

**BULGARIAN
STOCK
EXCHANGE - SOFIA**



БЪЛГАРСКА
ФОНДОВА БОРСА
СОФИЯ

**INSTRUCTIONS ON THE ISSUANCE OF
ELECTRONIC CERTIFICATES
PROVIDING CLIENT RIGHTS TO
BRANCHES AND OFFICES PURSUANT
TO ART. 4(6) OF THE RULES FOR
REGISTRATION TO AND USE OF THE
INTERNET-BASED SYSTEM FOR
ELECTRONIC SUBMISSION OF ORDERS
BY CLIENTS OF BSE MEMBERS**

Art. 1. These Instructions regulate the procedure for issuance of electronic certificates with client rights to branches or offices of subscribers of the Internet-based system for electronic submission of orders by clients of BSE members, generally known and hereinafter referred to as Client Order-Book Online System (COBOS).

(2) These Instructions are issued in accordance with Art. 9 (3) and (4) of Part I of the Rules and Regulations of BSE-Sofia, in connection to Art. 4 (6) of the Rules for registration to and use of the Internet-based system for electronic submission of orders by clients of BSE members ("the Rules").

(3) These Instructions are binding on all subscribers and users, and any violation of these Instructions shall constitute a violation of the Standing Regulations of the Stock Exchange. The Exchange shall provide these Instructions to all of its members. Such provision can be made by electronic means, among other methods.

Art. 2. A branch or office of a member of BSE-Sofia AD can obtain a certificate with client rights (client certificate) only if the Investment Intermediary has a COBOS subscription agreement with BSE-Sofia AD in accordance with Art. 3(3) of the Rules.

Art. 3. A client certificate, issued to a subscriber's branch or office, allows clients of that branch or office to enter orders for purchase or sale of securities via COBOS for execution of these orders by the subscriber's stock broker.

Art. 4. (1) To obtain a user certificate with client rights in the name of a branch or office, the subscriber must lodge an application in predefined format accompanied with:

1. Details of the branch or office as necessary for BSE-Sofia AD to issue the certificate requested;
2. In cases falling under Art. 5(7) of the Rules - the rights of the branch or office in question;
3. Proof of payment of user fee as per the Tariff referred to in Art. 17 of the Rules.

(2) The following rules concerning the client ID number, which is composed of 10 symbols, must be observed when completing the application:

1. The first 6 (six) symbols identify the COBOS subscriber. If the subscriber's name is longer than 6 symbols, an appropriate abbreviation should be used.
2. The last 4 (four) symbols identify the subscriber's branch or office – an acronym indicating the location of the branch or office followed by one last digit indicating the serial number of the branch or office in that location (e.g. SOF1).
3. In case the subscriber's name is shorter than 6 symbols, the spaces between the name of the subscriber and branch code must be filled with nought (0) characters.

Art. 5. The branches and offices of a subscriber, which have obtained a client certificate, shall have the following rights:

1. Enter for confirmation buy or sell orders on account of clients from a list of issues defined to them by the administrator on the grounds of the agreement referred to in Art. 4(3) of the Rules;
2. Right of automatic confirmation – this right is defined by the administrator based on the subscriber's written instruction to that effect, provided however that it does not violate any provisions of the Public Offering of Securities Act (POSA) and its implementing provisions;
3. Cancel via COBOS orders of their clients both before and after such orders are confirmed by a stock exchange broker in the Exchange Trading System. Cancellation in the latter case shall be automatic, however, from the perspective of the Exchange and its Trading System, the act of cancelling the order shall be deemed to be made on behalf of the stock exchange broker and on account of the client of the relevant branch or office.
4. Obtain information about the trades concluded on account of their clients during the session;
5. Obtain information about the current best prices of orders in the Trading System for the issues allowed to them;
6. Obtain other information in accordance with the interface approved by the Board as per Art. 2(3) of the Rules.

Art. 6. The electronic certificate referred to in Art. 3 shall be issued by BSE-Sofia based on the details of the branch or office as stated in the subscriber's application for registration of that branch or office. BSE-Sofia AD does not identify the particular clients of that branch or office and disclaims any liability for any incorrect details that may be stated in the application, neither is BSE-Sofia AD obligated to verify the correctness of the personal data of the clients of the branch or office in question.

Art. 7. All matters not expressly provided for by these Instructions shall be governed by the Standing Regulations of BSE-Sofia AD and by the Rules for registration to and use of the Internet-based system for electronic submission of orders by clients of BSE members.

Transitional and final provisions

§1. These Rules were adopted by the Board of Directors of the Exchange on 24.06.2003 and are in force since 25.06.2003.

§2. These Rules were amended by the Board of Directors of the Exchange on 23.07.2008 and such amendments are in force since 24.07.2008.

§3. These Rules were amended by the Board of Directors of the Exchange on 07.11.2008 and such amendments are in force since 17.11.2008.
