

Currency Law

(Adopted by the 38th National Assembly on 8 September 1999; published in the Darjaven Vestnik, issue 83 of 21 September 1999; in force as of 1 January 2000; amended; issue 45 of 2002, issue 60 of 2003, issue 36 of 2004, issue 105 of 2005; issues 43, 54 and 59 of 2006, in force on the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union; amended, issue 24 of 2009, effective as of 31 March 2009; amended, issues 16, 23 and 96 of 2011)

Subject

Article 1. This Law shall regulate:

1. transactions and payments between residents and non-residents;
2. cross-border transfers and payments;
3. foreign exchange transactions in the line of business;
4. (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) transactions in precious metals and precious stones, and articles made therewith or thereof in the line of business, as well as their cross-border transportation and processing;
5. (amended; Darjaven Vestnik, issue 96 of 2011) cross-border transportation of cash;
6. (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) collection, maintenance and reporting of statistical information on the balance of payments and international investment position of Bulgaria;
7. exercising of foreign exchange control.

Freedom to Conduct Transactions and Operations and to Make Payments

Article 2. (1) (amended; Darjaven Vestnik, issue 16 of 2011) Unless otherwise provided for by law, all operations, transactions and payments referred to in Article 1, items 1 through 5 shall be effected freely.

(2) The extraction of precious metals and precious stones from deposits, which are public state property, shall be made in compliance with the requirements set forth in the legislation currently in force.

Conducting Transactions as an Exchange Bureau

(title amended; issue 24 of 2009, effective as of 31 March 2009)

Article 3. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 43 of 2006) Transactions in currency in cash in the line of business shall be performed by any person, registered under the Commercial Law, and a person registered as a dealer under the legislation of an EU Member State or of a country participating in the European Economic Area, which has been entered into a Public Register of persons performing as exchange bureaux.

(2) Natural persons – merchants, and members of managing and supervisory bodies and the general partners in the legal entities as provided for in paragraph 1 should not have been convicted for a premeditated crime of a public character and should not have been members of a managing or supervisory body or general partners in a company wound up by insolvency, if any unsatisfied creditors have remained.

(3) A Public Register of persons performing as exchange bureaux shall be kept and maintained at the Ministry of Finance. Registration in the Register shall be done within 14 days from the date of filing of all documents required by the Ordinance referred to in paragraph 5.

(4) Fees fixed in a Tariff of Fees to be approved by the Council of Ministers shall be payable for making entries into the Register referred to in paragraph 3.

(5) The Minister of Finance shall issue an ordinance providing for the terms and procedure for making entries in the Register under paragraph 3, as well as on the requirements for the activities of the exchange bureaux.

(6) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(7) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(8) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

Registration with the Bulgarian National Bank

Article 4. (repealed; Darjaven Vestnik, issue 60 of 2003).

Making and Refusal to Make Registration

Article 5. (repealed; Darjaven Vestnik, issue 60 of 2003).

Cross-Border Transfers and Payments

(title amended; Darjaven Vestnik, issue 96 of 2011, effective as of 1 January 2012)

Article 6. (amended; Darjaven Vestnik, issue 96 of 2011, effective as of 1 January 2012) (1) Payment service providers shall effect cross-border transfers and payments upon specifying the grounds for the transfer before them.

(2) Any person effecting a cross-border transfer or payment to a third country, the amount of which is or exceeds BGN 30,000 or its equivalent in other foreign currency, shall submit to the payment service provider information and documents, as provided for in a joint ordinance of the BNB and the Minister of Finance.

Collection of Information for the Purposes of the Balance of Payments Statistics

Article 7. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 96 of 2011) For the needs of the balance of payments statistics, payment service providers shall keep registers of each transaction and payment between a resident and a non-resident, as well as of each cross-border transfer and payment amounting to a sum equal to or exceeding BGN 100,000.

(2) (amended; Darjaven Vestnik, issue 96 of 2011) The persons making the payment or the transfer shall submit a statistical form in accordance with a sample form to be approved by the BNB to the persons referred to in paragraph 1.

(3) (amended; Darjaven Vestnik, issue 96 of 2011) The persons referred to in paragraph 1 shall refuse to make the payment or the transfer if the statistical form under paragraph 2 has not been submitted to them.

(4) (amended; Darjaven Vestnik, issue 96 of 2011) Upon receiving funds from other countries, the residents – recipients of funds, shall complete the statistical forms under paragraph 2 within 30 days from the date of notification of the transfer made by the persons under paragraph 1.

(5) Each transaction concluded in relation to initial direct investments abroad effected by resident legal entities or sole proprietors, including extending financial credits between resident legal entities or sole proprietors and non-residents, shall be subject to declaration before the BNB for the purposes of the balance of payments statistics within 15 days from its conclusion.

(6) (amended; Darjaven Vestnik, issue 96 of 2011) Where a resident legal entity or a sole proprietor instructs a local bank to effect a transfer of funds in relation to a transaction, subject to declaration under paragraph 5, the local bank shall carry out the transfer instruction after verifying that the transaction has been declared by the resident legal entity or the sole proprietor in accordance with the procedure of paragraph 5.

(7) The declaration referred to in Article 5 shall be made once only, and each subsequent transfer shall be certified before the servicing domestic bank by the declaration already certified by the BNB.

(8) The information collected under paragraphs 1 and 4 shall be submitted to the BNB in accordance with a procedure set forth in the ordinance referred to in Article 11.

(9) (amended; Darjaven Vestnik, issue 96 of 2011) The persons under paragraph 1 may not present to other persons and institutions the information collected by them, which constitutes trade, professional or bank secret, unless provided for in any other law.

(10) The Bulgarian National Bank may publish and provide to any other persons and institutions only aggregated data.

(11) The Bulgarian National Bank shall issue an ordinance on the implementation of this Article.

Providing Information to the Bulgarian National Bank

Article 8. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 96 of 2011) The Bulgarian National Bank may require from any resident and non-resident person information, which may be relevant to the balance of payments and international investment position of Bulgaria.

(2) (amended; Darjaven Vestnik, issue 96 of 2011) Each resident and non-resident person shall be obligated to provide to the BNB the information required for the statistics of the balance of payments and international investment position in compliance with the requirements to its content.

(3) (new; Darjaven Vestnik, issue 96 of 2011) The Bulgarian National Bank shall have the right of access to sources of data maintained by the administration of the government, public sector organizations, statistics bodies and other government bodies and organizations, as well as the Bulgarian Red Cross, securities depositories and notary publics, as far as these data are needed for developing, producing and disseminating the European statistics.

(4) (new; Darjaven Vestnik, issue 96 of 2011) The Bulgarian National Bank shall lay down the procedure for the implementation of this Article in the ordinance referred to in Article 7, paragraph 11.

Registers of Direct Investments and Investments in Real Estate

Article 9. (repealed; Darjaven Vestnik, issue 60 of 2003).

Reporting of Operations, Receivables and Liabilities

(title amended; Darjaven Vestnik, issue 96 of 2011)

Article 10. (1) (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 96 of 2011) Resident legal entities and sole proprietors shall be obligated to report by statistical forms to the BNB their operations, receivables from, and their liabilities to non-residents, including their direct investments abroad.

(2) (amended; Darjaven Vestnik, issue 96 of 2011) By 31 March each year, resident natural persons shall, on an annual basis, report in statistical forms to the BNB their receivables from and liabilities to non-residents if the sum of such receivables or liabilities exceeds the lev equivalent of BGN 50,000 as of 31 December of the preceding calendar year.

(3) (new; Darjaven Vestnik, issue 96 of 2011) The Bulgarian National Bank may carry out other periodical statistical studies to collect additional statistical information.

(4) (former paragraph 3; Darjaven Vestnik, issue 96 of 2011) The Bulgarian National Bank shall lay down the procedure for the implementation of this Article in the ordinance referred to in Article 7, paragraph 11.

Customs Register

Article 10a. (new; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 54 of 2006, issue 96 of 2011) The customs authorities shall keep registers of commercial credits related to exports and imports, including financial leasing between residents and non-residents, as well as of cross-border transportation of cash, precious metals and precious stones, and articles made therewith and thereof, subject to declaration in accordance with Articles 11, 11a, 11b, 14, 14a and 14b.

(2) In case of commercial credits related to imports and exports or financial leasing between residents and non-residents, a declaration in accordance with a sample form to be approved by the Minister of Finance shall be submitted to the customs authorities.

(3) (amended; Darjaven Vestnik, issue 54 of 2006; issue 96 of 2011) In cases of cross-border transportation of cash, precious metals and precious stones, and articles made therewith and thereof, subject to declaration in accordance with Articles 11, 11a, 11b, 14, 14a and 14b, the persons shall submit to the customs authorities a declaration in accordance with a sample form to be approved by the Minister of Finance.

(4) (repealed, new; Darjaven Vestnik, issue 96 of 2011) Declarations shall be kept for a period of five years, irrespective of the medium used. This period shall start as from the beginning of the year following the year in which the respective declaration is submitted.

(5) (new; Darjaven Vestnik, issue 96 of 2011) The information under this Article shall be collected and processed in accordance with Article 17a of the Customs Law and the Law on Personal Data Protection.

Exchange of Information

Article 10b. (new; Darjaven Vestnik, issue 96 of 2011) (1) Customs authorities shall collect, process and exchange the information received under Article 10a.

(2) Customs authorities shall provide mutual assistance and exchange of information with the European Commission, EU Member States, other countries by virtue of effective international agreements whereon the Republic of Bulgaria is a party, as well as with other government bodies within their competence, concerning:

1. violations of currency legislation;
2. evidence of money laundering and financing of terrorism related to cash transportation within the meaning of the Law on the Measures against Money Laundering and the Law on the Measures against Financing of Terrorism;
3. indications that transported cash is involved with fraud or other illicit activity and has a negative impact on the EU financial interests.

(3) The information shall be exchanged under the terms and procedure provided for in Council Regulation (EC) No 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters.

Cross-border Transportation of Cash

(title amended; Darjaven Vestnik, issue 96 of 2011)

Article 11. (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) (1) Natural persons may transport unlimited amounts of cash across national borders.

(2) Transportation of cash by post parcels shall be prohibited, with the exception of parcels with declared value.

(3) Transportation of cash by the BNB and banks by post parcels shall be carried out in accordance with a procedure set forth in the ordinance referred to in Article 14d.

Cross-border Transportation of Cash to or from Third Countries

Article 11a. (new; Darjaven Vestnik, issue 96 of 2011) (1) Transportation of cash equal to or exceeding EUR 10,000 or its equivalent in Bulgarian levs or another currency from or to a third country shall be subject to declaration before the customs authorities.

(2) In cross-border transportation of cash equal to or exceeding BGN 30,000 or its equivalent in another currency to a third country, persons shall also submit a certificate from the relevant territorial directorate of the National Revenue Agency on the lack of tax arrears or a document certifying that they have not been entered in the register of the National Revenue Agency.

(3) In transporting cash equal to or exceeding BGN 30,000 or its equivalent in another currency to a third country, non-resident natural persons shall declare before the customs authorities only the type and amount of the transported cash where their value does not exceed the previously declared value.

(4) In cases of justified doubts or evidence of illegal activity involving transportation of cash of up to EUR 10,000 or its equivalent in Bulgarian levs or other foreign currency, the customs authorities may exercise control over the natural persons and require from them to provide information related to the cash transported. Customs authorities shall *ex officio* enter the information in the register under Article 10a.

(5) The obligation to declare under Article 1 shall be deemed to remain unfulfilled in case of refusal to declare or if the declared information is incorrect or incomplete.

Cross-border Transportation of Cash to or from EU Member States

Article 11b. (new; Darjaven Vestnik, issue 96 of 2011) (1) Cross-border transportation of cash equal to or exceeding EUR 10,000 or its equivalent in Bulgarian levs or another currency to or from EU Member States shall be subject to declaration before the customs authorities on their request.

(2) In transporting cash to or from EU Member States, Article 11a, paragraph 4 shall also apply.

(3) The obligation to declare, upon request, under paragraph 1 shall be deemed to remain unfulfilled in case of refusal to declare or if the declared information is incorrect or incomplete.

Exchange Rates of Foreign Currencies against the Bulgarian Lev

Article 12. (1) The Bulgarian National Bank shall quote daily the exchange rates of selected foreign currencies against the Bulgarian lev, which are used for statistical and accounting purposes.

(2) (amended; Darjaven Vestnik, issue 96 of 2011) Upon proposal by the Ministry of Finance, the Bulgarian National Bank shall at its discretion determine also exchange rates related to payment agreements.

(3) (new; Darjaven Vestnik, issue 60 of 2003) The lev equivalent of foreign currencies for the needs of the declarations under Article 11 shall be set in accordance with the customs legislation.

Extraction, Processing of and Transactions in Precious Metals and Precious Stones, and Articles Made Therewith and Thereof in the Line of Business

Article 13. (amended; Darjaven Vestnik, issue 60 of 2003) (1) Persons who deal with extracting, processing of and transactions in precious metals and precious stones, and articles made therewith and thereof in the line of business shall be obligated to register themselves at the Ministry of Finance within a 14-day period before engaging in the activity concerned.

(2) (amended; Darjaven Vestnik, issue 96 of 2011) A public register of the persons engaged in extracting, processing of and transactions in precious metals and precious stones, and articles made therewith and thereof in the line of business shall be kept and maintained at the Ministry of Finance. For entering into the register and confirming or issuing a certificate under the Kimberley Process Certification Scheme for international trade in rough diamonds and for physical checks of shipments/parcels with rough diamonds, fees in accordance with a tariff approved by the Council of Ministers shall be collected.

(3) The Council of Ministers shall adopt an ordinance providing for the terms and procedure for entering in the register referred to in paragraph 2, as well as the requirements to the activities of the persons provided for in paragraph 1.

(4) (amended; Darjaven Vestnik, issue 96 of 2011) Gold and silver articles made in Bulgaria or imported from other countries and intended for trade shall be subject to inspection for determining the content of pure gold and silver (assay) and to marking according to a procedure provided for in the ordinance referred to in paragraph 3. Gold articles shall be traded only in commercial outlets situated in buildings or other stationary constructions, except for the arts and crafts articles sold by manufacturers thereof.

Cross-border Transportation of Precious Metals and Precious Stones, and Articles Made Therewith and Thereof

(title amended; Darjaven Vestnik, issue 60 of 2003;
amended, issue 96 of 2011)

Article 14. (1) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) Persons may transport across national borders an unlimited quantity of precious metals and precious stones, and articles made therewith and thereof.

(2) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) Cross-border transportation by post parcels of precious metals and precious stones, and articles made therewith and thereof shall be prohibited, except for the parcels with declared value.

(3) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) Precious metals and precious stones, and articles made therewith and thereof shall be transported by post parcels by the BNB and banks under a procedure provided for in the ordinance referred to in Article 14d.

Cross-border Transportation of Precious Metals and Precious Stones, and Articles Made Therewith and Thereof to or from Third Countries

Article 14a. (new; Darjaven Vestnik, issue 96 of 2011) (1) Cross-border transportation of precious metals and precious stones, and articles made therewith and thereof to or from a third country is subject to declaration to the customs authorities in the cases, under a procedure and in a manner set forth in the ordinance under Article 14d.

(2) The obligation to declare under paragraph 1 shall be deemed to remain unfulfilled in case of refusal to declare or if the declared information is incorrect or incomplete.

Cross-border Transportation of Precious Metals and Precious Stones, and Articles Made Therewith and Thereof to or from EU Member-States

Article 14b. (new; Darjaven Vestnik, issue 96 of 2011) (1) Cross-border transportation of precious metals and precious stones, and articles made therewith and thereof to or from an EU Member-State shall be declared, upon request, to the customs authorities in the cases, under a procedure and in a manner set forth in the ordinance under Article 14d.

(2) The obligation under Article 1 to declare upon request shall be deemed to remain unfulfilled in case of refusal to declare or if the declared information is incorrect or incomplete.

Cross-border Transportation of Movable Artistic Assets

Article 14c. (new; Darjaven Vestnik, issue 96 of 2011) Cross-border transportation of objects made of precious metals and precious stones, and articles made therewith and thereof, which are movable artistic assets, shall be allowed in compliance with the conditions of Chapter Six, Section VI of the Cultural Heritage Act and upon declaring to the customs authorities.

Ordinance on Implementation of Customs Authorities Declaration Regimes

Article 14d. (new; Darjaven Vestnik, issue 96 of 2011) The Minister of Finance shall issue an ordinance on implementation of Article 10a, Article 11, paragraph 3, Article 11a, Article 11b, Article 14, paragraph 3, Articles 14a, 14b and 14c.

Foreign Exchange Control

Article 15. (1) The Minister of Finance, the Bulgarian National Bank and the postal authorities shall exercise the necessary control on the compliance with this Law and the legislative acts adopted in view of its implementation.

(2) The Minister of Finance through its specialized bodies shall conduct inspections on the compliance with this Law.

Powers of the Foreign Exchange Control Authorities

Article 16. (1) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) The customs authorities shall monitor the compliance with this Law in case of cross-border transportation of cash, precious metals and precious stones, and articles made therewith and thereof.

(2) (amended; Darjaven Vestnik, issue 60 of 2003, issue 105 of 2005: effective as of 1 January 2006; amended; Darjaven Vestnik, issue 96 of 2011) The bodies of the National Revenue Agency shall inspect the activities of the exchange bureaux and persons under Article 13, paragraph 1, which are not banks. While conducting the inspections, they shall have the right to:

1. free access to the premises of the persons under inspection;
2. require documents, information and written statements;
3. (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) check the availability of levs and foreign currency in cash, as well as the availability and quality of precious metals and precious stones, and articles made therewith and thereof;
4. conduct counter inspections of clients of the persons inspected;
5. make use of the assistance of experts;
6. (new; Darjaven Vestnik, issue 60 of 2003, issue 105 of 2005, effective as of 1 January 2006) enforce measures to provide evidence under the procedure set in the Tax Insurance Procedure Code.

(3) (amended; Darjaven Vestnik, issue 60 of 2003) The BNB shall:

1. (amended; Darjaven Vestnik, issue 96 of 2011) exercise control over banks regarding compliance with the requirements of this Law and the legislative acts related to its implementation;

2. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

3. (amended; Darjaven Vestnik, issue 60 of 2003) exercise control for compliance with the requirements under Articles 6, 7, 8 and 10 and the legislative acts related to the implementation thereof;

4. (amended; Darjaven Vestnik, issue 60 of 2003) may verify the validity of the information, collected under the procedure provided for in Articles 7, 8 and 10.

(4) (amended; Darjaven Vestnik, issue 60 of 2003, repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(5) (amended; Darjaven Vestnik, issue 60 of 2003; issue 59 of 2006, repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(6) (amended; Darjaven Vestnik, issue 60 of 2003, amended; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009) The persons who depending on the circumstances may be considered to conduct transactions in foreign currency in violation of Article 3, paragraph 1 shall be obligated upon request to submit to the inspecting authorities of the Ministry of Finance and the Bulgarian National Bank written explanations and documents, and to ensure the performance of on-site inspections. While conducting the inspections, the inspecting authorities of the Ministry of Finance and the Bulgarian National Bank shall have the powers specified in paragraphs 2 and 3.

(7) (repealed; Darjaven Vestnik, issue 60 of 2003).

(8) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) The postal authorities shall exercise control on compliance with the requirements referred to in Article 11, paragraph 2 and Article 14, paragraph 2 and shall inform the customs authorities of the violations established by them.

(9) (amended; Darjaven Vestnik, issue 60 of 2003) The state institutions and officials shall be obligated to provide assistance to the authorities referred to in Article 15 and this Article when exercising their powers.

Administrative Enforcement Measures

(Title amended; Darjaven Vestnik, issue 60 of 2003)

Article 17. In case of violations of this Law and the legislative acts related to the implementation thereof:

1. the Minister of Finance or a person authorized by him may:

(a) (amended; Darjaven Vestnik, issue 60 of 2003) issue written instructions for removing the violations within a time limit fixed by him;

(b) (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) apply an administrative enforcement measure of closing a commercial outlet of the persons referred to in Article 3, paragraph 1 and the persons referred to in Article 13, paragraph 1, which are not banks;

(c) (amended; Darjaven Vestnik, issue 60 of 2003) withdraw the registration certificate of a person, which operates as an exchange bureau;

2. The Bulgarian National Bank may:

(a) (repealed; Darjaven Vestnik, issue 60 of 2003; new; Darjaven Vestnik, issue 96 of 2011) perform inspections and carry out compulsory collection of statistical information in compliance with Article 6 of Regulation (EC) No 951/2009 amending

Regulation (EC) No 2533/98 concerning the collection of statistical information by the European Central Bank (OJ, L 269/1 of 14 October 2009);

(b) (amended; Darjaven Vestnik, issue 60 of 2003) issue a written instruction for removing incompleteness in the registers referred to in Article 7, paragraph 1, in the declaration referred to in Article 7, paragraph 5, in the information referred to in Article 8, or in the statistical forms set forth in Article 10, paragraphs 1 and 2, where the requirements under Articles 7, 8, and 10 and the legislative acts related to their implementation have not been observed;

(c) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(d) (repealed; Darjaven Vestnik, issue 60 of 2003);

3. (repealed; Darjaven Vestnik, issue 60 of 2003);

4. (repealed; Darjaven Vestnik, issue 60 of 2003).

Administrative Penalty Provisions

Article 18. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 96 of 2011) Whoever commits or admits the commitment of a violation under Article 11, paragraphs 2 and 3, Article 11a, paragraphs 1, 2 and 3, Article 14, paragraphs 2 and 3, Article 14a, paragraph 1 and Article 16, paragraph 6, and the legislative acts related to the implementation thereof shall be subject to a penalty from BGN 1000 to BGN 3000, unless the act does not constitute a criminal offence. If the offender is a legal entity or a sole proprietor, a property penalty amounting from BGN 2000 to BGN 6000 shall be imposed.

(2) Any person engaging in exchange of currency in violation of Article 3, paragraph 1 shall be subject to a fine in the amount of BGN 1000 to BGN 3000 if he/she is a natural person, or a property penalty in the amount of BGN 5000 to BGN 15,000, where it is a legal entity or a sole proprietor.

(3) Any person entered in the register referred to in Article 3, paragraph 3, which commits a violation in relation to its activities referred to in this Law or the ordinance referred to in Article 3, paragraph 5, shall be subject to a property sanction in the amount of BGN 2000 up to BGN 6000.

(4) Any person referred to in Article 13, paragraph 1 which commits a violation of Article 13, paragraph 1 of this Law or a legislative act related to the implementation thereof shall be subject to a fine in the amount of BGN 1000 to BGN 3000; if the offender is a legal entity or a sole proprietor, a property sanction in the amount of BGN 2000 up to BGN 6000 shall be imposed.

(5) In case of repeated violation referred to in paragraphs 1 to 4, the offender shall be subject to a fine or a property sanction twice the amount of the initially imposed one.

(6) In case of a violation referred to in paragraphs 2, 3 or 4, notwithstanding the fine imposed, the property sanction imposed respectively, the penalizing authority may deprive the offender of the right to perform the respective activity for a term of

one to six months, and in case of a repeated violation – for a term of two months to one year.

(7) In the cases of imposing an administrative penalty under paragraph 6, an administrative enforcement measure of closing a commercial outlet shall be imposed by a penalty decree.

(8) The enforcement of the administrative penalty referred to in paragraph 6 and the administrative enforcement measure referred to in paragraph 7 shall be terminated by the authority enforcing them upon an application by the person subject to the administrative penalty, after the same has proven that the property sanction or fine imposed has been paid in full.

(9) The deprivation of the right to perform the respective activity referred to in paragraph 6 and the administrative enforcement measure referred to in paragraph 7 shall be subject to preliminary execution unless the court has otherwise ruled.

(10) The records establishing violations referred to in paragraphs 1 through 6 shall be drawn up by officials authorized by the Minister of Finance, and the penalty decrees shall be issued by the Minister of Finance, or officials, authorized by him.

Article 18a (new; Darjaven Vestnik, issue 96 of 2011) (1) If natural persons fail to perform the obligation under Article 11b, paragraph 3 and Article 14b, paragraph 2, they shall be subject to a fine in the amount of BGN 1000 to BGN 3000. Legal entities or sole proprietors shall be subject to a property sanction in the amount of BGN 2000 to BGN 6000.

(2) In case of repeated violation referred to in paragraph 1, the offender shall be subject to a fine or a property sanction twice the amount of the initially imposed one.

(3) The statements of findings of violations referred to in paragraphs 1 and 2 shall be drawn up by customs authorities while the penalty orders shall be issued by the Director General of the National Customs Agency, or officials authorised by him.

Article 19. (amended; Darjaven Vestnik, issue 60 of 2003) (1) Whoever commits, or admits the commitment of a violation referred to in Articles 7 and 8, and Article 10, paragraph 2 shall be subject to a fine in the amount of BGN 200 up to BGN 1000 if the act does not constitute a criminal offence.

(2) In the case of a violation referred to in Articles 7 and 8, and Article 10, paragraph 1 legal entities and sole proprietors shall be subject to a property sanction in the amount of BGN 2000 up to BGN 10,000.

(3) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(4) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(5) (amended; Darjaven Vestnik, issue 96 of 2011) A bank which violates the provisions of this Law and the legislative acts related to implementation thereof while conducting transactions and operations in foreign currency or precious metals shall be subject to a property sanction in the amount of BGN 5000 to BGN 25,000.

(6) (amended; Darjaven Vestnik, issue 96 of 2011) An official at a bank who violates or admits a violation of the provisions of this Law and the legislative acts

related to its implementation shall be subject to a fine in the amount of BGN 500 to BGN 2500, if the act does not constitute a crime.

(7) In case of repeated violation, the guilty person shall be subject to a fine, property sanction respectively in the following amounts:

1. under paragraph 1 – from BGN 500 to BGN 2500;
2. under paragraph 2 – from BGN 4000 to BGN 20,000;
3. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)
4. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)
5. under paragraph 5 – from BGN 10,000 to BGN 50,000;
6. under paragraph 6 – from BGN 1000 to BGN 5000.

(8) The records establishing the violations referred to in items 1–7 shall be drawn up by officials authorised by the BNB Governor, and the penalty decrees shall be issued by the BNB Governor, or officials authorised by him.

Article 20. (1) (new; Darjaven Vestnik, issue 60 of 2003, former text of Article 20, amended; Darjaven Vestnik, issue 96 of 2011) The object of violation in cross-border transportation of cash, precious metals and precious stones, and articles made therewith and thereof shall be seized in favour of the state, including in the event the offender cannot be detected.

(2) (new; Darjaven Vestnik, issue 96 of 2011) Paragraph 1 shall not apply to violations under Article 18a.

Article 21. (new; Darjaven Vestnik, issue 60 of 2003) Drawing up of records, issuance, appeal against, and implementation of the penalty decrees shall be done according to the procedure under the Administrative Violations and Penalties Law.

Additional Provision

§ 1. For the purposes of this Law:

1. ‘precious metals’ shall be gold, silver and platinum in a processed and unprocessed form;

2. (amended; Darjaven Vestnik, issue 96 of 2011) ‘resident’ for the purposes of Articles 7, 8 and 10 shall be a resident unit within the meaning of item 1.30 of Chapter One of Annex A to Regulation (EC) No 2223/96 of the Council of 25 June 1996 on the European system of national and regional accounts in the Community;

3. (amended; Darjaven Vestnik, issue 60 of 2003, issue 96 of 2011) ‘non-resident’ for the purposes of Articles 7, 8 and 10 shall be any natural person or legal entity that does not comply with the conditions under item 2;

3a. (new; Darjaven Vestnik, issue 60 of 2003) ‘permanent residence’ in the Republic of Bulgaria shall mean residence for indefinite period allowed. The natural persons under items 2 and 3 shall establish presence or absence of permanent residence in Bulgaria within the meaning of this Law by a declaration;

4. (repealed; Darjaven Vestnik, issue 96 of 2011)

5. (amended; Darjaven Vestnik, issue 60 of 2003, repealed; issue 96 of 2011)

6. (new; Darjaven Vestnik, issue 54 of 2006, amended; issue 96 of 2011) ‘cash’ shall be:

- (a) currency: banknotes and coins in circulation as a means of exchange, and
- (b) bearer payment instruments;

7. (new; Darjaven Vestnik, issue 54 of 2006) ‘bearer payment instruments’ shall be:

(a) traveller’s cheque, cheque, promisory note, bill of exchange or any other payment instrument – either bearer’s or with a provision for endorsement in bank without limitations or one that has been issued in any other form that provides legally for a tender;

(b) cheque, promisory note, bill of exchange or any other payment instrument that has been signed but does not carry the name of the payee;

8. (amended; Darjaven Vestnik, issue 60 of 2003; former item 6; issue 54 of 2006) ‘commercial credit’ shall be any credit related to the sale of goods or the provision of services extended by the seller/buyer of goods, or by the provider/recipient of the service under the relevant transaction;

9. (amended; Darjaven Vestnik, issue 60 of 2003; former item 7; issue 54 of 2006) ‘financial credit’ shall be the provision of funds, subject to an obligation of repayment, which is not a commercial credit. The term ‘financial credit’ shall include financial leasing, assumption of debt and transfer of receivables related to a financial credit;

10. (amended; Darjaven Vestnik, issue 60 of 2003, former item 8, issue 54 of 2006, amended; issue 96 of 2011) ‘direct investment’ shall be:

(a) acquisition of economic territory other than that of the investor, of general partner’s rights or equity stake amounting to 10 per cent and over 10 per cent of the voting rights in the general meeting of shareholders or the capital of a commercial company;

(b) establishment of a commercial company on an economic territory other than that of the investor;

(c) extending a loan as a direct investment under letters (a) and (b), or relating to an agreement for participation in profit distribution;

(d) an additional investment to the investment under letters (a) or (b);

(e) acquisition of a real estate on an economic territory other than that of the investor;

11. (repealed; Darjaven Vestnik, issue 60 of 2003; former item 9, issue 54 of 2006);

12. (repealed; Darjaven Vestnik, issue 60 of 2003; former item 10; issue 54 of 2006);

13. (former item 11; issue 54 of 2006) ‘effecting foreign exchange transactions in the line of business’ shall be:

(a) conducting transactions for a period of one year on the account of more than ten persons, or

(b) (amended; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009) conducting transactions for a period of one year with more than 20 persons other than banks or exchange bureaux, or

(c) (amended; Darjaven Vestnik, issue 60 of 2003) soliciting by advertisements, invitations or offers, including by posters, to effect transactions with an unlimited number of persons, including through the mass media;

14. (former item 12; issue 54 of 2006) an ‘exchange bureau’ shall be a proprietor that performs transactions in foreign currency in cash in the line of business;

15. (former item 13; issue 54 of 2006) a ‘financial house’ shall be a proprietor that performs in the line of business cash and non-cash transactions in foreign currency;

16. (new; Darjaven Vestnik, issue 60 of 2003; former item 14; issue 54 of 2006) a ‘repeated’ violation shall mean a violation committed within a period of 12 months from the entry into force of the penalty provision by which the same person has been penalised for a violation of the same kind;

17. (new; Darjaven Vestnik, issue 60 of 2003; former item 15; issue 54 of 2006) ‘a national arts and crafts article’ shall be an article made by a person entered in the register of artisans, or in the register of craftsmen under the Craftsmanship Law.

18. (new; Darjaven Vestnik, issue 96 of 2011) ‘cross-border transportation’ shall be transportation across the border of the Republic of Bulgaria, including by post parcels, of cash, precious metals and precious stones, as well as the articles therewith and thereof to or from another EU Member State, or imports and exports from and to a third country;

19. ‘balance of payments’ shall mean a statistical statement that reports, with the appropriate breakdown, cross-border transactions during a particular period of time;

20. (new; Darjaven Vestnik, issue 96 of 2011) ‘international investment position’ shall be a statistical statement that reports, with the appropriate breakdown, the stock of cross-border financial assets and liabilities as of a reference date.

Transitional and Final Provisions

§ 2. Exchange bureaux the permits of which to conduct transactions in foreign currency have been withdrawn by the Bulgarian National Bank due to violations of the banking or currency legislation committed after 1 January 1995 shall not have the right to conduct such transactions for a 5-year period from the date of effectiveness of this Law.

§ 3. All persons operating as exchange bureaux shall be obligated to register with the Ministry of Finance in a 45-day period from the entry into force of this Law. A person who has not applied for registration in the required period of time shall lose the right to conduct transactions as an exchange bureau.

§ 4. All persons operating as financial houses shall be obligated, in a 45-day period from the entry into force of this Law, to apply to the Bulgarian National Bank

for renewal of their permit. A person who has not applied within the required period shall lose the right to perform as a financial house.

§ 5. This Law shall repeal the Law on Transactions in Foreign Exchange Valuables and Foreign Exchange Control (published in the *Darjaven Vestnik*, issue 51 of 1966; amended; issue 26 of 1968, issue 92 of 1969, issues 53 and 99 of 1989, issue 25 of 1991, issue 10 of 1993, issue 40 of 1996 – Ruling No. 6 of 1996 of the Constitutional Court; issue 95 of 1996 – Ruling No. 15 of 1996 of the Constitutional Court).

§ 6. In the Administrative Procedure Law (published in the *Darjaven Vestnik*, issue 90 of 1979; amended; issue 9 of 1983, issue 26 of 1988, issue 94 of 1990, issues 25 and 61 of 1991, issue 19 of 1992, issues 65 and 70 of 1995; issue 122 of 1997; issues 15 and 89 of 1998) Article 34, item 2, the wording ‘under the Law on Transactions in Foreign Exchange Valuables and Foreign Exchange Control’ shall be replaced by ‘under the Foreign Exchange Law.’

§ 7. Paragraph 1 of Article 10 of the Obligations and Contracts Law (published in the *Darjaven Vestnik*, issue 275 of 1950; amended; issue 2 of 1950, issue 69 of 1951, issue 92 of 1952, issue 85 of 1963, issue 27 of 1973, issue 16 of 1977, issue 28 of 1982, issue 30 of 1990, issues 12 and 56 of 1993, issues 83 and 104 of 1996) shall be repealed.

§ 8. Within a three-month period from the publication of this Law, the Council of Ministers, the Minister of Finance, and the Bulgarian National Bank shall adopt the ordinances on its implementation.

§ 9. The implementation of this Law is assigned to the Minister of Finance and the Bulgarian National Bank.

§ 10. The Law shall come into force on 1 January 2000.

Law on Amendment of the Currency Law

(Darjaven Vestnik; issue 60 of 2003)

Transitional and Final Provisions

§ 21. (1) Within six months from the entry into force of this Law, all resident legal entities or sole proprietors which have extended to, or received from, non-residents financial credit existing as of the date of the entry into force of this Law, shall declare these credits before the BNB according to a procedure determined by it.

(2) The obligation referred to in paragraph 1 shall not apply to resident legal entities or sole proprietors, which have registered the financial credit with BNB in accordance with the procedure under the repealed Article 4, paragraph 2 of the Currency Law.

(3) Where a resident legal entity or a sole proprietor instructs a domestic bank to effect a funds transfer in relation to a financial credit extended by or to a non-resident prior to the entry into force of this Law, the domestic bank shall act upon the transfer instruction, having ascertained the registration of the financial credit with the BNB under the repealed Article 4, paragraph 2 of the Currency Law or the declaration provided for in paragraph 1 hereof.

§ 22. Within six months from the entry into force of this Law, all resident legal entities or sole proprietors, which have direct investments abroad as of the date of entry into force of this Law, shall declare these investments with the BNB according to a procedure determined by it.

§ 23. (1) By 1 October 2003, the Council of Ministers shall adopt, and the Minister of Finance and the Bulgarian National Bank shall issue the ordinances on the implementation of this Law.

(2) By 1 November 2003, the Council of Ministers shall adopt an ordinance on the terms and procedures on the activities of persons extending money loans against property pledged as collateral (pawn houses).

**Law
on Amendment of the Currency Law**

(Adopted by the 40th National Assembly on 17 May 2006; published
in the Darjaven Vestnik; issue 43 of 26 May 2006)

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Final Provision

§ 2. This Law shall enter into force on the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union.

**Transitional and Final Provisions to the Law on Amendment
of the Currency Law**

(published; Darjaven Vestnik, issue 96 of 2011)

§ 23. The Minister of Finance shall issue the ordinance under Article 14d within two months following the enforcement of this Law.

§ 24. Related statutory acts issued on the grounds of former Article 6, paragraph 2, Article 10a, paragraph 4, Article 11, paragraph 6 and Article 14, paragraph 1 shall apply until the relevant new acts are issued insofar they do not contradict this Law.

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§ 26. The provisions of § 2 and § 25, item 1 shall enter into force on 1 January 2012.