



BSE  
International

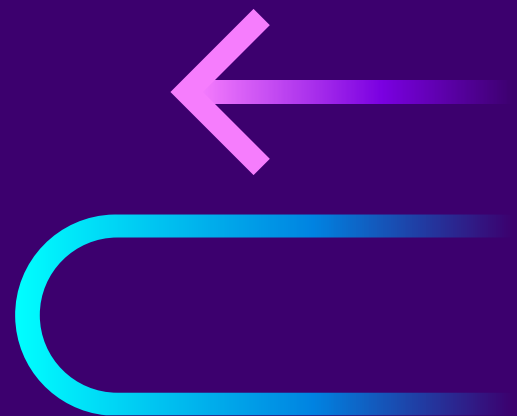
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# QUESTIONS & ANSWERS

2022



# Content



## How does **BSE International** work?

This is a multilateral trading system organised by the Bulgarian Stock Exchange (BSE), which provides an opportunity for local investors to diversify their portfolios with financial instruments issued by some of the most famous and liquid companies in the world.

The Exchange has the approval for the organisation of the MTF BSE International market by the Financial Supervision Commission, as its instruments are traded through the T7® trading platform and under the same trading rules as those of the BSE Main Market.

The instruments are ex officio admitted by the stock exchange based on the interest expected from investors. All instruments on the MTF BSE International market have a registered market maker - Tradegate AG, which makes their liquidity extremely high.

The settlement of the transactions is performed in ClearStream Banking Luxembourg through Central Depository AD in its role of settlement agent. At the analytical level, CD AD keeps the registers of the holders of financial instruments in transactions concluded on BSE. After receiving the information about the concluded transactions and based on the messages received from its members, Central Depository AD (CD AD) prepares and sends to ClearStream (CBL) instructions for the finalisation of these transactions. The announcements from the CD AD are prepared and sent on the day of concluding the transaction, in accordance with the agreement with the market maker and the bank, which performs the functions of a clearing member and serves TRADEGATE AG. The messages are on an aggregated basis by issues.

## What are the advantages of **BSE International**?

**Liquidity** - All instruments on the MTF BSE International market have a registered market maker - Tradegate AG, which makes their liquidity extremely high.

**Diversification** - In this way, investors can now have an easy solution to diversify their portfolios. This, of course, is still possible, but the BSE International market unlocks the path of trade for other new investors.

**Dividends/Yield** - Some investors invest in companies that distribute dividends. In this way, both a possible capital return and a dividend are provided. Some international companies distribute dividends on a quarterly basis, while in our country by law this is possible on a six-month basis, i.e. twice a year.

**Low commissions**

## What **fees and commissions** do I owe?

A detailed description of the trading fees on the stock exchange is available in the Tariff of Fees of Bulgarian Stock Exchange as an operator of a multilateral trading system.

The Central Depository fees can be seen on the website in the tariff, item 3.12 of Section III: SERVICE PRICE TARIFF OF CDAD (csd -bg.bg). Please, also keep in mind that CBL collects a fee for safekeeping of financial instruments that are in the account of the Central Depository AD and these fees will be re-invoiced to the members of the Central Depository AD, following the text of the Service Price Tariff above.

Please, note that the above fees are due from investment intermediaries, members of BSE and the Central Depository. Fees payable by end customers are determined according to the Tariff of the investment intermediary with which they signed an agreement.

## What **tax rules** apply to BSE International?

The tax treatment in Bulgaria of individuals and legal entities concerning dividend income and realised profit from purchase and sale of financial instruments can be found here: [National Revenue Agency's statement for tax treatment of BSE International market](#)

The tax treatment of dividend income per issuer's country of origin can be found here: [Tax rates on dividends in the countries of origin of the issuers](#) Please, note that the information in the table is indicative only and does not cover all possible situations. It does not replace the need for professional tax advice. Tax laws change frequently and the table may not be completely up to date. You should not base your investment decisions solely on the information in the table.

Tax refund procedures.

Please, note that the refund of the overpaid tax should be made in the country where the tax was paid and according to local tax laws and procedures.

## What is the procedure and deadlines for **dividend payment**?

The Central Depository shall immediately reflect all changes related to corporate actions. In some cases, such as the payment of dividends in a currency other than the Euro, there are technical delays. The delay is caused by the necessity to convert amounts received in another currency into Euros. Conversion is required due to the lack of cash accounts in the respective currency with some members of the depository, as well as the much higher cost of the money transaction for amounts in currencies other than Euro, e.g. for receiving a dividend of \$1 may be required a fee of between \$15 and \$35 from each beneficiary depending on the number of end customers and investment intermediaries. The conversion is done at the request of CBL, based on their procedures and as a result of a request made by us. Unfortunately, these procedures are not performed on a daily basis and in such cases we have to wait until the funds are transferred to the Central Depository's account.

## What **exchange rate** applies to BSE International?

See the answer to the previous question!

## Where can I check the shares **registered in my name**?

The shares owned can be checked mostly through the respective investment intermediary - servicing the end-investor, as the reporting on the concluded and finalised transactions is the investment intermediary's obligation. Also, a reference can be made through the specially created internet platform of CD AD, and for this purpose is required a Personal Identification Code (PIC) issued by the National Revenue Agency (NRA).

## What is the **minimum tick size** of financial instruments?

Bid and ask orders and quotes of shares, depositary receipts and exchange-traded funds are introduced with a minimum tick size determined under Delegated Regulation (EU) 2017/588. The tick size for exchange-traded products, ETC and ETN, is four decimal places.

Each of the traded instruments has a minimum value below which it cannot be divided or traded. The minimum market lot for trading on the BSE International market is 1 piece of financial instrument.

## In the case of **spin-offs**, will the spin-off company be registered for trading on the BSE International market?

In the event that there are shareholders who have acquired shares in the BSE International market of a company from which a new company is separated, the separating company will also be registered for trading in case the market maker of the BSE International market has the opportunity to quote it.



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