

## **Foreign Exchange Act**

Promulgated, State Gazette No. 83/21.09.1999, effective 1.01.2000, amended, SG No. 45/30.04.2002, amended and supplemented, SG No. 60/4.07.2003, amended, SG No. 36/30.04.2004, effective 31.07.2004, amended, SG No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 43/26.05.2006, effective as from the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 54/4.07.2006, amended, SG No. 59/21.07.2006, effective as from the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 24/31.03.2009, effective 31.03.2009

Text in Bulgarian: Валутен закон

Subject

### **Article 1**

This Act shall regulate:

1. transactions and payments between local and foreign persons;
2. transborder transfers and payments;
3. transactions with foreign currency;
4. (amended, SG No. 60/2003) transactions with precious metals and gemstones by occupation, the export, import and processing thereof;
5. export and import of Bulgarian levs and foreign currency in cash;
6. (amended, SG No. 60/2003) collection, maintenance and provision of statistical information on the country's balance of payments;
7. the exercising of currency control.

Freedom to Carry out Transactions, Actions and Payments

### **Article 2**

(1) All actions, transactions and payments under Article 1, items 1 - 5 shall be conducted freely inasmuch as this Act does not provide otherwise.

(2) The production of precious metals and gemstones from sites that are public state property shall be subject to the requirements of current law.

Conducting Business as a Currency Exchange Company

(Title amended, SG No. 24/2009, effective 31.03.2009)

### **Article 3**

(Amended, SG No. 60/2003)

(1) (Amended and supplemented, SG No. 43/2006) Currency deals in cash by occupation may be transacted by any person registered under the Commerce Act where such a person is registered in a public register of persons conducting business pursuant to the legislation of a member country of the European Union or another country which is party to the European economic zone agreement, and where the person is registered in the public register as a currency exchange bureau.

(2) Natural persons who are merchants, and any members of managing or control bodies and unlimited liability partners in the legal persons referred to in paragraph 1 must not have been convicted for any intentional crime of a public nature or have been members of a managing or control body or unlimited liability partners in a company terminated due to bankruptcy, if there have been any unsatisfied creditors left.

(3) A public register of Persons conducting business as currency exchange offices shall be kept and maintained with the Ministry of Finance. Registration in the register shall be made within 14 days of of filing all the documents requisite under the regulation referred to in paragraph 5.

(4) For registration in the register referred to in paragraph 3, fees shall be charged under a price tariff approved by the Council of Ministers.

(5) The Minister of Finance shall issue a regulation establishing the terms and conditions and the procedure for registration in the register referred to in paragraph 3, and the requirements applicable to the business of currency exchange offices.

(6) (Repealed, SG No. 24/2009, effective 31.03.2009).

(7) (Repealed, SG No. 24/2009, effective 31.03.2009).

(8) (Repealed, SG No. 24/2009, effective 31.03.2009).

Registration with the Bulgarian National Bank

**Article 4**

(Repealed, SG No. 60/2003)

Registration and Denial of Registration

**Article 5**

(Repealed, SG No. 60/2003)

Transfers and Payments Overseas

**Article 6**

(1) (Amended, SG No. 60/2003) Commercial banks and the BNB shall make payments and transfers to recipients abroad after a deposition has been filed with them describing the grounds on which the transfer is made.

(2) (Amended, SG No. 60/2003) Persons making transfers or currency payments to recipients abroad in a countervalue exceeding 25,000 levs shall provide the bank with information and documentation as required by a regulation issued by the BNB.

(3) (Repealed, SG No. 60/2003)

## Collection of Information for the Needs of the Balance of Payments

### Statistics

#### **Article 7**

(Amended, SG No. 60/2003)

(1) To meet the needs of the statistics of the balance of payments, registers shall be maintained concerning any transaction or payment between a domestic and a foreign person, as well as of any transborder transfer or payment in an amount as determined by BNB in a regulation, but not less than 5 000 levs, as follows:

1. by commercial banks and the BNB;

2. by the ministries and state agencies;

3. by the Central Depository -and issuers of registered capital market securities for which the effective legislation does not provide for registration with the Central Depository;

4. by investment intermediaries, insurers and pension funds;

5. (amended, SG No. 36/2004) by notaries public, respectfully Recording offices.

(2) Persons conducting the payment or transaction shall provide the persons referred to in paragraph 1, subparagraph 1 with a standard statistical form as approved by the BNB.

(3) The persons referred to in paragraph 1, subparagraph 1 shall refuse to take actions involved in effecting the payment or transfer unless the statistics form referred to in paragraph 2 is provided to them.

(4) When funds are being wired from abroad, local persons that are the recipients of such funds shall fill in the statistics forms referred to in paragraph 2 within 30 days following the transfer notification by the persons referred to in paragraph 1, subparagraph 1.

(5) Any transaction in connection with the original making of a direct investment abroad by any local legal persons or sole proprietors as well as for the purposes of extending financial credit between any local legal persons or sole proprietors and any foreign persons shall be subject to

reporting by deposition with the BNB for the needs of the balance of payment statistics within 15 days after the transaction is closed.

(6) Where a local legal person or sole proprietor orders a local bank to wire funds in connection with a financial credit already provided by or to a foreign person, such local bank shall execute the transfer order after obtaining assurance that a deposition reporting the financial credit has been filed by the local legal person or sole proprietor following the procedure set out in paragraph 5.

(7) The deposition referred to in paragraph 5 shall be filed once only, and upon any subsequent transfer it shall be certified before the servicing bank by presenting the deposition already certified by the BNB.

(8) Information collected as per paragraphs 1 and 4 shall be provided to the BNB following a procedure established under the regulation referred to in paragraph 11.

(9) The authorities and institutions referred to in paragraph 1 may not provide to any other person or institution the information they have collected, which constitutes commercial or bank secret, unless otherwise provided in another law.

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

(11) The Bulgarian National Bank shall issue a regulation on the application of this Article.

Provision of Information to the Bulgarian National Bank

**Article 8**

(Amended, SG No. 60/2003)

(1) The Bulgarian National Bank may require of any person any information relevant to the country's balance of payments.

(2) Any person shall be obliged to provide BNB with information necessary for the balance of payments statistics while observing the requirements as to the contents of such information.

Registers of Direct Investments and Investments in Real Estate

**Article 9**

(Repealed, SG No. 60/2003)

Reporting Claims and Liabilities

**Article 10**

(Amended, SG No. 60/2003)

(1) Local legal persons and sole proprietors shall be obliged to report, on a quarterly basis

and using statistics forms, to BNB their claims on and liabilities to foreign persons, and their direct investment made abroad.

(2) Local natural persons shall report, on an annual basis by 31 March and using statistics forms, to BNB their claims on and liabilities to foreign persons under financial credits if the sum total of such claims or liabilities exceeds the lev countervalue of 50 000 levs as of 31 December of the previous calendar year.

(3) The Bulgarian National Bank shall establish the procedure for applying this Article in the regulation referred to in Article 7, paragraph 11.

Customs Register

**Article 10a**

(New, SG No. 60/2003)

(1) (Amended, SG No. 54/2006) Customs authorities shall keep registers of export and import trade credits and of financial leasing between local and foreign persons, and of export and import of Bulgarian levs, foreign currency in cash and bearer payment instruments that are subject to declaration under Article 11.

(2) In cases of export and import trade credits and of financial leasing between local and foreign persons, a declaration shall be filed with the customs authorities in a format approved by the Minister of Finance.

(3) (Amended, SG No. 54/2006) In cases of export and import of Bulgarian levs, foreign currency in cash and bearer payment instruments that are subject to declaration under Article 11, natural persons shall file a declaration with the customs authorities in a format approved by the Minister of Finance.

(4) The Minister of Finance shall issue a regulation on the application of this Article.

Export and Import of Levs and Foreign Currency in Cash

**Article 11**

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 54/2006) Local and foreign natural persons may import and export unlimited amounts of levs, foreign currency in cash and bearer payment instruments while observing the requirements established under this Act.

(2) The amount of currency that is subject to declaration before the customs authorities in cases of import and export of amounts exceeding 5000 levs or the countervalue thereof in foreign currency in cash shall be determined in the regulation referred to in paragraph 6.

(3) (Amended, SG No. 105/2005, supplemented, SG No. 54/2006) In cases of export of amounts in excess of 25 000 levs or the countervalue thereof in foreign currency in cash, local

and foreign natural persons shall declare before the customs authorities the amount and origin of such cash, bearer payment instruments included, by presenting a certificate issued by the respective territorial directorate of the National Revenue Agency certifying that they do not have any outstanding or overdue liabilities.

(4) (Supplemented, SG No. 54/2006) Outside cases referred to in paragraph 3 concerning amounts in excess of 25 000 levs or the countervalue thereof in foreign currency in cash, foreign natural persons shall declare before the customs authorities only the amount and type of cash bearer payment instruments included, being exported when the value of such cash does not exceed the amount of currency imported and declared.

(5) The export and import of levs and foreign currency cash by mail shall be forbidden except for mailings of declared value. This ban shall not apply to the BNB and commercial banks.

(6) The Minister of Finance shall issue a regulation on the implementation of this Article in consultation with the BNB.

#### Exchange Rates of Foreign Currencies in Respect to the Lev **Article 12**

(1) The Bulgarian National Bank shall announce daily exchange rates in respect to the lev of certain foreign currencies chosen at its discretion that shall be used for accounting and statistical purposes.

(2) The Bulgarian National Bank shall determine the exchange rates of currencies for the purpose of payment agreements upon the request of the Ministry of Finance.

(3) (New, SG No. 60/2003) The countervalue of foreign currencies to the lev for the purposes of declaring as referred to in Article 11 shall be determined in accordance with customs laws and regulations.

#### Production, Processing and Trading in Precious Metals and Gemstones and in Items Made with and from Them by Occupation **Article 13**

(Amended, SG No. 60/2003)

(1) Persons that are professionally engaged in the production, processing and trade in precious metals and gemstones and items made with or from them by occupation shall register with the Ministry of Finance within 14 days of commencement of operation.

(2) A public register of persons engaged in the production, processing and trade in precious metals and gemstones and items made with or from them by occupation shall be kept and maintained with the Ministry of Finance. For registration in such register, fees shall be charged under a price tariff approved by the Council of Ministers.

(3) The Council of Ministers shall issue a regulation establishing the terms and conditions and the procedure for registration in the register referred to in paragraph 2, and the requirements applicable to the business of persons referred to in paragraph 1.

(4) Golden and silver items produced domestically or imported from abroad for commercial purposes shall be subject to examination to establish the contents of pure gold and silver (titre) and marking under a procedure established under the regulation referred to in paragraph 3. Golden articles shall be traded only in sales outlets located in buildings or other stationary structures, with the exception of articles of the folk crafts being sold by their producers.

#### Export and Import of Precious Metals and Gemstones

and Items Made with and from Them

(Amended, SG No. 60/2003)

#### **Article 14**

(1) (Amended, SG No. 60/2003) Domestic and foreign natural persons may export and import precious metals and gemstones and items made with and from them after declaring such valuables to customs in a manner established by the Minister of Finance

(2) (Amended, SG No. 60/2003) The export and import of precious metals and gemstones and items made with and from them in the mail shall be prohibited, with the exception of postal packages of declared value.

(3) (Amended, SG No. 60/2003) The ban under para 2 shall not apply to the BNB and the commercial banks.

#### Currency Control

#### **Article 15**

(1) The Minister of Finance, the Bulgarian National Bank and the post offices shall monitor the observance of this Act and any regulations issued on its application.

(2) The Minister of Finance shall conduct inspections of the observance of this Act through the use of the Minister's specialized authorities.

#### Powers of the Currency Control Authorities

#### **Article 16**

(1) (Amended, SG No. 60/2003) The Customs authorities shall monitor the observance of the Act in the export and import of levs and foreign currency in cash and of precious metals and gemstones and items made with and from them.

(2) (Amended, SG No. 60/2003, SG No. 105/2005) The the authorities of the National Revenue Agency shall audit the activities of currency exchange offices and the persons described

in Article 13, para 1 which are not commercial banks and in carrying out audits shall be entitled to:

1. obtain unrestricted access to the offices of audited persons;
2. require documents, references and explanations in writing;
3. (amended, SG No. 60/2003) check available amounts in levs and foreign currency, as well as quantities and quality of precious metals and gemstones and items made with and from them;
4. carry out audits of clients of audited persons for the purposes of obtaining cross-reference;
5. use expert help;
6. (new, SG No. 60/2003, amended, SG No. 105/2005) impose measures to secure evidence following the procedure of the Tax and Social Insurance Procedure Code.

(3) (Amended, SG No. 60/2003) The authorities of the BNB shall:

1. monitor commercial banks regarding their observance of the provisions of this Act and all relevant regulations on its implementation;
2. (repealed, SG No. 24/2009, effective 31.03.2009);
3. monitor the observance of the requirements contained in Article 6, 7, 8 and 10 and their implementation legislation;
4. (amended, SG No. 60/2003) be able to verify information collected under Articles 7, 8 and 10.

(4) (Repealed, SG No. 24/2009, effective 31.03.2009).

(5) (Amended, SG No. 60/2003, SG No. 59/2006, repealed, SG No. 24/2009, effective 31.03.2009).

(6) (Amended, SG No. 24/2009, effective 31.03.2009) Persons, that, under certain circumstances, can be assumed to be carrying out transactions in foreign currency in violation of Article 3, paragraph 1, shall submit upon request to auditors from the Ministry of Finance and the BNB any requested written explanations and documents and shall facilitate the completion of such audits on-site. In carrying out audits, auditing authorities of the Ministry of Finance and the Bulgarian National Bank shall enjoy the powers under paras 2 and 3.

(7) (Repealed, SG No. 60/2003).

(8) (Amended, SG No. 60/2003) Post offices shall monitor the implementation of requirements under Article 11, para 5, and Article 14, para 2 and notify the customs authorities of any violations established by them.

(9) (Amended, SG No. 60/2003) State bodies and officials shall assist the authorities under Article 15 and under this Article in the exercise of their powers.

#### Coercive Administrative Measures

(Amended, SG No. 60/2003)

#### **Article 17**

Whenever violations of this Act or of regulations on its implementations are observed:

1. the Minister of Justice or a person duly authorized by him, may:

a) (amended, SG No. 60/2003) issue written instructions for eliminating such violations within a period of time specified by the Minister;

b) (amended, SG No. 60/2003) impose the administrative coercive measure of impounding the sales outlet of persons under Article 3, para 1 and persons referred to under Article 13, para 1 which are not commercial banks;

c) (amended, SG No. 60/2003) revoke a registration certificate issued to any person conducting business as a currency exchange office.

2. the Bulgarian National Bank may:

a) (repealed, SG No. 60/2003);

b) (amended, SG No. 60/2003) issue written directions for eliminating such omissions in the registers under Article 7, para 1, in the declaration under Article 7, para 5, in the information under Article 8 or in the statistics forms under Article 10, paras 1 and 2, where the requirements referred to in Article 7, 8 and 10 and of their implementation legislation have not been met;

c) (repealed, SG No. 24/2009, effective 31.03.2009);

d) (repealed, SG No. 60/2003);

3. (repealed, SG No. 60/2003);

4. (repealed, SG No. 60/2003).

#### Penal Administrative Provisions

#### **Article 18**

(Amended, SG No. 60/2003)

(1) Anyone who is found to have violated or permitted a violation under Article 11, paras 1, 2, 3, 4 or 5, Article 14, paras 1 and 2, and Article 16, para 6, as well as any regulations on their

implementation, shall be fined from 1000 to 3 000 levs, unless the violation constitutes a criminal offence. If the offender is a legal person or a sole proprietor, a property sanction from 2 000 to 6 000 levs shall be imposed.

(2) Any person found to effect currency exchange in violation of Article 3, para 1 shall be fined from 1 000 to 3 000 levs or penalized by a property sanction in the amount of 5 000 to 15 000 levs, if a legal person or a sole proprietor.

(3) Any person registered in the register referred to in Article 3, para 3 found in violation in connection with his activity under this Act or the regulation referred to in Article 3 para 5 shall be penalized by a property sanction from 2 000 to 6 000 levs.

(4) Any person referred to in Article 13, para 1 found in violation in connection with his activity under Article 13 or an implementation regulation thereof shall be penalized by a fine from 1 000 to 3 000 levs, and where the offender is a legal person or a sole proprietor, property penalties shall be imposed in amounts from 2 000 to 6 000 levs.

(5) In case of a repeated violation under paras 1 to 4, the offender shall be fined or imposed a property sanction double the amount of that originally imposed.

(6) In case of a violation under paras 2, 3 or 4, notwithstanding any fine or property sanction imposed, as the case may be, the penalizing authority may deprive the offender from the right to exercise the respective activity for a period from one to six months, and in case of a repeated violation, for a period from two months to one year.

(7) In case of imposing an administrative penalty under para 6 under a penal ordinance, the coercive administrative measure of impounding the sales outlet shall also be applied.

(8) The execution of the administrative penalty under para 6 and of the coercive administrative measure under para 7 shall be terminated by the authorities which has imposed them, at the request of the person against which the administrative penalty has been imposed and after such person has proved that the imposed property sanction or fine has been paid in full.

(9) Deprivation of the right to exercise the respective activity under para 6, as well as the coercive administrative measure under para 7 shall be subject to pre-emptive execution, unless otherwise ruled by the court.

(10) Findings reports of violations under paras 1 through 6 shall be drawn up by officials authorized by the Minister of Finance, whereas penal ordinances shall be issued by the Minister of Finance or by officials authorized by the Minister.

#### **Article 19**

(Amended, SG No. 60/2003)

(1) Anyone who is found to have violated or permitted a violation under Article 7, Article 8 and Article 10, para 2 shall be fined from 200 to 1 000 levs, unless the violation constitutes a criminal offence.

(2) For a violation under Article 7, Article 8 and Article 10, para 1, legal persons and sole proprietors shall be subject to property sanctions in amounts from 2 000 to 10 000 levs.

(3) (Repealed, SG No. 24/2009, effective 31.03.2009).

(4) (Repealed, SG No. 24/2009, effective 31.03.2009).

(5) A commercial bank found in violation of the provisions of this Act or any regulations on its implementation in their transactions or actions in foreign currency or precious metals shall be subject to property sanctions in amounts from 5 000 to 25 000 levs.

(6) A commercial bank employee found in violation or to have permitted a violation of the requirements of this Act or any regulations on its implementation shall be fined from 500 to 2 500 levs, unless the violation constitutes a criminal offence.

(7) In case of a repeated violation, the guilty person shall be penalized by a fine or a property sanction, as the case may be, in the following amounts:

1. under para 1, from 500 to 2 500 levs;
2. under para 2, from 4 000 to 20 000 levs;
3. (repealed, SG No. 24/2009, effective 31.03.2009);
4. (repealed, SG No. 24/2009, effective 31.03.2009);
5. under para 5, from 10 000 to 50 000 levs;
6. under para 6, from 1 000 to 5 000 levs.

(8) Findings reports for violations under paras 1 through 7 shall be drawn up by officials authorized by the Governor of the BNB, whereas penal ordinances shall be issued by the Governor of the BNB or by officials duly authorized by the Governor.

#### **Article 20**

(New, SG No. 60/2003)

The object of the violation shall be taken in favour of the state, including in cases where the offender cannot be identified.

#### **Article 21**

(New, SG No. 60/2003)

Drawing up actions, the issuance, appeal and execution of penal ordinances shall be done following the procedure of the Administrative Violations and Sanctions Act.

SUPPLEMENTARY PROVISIONS

**§ 1.** For the purposes of this Act:

1. "precious metals" shall be gold, silver and platinum in processed or unprocessed form;

2. "local persons" shall be:

a) (amended, SG No. 60/2003) natural persons residing permanently in the country;

b) corporate bodies with headquarters in the country;

c) corporate bodies with headquarters outside the country, for activity conducted inside the country through registered subsidiary;

d) (amended, SG No. 60/2003) Bulgarian diplomatic, consular, trade or other representative offices, the members of such representative offices, their staff and any Bulgarian citizens servicing them, who are staying abroad on assignment of the Bulgarian state, military personnel on a cadre military service and civilians from the Ministry of Defence posted abroad for an extended period of time to missions, staffs and authorities of international organizations, as well as the members of the families of such persons;

e) (new, SG No. 60/2003) Bulgarian citizens staying abroad for educational purposes, regardless of the duration of their stay;

f) (new, SG No. 60/2003) Bulgarian citizens staying abroad for the purposes of obtaining medical treatment, regardless of the duration of their stay.

3. (amended, SG No. 60/2003) "foreign persons" shall be any natural persons or corporate bodies that are not compliant with the criteria described in item 2, as well as foreign diplomatic, consular, commercial and other missions, international organizations, members of such missions and organizations, their staff and any foreign nationals employed by them, and members of the families of such persons, as well as those staying in the Republic of Bulgaria for the purposes of education or medical treatment, regardless of the duration of their stay;

3a. (new, SG No. 60/2003) "permanent stay" shall refer to a stay in the Republic of Bulgaria with the right to an unlimited duration. Natural bodies referred to in items 2 and 3 shall establish the presence or lack of permanent stay in the country in the meaning of this Act by means of a declaration.

4. "foreign currency" shall be a monetary unit that is legal tender in every other state, as well as collective currencies;

5. (amended, SG No. 60/2003) "foreign currency in cash" shall be banknotes and coin that are legal tender in another state;

6. (new, SG No. 54/2006) "cash" shall be:

a) cash in the form of banknotes and coins that are legal tender;

b) bearer payment instruments.

7. (new, SG No. 54/2006) "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, SG No. 60/2003, renumbered from Item 6, SG No. 54/2006) "trade credit" shall be any credit related to the sale of goods or provision of services that has been extended by the seller/buyer of a good or by the provider/recipient of the service under a specific transaction;

9. (amended, SG No. 60/2003, renumbered from Item 7, SG No. 54/2006) "financial credit" shall be the loaning of funds with a return obligation that is not a trade credit. The concept of financial credit shall include also financial leasing, borrowing and the transfer of claims under a financial credit.;

10. (amended, SG No. 60/2003, renumbered from Item 8, SG No. 54/2006) "direct investment abroad" shall be:

a) acquisition in a commercial enterprise that is a foreign entity of rights of unlimited liability partner, or of a shareholding entitling owner to more than 10 per cent of the votes in the general meeting;

b) the creation of a commercial enterprise abroad;

c) the granting of a loan for direct investment purposes under items "a" and "b", or linked to an agreement for profit sharing;

d) any supplementary investment to the investment under items "a" and "b";

e) acquisition of real property.

11. (repealed, SG No. 60/2003, renumbered from Item 9, SG No. 54/2006)

12. (repealed, SG No. 60/2003, renumbered from Item 10, SG No. 54/2006)

13. (renumbered from Item 11, SG No. 54/2006) "transactions in foreign currency by occupation" shall be:

a) the conduct over a period of one year of transactions with more than 10 persons, or

b) (amended, SG No. 24/2009, effective 31.03.2009) the conduct over a period of one year

of transactions with more than 20 persons who are not banks or currency exchange offices, or

c) (amended, SG No. 60/2003) the dissemination of advertising statements, solicitations, including through boards, or proposals for transactions to an indeterminate circle of persons, including through the media;

14. (renumbered from Item 12, SG No. 54/2006) "currency exchange office" shall be a person that conducts professional deals in currency in cash;

15. (renumbered from Item 13, SG No. 54/2006, repealed, SG No. 24/2009, effective 31.03.2009)

16. (new, SG No. 60/2003, renumbered from Item 14, SG No. 54/2006) a "repeated" violation shall be any violation committed within one year after the entry into force of the penal ordinance under which that person was penalized for the same type of offence;

17. (new, SG No. 60/2003, renumbered from Item 15, SG No. 54/2006) "an article of the folk crafts" shall refer to any item made by a person who is registered in the register of masters under the Skilled Crafts Act.

#### TRANSITIONAL AND CONCLUDING PROVISIONS

**§ 2.** Currency exchange offices whose licenses to conduct business in foreign currency have been revoked by the Bulgarian National Bank because of violations of banking or currency law committed after January 1, 1995, shall not be eligible to conduct such transactions for a period of five years after the entry into force of this Act.

**§ 3.** All persons operating as currency exchange offices shall register with the Ministry of Finance within 45 days of the entry into force of this Act. Persons who fail to submit registration applications within the above period shall lose their licenses to operate as currency exchange offices.

**§ 4.** All persons operating as financial houses shall file an application for license replacement with the Bulgarian National Bank within 45 days of the entry into force of this Act. Persons who fail to submit such applications within the above period shall lose their licenses to operate as financial houses.

**§ 5.** This Act shall revoke the Transaction with Currency Valuables and Currency Control Act (promulgated, SG51/1966, amended SG 26/1968, 92/1969, 53 and 99/1989, 25/1991 and 10/1993; 40/1996: Ruling No. 6 of the Constitutional Court of 1996; SG 95/1996: Ruling No. 15 of the Constitutional Court of 1996).

**§ 6.** In Article 34, item 2 of the Administrative Procedure Act (promulgated, SG 90/1979, amended, 9/1983, 26/1988, 94/1990, 25 and 61/1991, 19/1992/ 65 and 70/1995, 122/1997, 15 and 89/1998) the words "under the Transaction with Currency Valuables and Currency Control Act" shall be replaced with "under the Foreign Exchange Act".

**§ 7.** Article 10, para 1 of the Obligations and Contracts Act (promulgated, SG 275/1950, corrected Izvestia 2/1950, amended Izvestia 2/1950, 69/1951, 92/1952, SG 85/1963, 27/1973, 16/1977, 28/1982, 30/1990, 12 and 56/1993, 83 and 104/1996) shall be revoked.

**§ 8.** The Council of Ministers, the Minister of Finance and the Bulgarian National Bank shall adopt regulations on the implementation of this Act within three months of its entry into force.

**§ 9.** Implementation of this Act shall be the responsibility of the Minister of Finance and the

Bulgarian National Bank.

§ 10 This Act shall enter into force on January 1, 2000.

ACT ON THE AMENDMENT AND SUPPLEMENT

TO THE FOREIGN EXCHANGE ACT

Promulgated State Gazette No. 60/4.07.2003

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 21. (1) Within 6 months after the effective date of this Act, all local legal persons or sole proprietors which have extended to or obtained from foreign persons any financial credit in existence as at the effective date of this Act shall file depositions of declaration with the BNB following a procedure established by the latter.

(2) The obligation referred to in para 1 shall not apply to local legal persons or sole proprietors that have registered their financial credits with the BNB under the procedure set out in the repealed Article 4, para 2 of the Foreign Exchange Act.

(3) Where a local legal person or sole proprietor orders a local bank to make a transfer of funds in connection with a financial credit extended by or to a foreign person prior to the entry into force of this Act, the local bank shall execute the transfer order upon verification that the financial credit has been registered with the BNB under the procedure set out in the repealed Article 4, para 2 of the Foreign Exchange Act, or declared under para 1 of this clause.

§ 22. Within 6 months after the effective date of this Act, all local legal persons or sole proprietors which have direct investments abroad as at the effective date of this Act shall file depositions of declaration with the BNB following a procedure established by the latter.

§ 23. (1) By 1 October 2003, the Council of Ministers shall adopt, or the Minister of Finance and BNB shall issue, as the case may be, the implementation regulations for this Act.

(2) By 1 October 2003, the Council of Ministers shall adopt a regulation on the terms and procedure for the business activity of persons providing loans against a pledge of chattels (pawn houses).

CONCLUDING PROVISIONS

§ 2 This Act shall enter into force on the date of entry into force of the Republic of Bulgaria EU Accession Treaty.