 44 of 2014) a list of the managers (members of manage-

ment bodies) of the company and of persons authorised to manage and represent the company;

8. (former item 7; Darjaven Vestnik, issue 44 of 2014) financial statements: balance sheets, income statements, auditor's reports (where applicable) for the last two years of the legal entity's business;

9. (amended; Darjaven Vestnik, issue 60 of 2012; former item 8, amended; Darjaven Vestnik, issue 44 of 2014) a record on paid supervision charge under Article 17, item 1;

10. (former item 9; Darjaven Vestnik, issue 44 of 2014) a list of addresses of all the premises where the activity as a financial institution will be conducted.

(3) For the persons managing and representing the applicant, the following data and documents shall be enclosed to the application:

1. (amended; Darjaven Vestnik, issue 44 of 2014) the name and personal data on identification, nationality, permanent and present address, and a certified copy of the identity document;

2. a completed questionnaire: a declaration about qualification, professional experience and reputation according to a sample form of the Bulgarian National Bank;

3. a conviction status certificate or a similar document in case of a foreign person;

4. (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) a notary verified copy of the diploma of higher education;

5. a declaration that the circumstances under Article 5, paragraph 1, items 4–6 are met;

6. a certificate on the lack of tax and insurance obligations.

(4) (amended; Darjaven Vestnik, issue 44 of 2014; amended; Darjaven Vestnik, issue 68 of 2014) For any natural person with a direct qualifying holding in the capital of the applicant, the following shall be enclosed to the application:

1. data, documents and declarations under Article 3, items 1, 3, 5 and 6;

2. (amended; Darjaven Vestnik, issue 44 of 2014) a completed questionnaire: a declaration about reliability, financial stability and reputation according to a sample form of the Bulgarian National Bank;

3. (amended; Darjaven Vestnik, issue 44 of 2014; amended; Darjaven Vestnik, issue 68 of 2014) a declaration on the origin of the funds for contributions to the capital, respectively for acquiring subscribed shares or against participations in the applicant's capital, and documents proving the origin (such as an annual tax declaration, an income certificate, a copy of the notarial deed or contract for the sale of assets, *etc.*);

4. (new; Darjaven Vestnik, issue 68 of 2014) documents related to the available cash of the person, which are actual as of the contribution date (*e.g.* a bank statement on available cash on accounts; a payment document on funds received from a sale of assets, *etc.*);

5. (new; Darjaven Vestnik, issue 68 of 2014) a declaration concerning the type and amount of the loans received by the person with actual data as of the contribution date;

6. (new; Darjaven Vestnik, issue 68 of 2014) payment documents evidencing that the shares/units in the capital are paid in;

7. (new; Darjaven Vestnik, issue 68 of 2014) other documents, at the discretion of the applicant or the BNB, showing that contributions in the capital have been made by own funds and the origin of the funds is clear and legitimate.

(5) (amended; Darjaven Vestnik, issue 68 of 2014) ) For any legal entity with a direct qualifying holding in the capital of the applicant, the following data and documents shall be enclosed to the application:

1. (amended; Darjaven Vestnik, issue 60 of 2012) a financial standing certificate;

2. a certified copy of the Articles of Association, Memorandum (Act) of Association or other documents evidencing establishment of the company;

3. (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 68 of 2014) financial statements: balance sheets, income statements, auditor's reports (where applicable) for the last two years of the legal entity's business and for the accounting year preceding the year of contribution or acquisition;

4. a certificate on the lack of tax and insurance obligations;

5. (amended; Darjaven Vestnik, issue 44 of 2014; amended; Darjaven Vestnik, issue 68 of 2014) a declaration and documents on the origin of the funds used to acquire the shares, respectively the units, or to make the contributions in the capital;

6. data, documents and declarations under paragraph 3, items 1, 3, 5 and 6 concerning the persons representing the legal entity by law;

7. a completed questionnaire: a declaration under paragraph 4, item 2 with information about the legal entity;

8. (new; Darjaven Vestnik, issue 68 of 2014) documents certifying the available cash of the person as of the date of contribution to the applicant's capital;

9. (new; Darjaven Vestnik, issue 68 of 2014) other documents, at the discretion of the applicant or the BNB, showing that contributions in the capital have been made by own funds and the origin of the funds is clear and legitimate.

(6) (repealed; Darjaven Vestnik, issue 44 of 2014)

(7) (new; Darjaven Vestnik, issue 68 of 2014) For any natural person with an indirect qualifying holding in the capital of the applicant and for the actual owners of applicant, data and documents under paragraph 4, items 1 and 2 and a declaration on the origin of the funds shall be enclosed to the application. For any legal entity with an indirect qualifying holding in the capital of the applicant, data and documents under paragraph 5, items 1–4, 6 and 7 and a declaration on the origin of the funds shall be enclosed to the application.

(8) (previous wording of paragraph 7; Darjaven Vestnik, issue 68 of 2014) The Bulgarian National Bank may require any additional documents necessary for certifying the requirements set out in the law and this Ordinance.

(9) (previous wording of paragraph 8; Darjaven Vestnik, issue 68 of 2014) If the presented documents are non-compliant or additional information is required, the Bulgarian National Bank shall notify the applicant, setting a term for removal of non-compliances and/or for submission of additional information.

### **Registration**

(title amended; Darjaven Vestnik, issue 44 of 2014)

**Article 7.** (1) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall enter the financial institution in the register no later than 30 days after the receipt of the application and required documents certifying compliance with the requirements under Articles 4–6.

(2) (repealed; Darjaven Vestnik, issue 60 of 2012)

(3) (amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall enter in the register under Article 3a of the LCI a foreign financial institution, of which it has been notified by the home country's competent authorities that the financial institution intends to conduct activity *via* a branch or directly on the territory of the Republic of Bulgaria and for which a certificate under Article 24 of the LCI is attached.

(4) (new; Darjaven Vestnik, issue 60 of 2012; repealed; Darjaven Vestnik, issue 44 of 2014)

### **Refusal of Registration**

**Article 8.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall refuse registration of a person that intends to conduct activity under Article 3a, paragraph 1 of the LCI as a financial institution where:

1. the capital of the applicant no longer meets the requirements of this Ordinance;

2. persons who manage and represent the applicant no longer meet the requirements of this Ordinance;

3. (amended; Darjaven Vestnik, issue 44 of 2014) persons with a qualifying holding in the capital of the applicant or actual owners no longer meet the requirements of this Ordinance;

4. (amended; Darjaven Vestnik, issue 44 of 2014) the applicant has failed to submit within the specified deadline all required data and documents or the submitted documents contain incomplete, contradictory or incorrect information;

5. (new; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) the origin of the funds used for contributions in the capital is not clear and legitimate or the contributions have not been made by own funds;

6. (former item 5; Darjaven Vestnik, issue 60 of 2012) other requirements under this Ordinance have not been satisfied.

(2) The refusal for entering in the register shall be reasoned in writing.

### **Deletion of Registration**

**Article 9.** (1) The Bulgarian National Bank shall delete a financial institution from the register at its request where:

1. (amended; Darjaven Vestnik, issue 44 of 2014) a decision has been taken to cease the activities under Article 3a, paragraph 1 of the LCI;
2. a decision has been taken to terminate the legal entity's operation;
3. there is a reduction in the ratio under Article 13, paragraph 1;
4. there are other circumstances.

(2) (amended; Darjaven Vestnik, issue 44 of 2014) In the cases under paragraph 1, the financial institution shall enclose the relevant documents upon the occurrence of the circumstances under paragraph 1.

(3) The Bulgarian National Bank shall delete a financial institution from the register where:

1. (amended; Darjaven Vestnik, issue 44 of 2014) the financial institution fails to commence the permitted activity within six months after the registration, or has discontinued the activity for more than six months;
2. the financial institution ceases to meet the registration requirements or other requirements under this Ordinance;
3. (amended; Darjaven Vestnik, issue 60 of 2012) the registration and changes thereto are made on the basis of data and documents which contain incomplete, contradictory or incorrect information;
4. the financial institution does not fulfill its obligations under the LCI or legislative acts on its enactment or other regulatory requirements for conducting the activity;
5. (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) the financial institution does not fulfill its obligations related to the Central Credit Register, or violates the rules for its use;
6. the financial institution performs transactions and operations related to money laundering or in violation of the Law on Measures Against Money Laundering and its enactment acts;
7. (new; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) the financial institution does not meet the requirements under Article 4, paragraphs 3 and 5 and the breach has not been removed within the term set by the BNB;
8. (new; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) in conducting examinations under Article 10, paragraph 3 and Article 16, the financial institution does not provide required documents and does not assist the BNB bodies;



9. (new; Darjaven Vestnik, issue 44 of 2014) financial statements submitted under Article 15 contain incorrect and/or contradictory information.

(4) (amended; Darjaven Vestnik, issue 44 of 2014) A person that has been deleted from the register shall not carry out activities under Article 3a, paragraph 1 of the LCI. The person may submit a new application for registration no earlier than six months of the deletion from the register.

(5) (amended; Darjaven Vestnik, issue 60 of 2012; repealed; Darjaven Vestnik, issue 44 of 2014)

### **Notification of Changes after the Registration**

(amended; Darjaven Vestnik, issue 44 of 2014)

**Article 10.** (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) (1) Within a 15-day term, a person entered in the register shall notify the Bulgarian National Bank of any change in the activities under Article 3a, paragraph 1 of the LCI, in the information and documents submitted in connection with the registration, as well as it shall enclose certified copies of the documents evidencing the change.

(2) (amended; Darjaven Vestnik, issue 68 of 2014) (2) The registration form and questionnaires (declarations on the managing and representing persons, and persons with a direct qualifying holding) containing new circumstances shall be submitted electronically.

(3) The notification shall be deemed completed upon examinations of data and documents under paragraphs 1 and 2 and the approval by the BNB of the updated information entered by the financial institution in electronic forms *via* the automated uniform system.

### **Data Storage**

**Article 11.** The Bulgarian National Bank shall store all documents submitted on paper and electronically by financial institutions concerning their registration and stated changes for a period of five years after the date of the financial institution's deletion from the register.

## *Chapter Three*

# **CONDUCTING ACTIVITY OUTSIDE THE TERRITORY OF THE REPUBLIC OF BULGARIA**

### **Issuing a Certificate under Article 25 of the LCI**

**Article 12.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) For issuing a certificate under Article 25, paragraph 2 of the LCI, a financial institution with a registered office in the Republic of Bulgaria shall submit a written application to the Deputy Governor of the Bulgarian National Bank heading the Banking Super-

vision Department together with the documents certifying the compliance with the conditions under Article 25, paragraph 1 of the LCI enclosed to the application.

(2) (amended; Darjaven Vestnik, issue 60 of 2012) Where for identifying the existence of the conditions for issuing or refusing a certificate, further information is required, the Bulgarian National Bank may require its submission by the applicant, by the parent bank or any of the banks that jointly hold the financial institution. The Bulgarian National Bank shall also set a deadline for submission.

(3) Within one month, the Bulgarian National Bank shall review the documents and come up with a decision on the application under paragraph 1.

(4) (amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall issue the required certificate provided the conditions under Article 25, paragraph 1 of the LCI are simultaneously met.

(5) (amended; Darjaven Vestnik, issue 44 of 2014) The Bulgarian National Bank shall refuse issuance of the required certificate where the requirements under Article 25, paragraph 1 of the LCI are not met.

(6) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) The certificate shall be forwarded to the competent authority of the Member State where the financial institution will conduct activity *via* a branch or directly. The Bulgarian National Bank shall also submit information on the amount and structure of own funds of the financial institution and the value of total risk exposure of the parent bank calculated under Article 92 (3) and (4) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (OB, L 176/1 of 27 June 2013). A copy of the certificate or refusal to issue a certificate shall be sent to the applicant.

#### *Chapter Four*

### **REQUIREMENTS TO THE OPERATION OF THE FINANCIAL INSTITUTION**

#### **Criteria for Principal Activity**

(title amended; Darjaven Vestnik, issue 44 of 2014)

**Article 13.** (1) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) Principal activity of a financial institution exists where the ratio of the activities under Article 3a, paragraph 1 of the LCI, as calculated in whichever of the two manners under paragraph 2, is not less than 30 per cent of the total activity of the legal entity according to the financial statements.

(2) (amended; Darjaven Vestnik, issue 68 of 2014) The ratio under paragraph 1 is calculated on the basis of the net income from principal activity to the total income or the balance sheet value of the asset corresponding to the principal activity to total assets. Investment related to the shareholding in companies other than credit and financial institutions shall be disregarded in the calculation of the ratio.

(3) (amended; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) As regards a newly established company or a company which intends to conduct the activities under Article 3a, paragraph 1 of the LCI for the first time, the ratio under paragraph 2 shall be calculated on the basis of the data contained in financial statements under Article 15 following the first two quarterly periods after the date of registration of the financial institution in the BNB.

(4) The financial institution shall notify the Bulgarian National Bank in case of reduction of the ratio under paragraph 1.

(5) (amended; Darjaven Vestnik, issue 60 of 2012) If the circumstance under paragraph 1 does not exist for more than a year, the Bulgarian National Bank shall delete the financial institution from the register on its own initiative, unless the deletion has been already requested by the financial institution.

### **Requirements to Rules and Information**

(amended; Darjaven Vestnik, issue 44 of 2014)

**Article 14.** (amended; Darjaven Vestnik, issue 44 of 2014) (1) The financial institution entered in the register under Article 3a of the LCI must adopt and implement internal rules governing its activity, which include:

1. a clear organisation structure and allocation of responsibilities;
2. effective procedures for organisation and management by type of activity;
3. adequate internal control mechanisms, including reliable and effective administrative and accounting procedures.

(2) The financial institution entered in the register under Article 3a of the LCI shall submit to the BNB rules under paragraph 1 within 30 days of the entry in the register, respectively their change.

(3) A financial institution entered in the register under Article 3a of the LCI, which is a liable person under the Law on Measures against Money Laundering, shall submit to the Bulgarian National Bank a copy of internal rules on measures against money laundering and terrorist financing approved by the Chairman of the National Security Government Agency within 30 days of their approval, respectively endorsement of accepted changes.

### **Reporting Requirements**

**Article 15.** (1) (amended; Darjaven Vestnik, issue 60 of 2012) Each financial institution shall prepare and submit to the BNB quarterly and annual financial statements in a form and content set by the Bulgarian National Bank by the 20th day of the month following the reporting period.

(2) (new; Darjaven Vestnik, issue 60 of 2012) Financial institutions, subject to compulsory independent financial audit, shall present upon BNB request annual financial statements, annual activity reports, annual consolidated financial statements, annual consolidated activity reports prepared under the Accountancy Law.

(3) (new; Darjaven Vestnik, issue 58 of 2010, former paragraph 2; Darjaven Vestnik, issue 60 of 2012; repealed; Darjaven Vestnik, issue 44 of 2014)

(4) (Previous wording of paragraph 2; Darjaven Vestnik, issue 58 of 2010; former paragraph 3; Darjaven Vestnik, issue 60 of 2012; amended; Darjaven Vestnik, issue 44 of 2014) Financial institutions entered in the register under Article 3a of the LCI shall keep for at least five years all accounting documents and other information related to their activity, including information on contracts concluded. The term for keeping the documents related to the concluded contracts shall start on the date of termination of contractual relationships.

## *Chapter Five*

### **CONTROL**

#### **Examination of Data Accuracy**

**Article 16.** (1) (amended; Darjaven Vestnik, issue 44 of 2014) The banking supervisory authorities of the Bulgarian National Bank shall conduct examinations, including on-site, of the accuracy of the reports prepared and submitted to the Bulgarian National Bank, of the rules, as well as of any other data under this Ordinance and the LCI.

(2) The Bulgarian National Bank may require financial institutions to submit reports and documents with the aim of identifying all circumstances which are essential for the reporting with the Bulgarian National Bank or other information relevant to the control carried out by the Bulgarian National Bank in relation with the enactment of this Ordinance.

(3) The banking supervisory authorities of the Bulgarian National Bank shall have the powers under Article 80 of the LCI in exercising on-site examinations over financial institutions.

(4) The persons authorised by the Deputy Governor of the Bulgarian National Bank heading the Banking Supervision Department may, for control purposes under paragraphs 1–3, require additional data regarding the legal status and activity of the financial institutions.

### **Fees**

**Article 17.** (amended; Darjaven Vestnik, issue 60 of 2012) The Bulgarian National Bank shall collect a fee for administrative costs related to consideration of applications, as follows:

1. for entering in the register: BGN 3000;
2. for issuing the certificate under Article 25, paragraph 2 of the LCI: BGN 1500.
3. (new; Darjaven Vestnik, issue 44 of 2014) for changing circumstances under Article 4 and/or 5: BGN 500.

## Additional Provisions

**§ 1.** (new; Darjaven Vestnik, issue 60 of 2012) (1) (amended; Darjaven Vestnik, issue 44 of 2014) All documents in a foreign language as submitted under the terms and procedures of this Ordinance shall be accompanied by a Bulgarian translation made by the Ministry of Foreign Affairs, by a consular or diplomatic officer in the country of origin of the document or by a person having concluded a translation contract with the Ministry of Foreign Affairs, and submitted official documents shall also be legalised, where applicable. The BNB Deputy Governor heading the Banking Supervision Department may request copies of some private documents of essential significance for assessment of the compliance with the requirements of this Ordinance for notary verification of the issuers' signatures.

(2) (amended; Darjaven Vestnik, issue 44 of 2014) In case of initial registration and changes, the registration forms shall be completed in the Bulgarian language. Electronic forms shall be signed by qualified electronic signature according to the Law on Electronic Document and Electronic Signature.

## Transitional and Final Provisions

**§ 1a.** (former § 1; Darjaven Vestnik, issue 60 of 2012) This Ordinance is issued pursuant to Article 3a, paragraph 3 and § 13 of the Law on Credit Institutions. The Ordinance is adopted by Resolution No. 53 of 23 April 2009 of the Governing Council of the Bulgarian National Bank.

**§ 2.** This Ordinance shall repeal Ordinance No. 26 of 2006 on Financial Houses (published in Darjaven Vestnik, issue 7 of 2007; amended, issue 19 of 2007).

**§ 3.** In order to be registered, the financial houses incumbent upon the entry into force of this Ordinance and licensed by the Bulgarian National Bank shall file an application and documents under Article 6, paragraph 1, paragraph 3, item 2, paragraph 4, item 2, paragraph 5, item 7 to the Bulgarian National Bank.

**§ 4.** For the Fund Equity and National Guarantee Fund established pursuant to the Law on the Bulgarian Development Bank, the entry in the register is made officially.

**§ 5.** The financial institutions incumbent upon the entry into force of this Ordinance shall file an application for registration until 30 September 2009.

**§ 6.** The cooperatives under § 12 of the LCI incumbent upon the entry into force of this Ordinance shall be registered on the grounds of a certificate for compliance with the requirements of Decree No. 343 of 30 December 2008 of the Council of Ministers issued by the Minister of Agriculture or a person authorised by him, and continue their activity under the procedure established by the Council of Ministers.

**§ 7.** Financial institutions registered until 31 May 2009 shall submit their first reports under Article 16, paragraph 1, item 1 as of 30 April 2009.

**§ 8.** The BNB Deputy Governor heading the Banking Supervision Department shall issue instructions on enactment of this Ordinance.

**ORDINANCE  
on Amendment of  
BNB Ordinance No. 26 on Financial Institutions**

(published; Darjaven Vestnik, issue 58 of 30 July 2010)

**Final Provision**

§ 3. This Ordinance is issued pursuant to § 13 of the Law on Credit Institutions, and is adopted by Resolution No. 75 of 15 July 2010 of the Governing Council of the Bulgarian National Bank.

**ORDINANCE  
on Amendment of  
Ordinance No. 26 of 2009 on Financial Institutions**

(published; Darjaven Vestnik, issue 60 of 7 August 2012)

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**Transitional and Final Provisions**

§ 17. Financial institutions entered in the register of the Bulgarian National Bank under Article 3, paragraph 2 of the Law on Credit Institutions, whose own funds do not meet the requirements of Article 4, paragraph 3, must align their own funds with the provisions of this Ordinance by 31 December 2012.

**ORDINANCE  
on Amendment of  
Ordinance No. 26 of 2009 on Financial Institutions**

(published; Darjaven Vestnik, issue 44 of 27 May 2014)

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**Transitional and Final Provisions**

§ 19. Persons under § 4 and 6 of the Transitional and Final Provisions of Ordinance No. 26 of 2009 on Financial Institutions (published; Darjaven Vestnik, issue 6 of 2009) shall return their registration certificates within the term set under § 80, paragraph 4 of the Amendments to the Law on Credit Institutions (published; Darjaven Vestnik, issue 27 of 2014) and shall be re-registered without any application.

**§ 20.** (1) Financial institutions entered in the register, which will conduct activity under Article 3a, paragraph 1 of the Law on Credit Institutions shall submit within the term set under § 80, paragraph 4 of the Amendments to the Law on Credit Institutions (published; Darjaven Vestnik, issue 27 of 2014) an application for re-registration. The following documents shall be enclosed to the application:

1. a registration certificate;
2. documents certifying compliance with the requirements under Article 4, paragraphs 1–3 and 5;
3. documents under Article 6, paragraph 3 for the persons who manage and represent the financial institution by virtue of authorisation;
4. (amended; Darjaven Vestnik, issue 68 of 2014) a list of actual owners and documents under Article 6, paragraph 7 for them if they are not submitted to the BNB;
5. other documents necessary for certifying the requirements set out in this Ordinance.

(2) The Bulgarian National Bank shall enter the financial institution in the register no later than three months after the receipt of the application and all required documents certifying compliance with the requirements of this Ordinance.

(3) The Bulgarian National Bank shall refuse re-registration of a financial institution where it does not comply with the requirements of this Ordinance.

**§ 21.** A company which has applied for registration as a financial institution before the enforcement of this Ordinance shall be entered into the register if the requirements of this Ordinance are met.

**§ 22.** Financial institutions entered in the register, which have not submitted an application for re-registration within the term set under § 80, paragraph 4 of the Amendments to the Law on Credit Institutions (published; Darjaven Vestnik, issue 27 of 2014) and those that had been refused a re-registration shall be deleted from the register.

**§ 23.** The registration certificates issued under this Ordinance are no longer valid upon expiry of the term under § 80, paragraph 4 of the Amendments to the Law on Credit Institutions (published; Darjaven Vestnik, issue 27 of 2014) and for financial institutions re-registered before this term from the date of re-registration.

**§ 24.** This Ordinance is issued on the grounds of Article 3a, paragraph 1, paragraph 2, item 3, paragraphs 4, 7 and 8 and Article 25, paragraph 3 pursuant to § 13 of the Transitional and Final Provisions of the Law on Credit Institutions, and is adopted by Resolution No. 58 of 13 May 2014 of the Governing Council of the Bulgarian National Bank.

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**ORDINANCE**  
**on Amendment of**  
**Ordinance No. 26 of 2009 on Financial Institutions**

(published; Darjaven Vestnik, issue 68 of 2014)

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**Final Provision**

§ 7. This Ordinance is issued on the grounds of Article 3a, paragraph 1, paragraph 2, item 3, paragraphs 4 and 7 pursuant to § 13 of the Transitional and Final Provisions of the Law on Credit Institutions, and is adopted by Resolution No. 96 of 31 July 2014 of the Governing Council of the Bulgarian National Bank.