

**BULGARIAN  
STOCK  
EXCHANGE**



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STOCK EXCHANGE

**RULES AND REGULATIONS**

**PART X**

**RULES FOR THE SUBMISSION OF INTERNAL SIGNALS  
BY EMPLOYEES OF THE REGULATED MARKET**

**Article 1.** These Rules for Internal Reporting are part of the Rules of Procedure of the Exchange and regulate the content and procedure for reporting potential or actual violations of national and European legislation regulating the activity of the Exchange as a market operator of a regulated market for financial instruments, including:

1. Violations of the established rules and procedures for carrying out the activity;
2. Behavior, which may involve market abuse or attempted market abuse;
3. Misuse of confidential information;
4. Conflict of interest.

**Article 2.** The members of the Board of Directors and employees of BSE have the right to report violations of European and national legislation, as well as of the internal rules and procedures, in case of violation or in the presence of reasonable suspicions of committing an infringement.

**Article 3. (1)** Alerts shall be submitted in writing or through an internal communication channel (e-mail) to the Director of the Regularity Directorate, who shall immediately assign them for consideration to the employees of the Supervision Department.

**(2)** In cases where the alert is submitted by a member of the Board of Directors, the Director of the Regularity Directorate shall send the signal to the Executive Director, who shall report it to the Board of Directors by order of Article 5, paragraph 1.

**(3)** In cases where the alert concerns a violation of an employee who receives or examines signals, the Director of the Regularity Directorate shall send the alert to the Executive Director, who shall report it to the Board of Directors by the order of Article 5, paragraph 1.

**Article 4. (1)** The alert shall contain as detailed information as possible on:

1. The circumstances in which the infringement relates;
2. The facts on which the reporting is based;
3. As accurate as possible dating of the events and/or actions that led to/constituted the infringement or gave rise to reasonable suspicions of the infringement;
4. A description of the events and/or actions that led to/constituted the infringement or gave rise to reasonable suspicions of such infringement;
5. Data on the nature and content of confidential information in cases of misuse of such information;
6. Data on the persons whose act or omission led to the infringement and/or who, according to the author of the signal, are in a situation of conflict of interest;
7. All other facts and circumstances that the author of the signal considers essential.

**(2)** In cases where the employee who submits the alert does not have the information under para 1, it shall be noted that this information is not available, partial or inapplicable, depending on the type of potential violation.

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**Article 5. (1)** The employees of the Supervision Department of the Regularity Directorate shall:

1. Record alerts in a special register in the order of their receipt;
2. Process the alert immediately after its receipt, and, if there is a possibility to confirm the facts described by the reporting officer, confirm the information and, where applicable, collect additional information;
3. Analyze the collected data, as well as any other information and documents, and give an opinion on whether the case should be reported immediately to the competent authority – FSC or the problem should be solved within the BSE;
4. They report the signal and the collected data to the Executive Director and propose measures to regulate the situation. If necessary, the signal shall be reviewed by the Board of Directors and reported to the FSC in the cases under paragraph 5, item 2.

**(2)** Alerts shall be reviewed and reported to the Executive Director within 3 (three) working days from the date of their filing in the register. When the signal requires urgent action, the employees of the Supervision Department shall immediately report on the signal to the Executive Director. At his discretion, the directors of all BSE directorates shall be convened for a meeting to discuss and take immediate measures until the final decision on the case of the Executive Director or of the Board respectively. The Executive Director issues an order setting out the temporary measures to regulate the situation.

**(3)** When the alert is submitted by a member of the Board of Directors, the Board of Directors shall meet for a meeting within 3 (three) days from the date of its entry in the register. The Board of Directors shall notify the FSC about the received signal, as well as about the results of the inspection carried out on the signal, when the circumstances under para 5, item 2 have occurred para. 2 applies accordingly.

**(4)** When the alert is submitted by an employee of the Supervision Department of the Regularity Directorate, in the cases under Art. 3, para 3, the Executive Director shall report it to the Board of Directors within 3 (three) days from the date of its filing in the register. The Board of Directors shall consider the signal at the first attendance meeting after the registration of the signal.

**(5)** Upon submission of the report by the Executive Director for consideration by the Board of Directors, the Board of Directors shall, in cases of reasonableness of the alert, take a decision on the measures to be taken in the light of the factual situation and the severity of the infringement, namely:

1. in case of violation of the internal procedures of BSE, appropriate measures shall be taken to resolve the problem within BSE;
2. In case of violation of national or European legislation, as well as in case harmful consequences have occurred, actions are taken to report to the FSC.

**Article 6. (1)** The reporting of a infringements may not serve as grounds for holding the person who has filed the report liable, as well as for disclosing confidential or other information protected by law or

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contract.

**(2)** Reporting shall not be grounds for unfavorable or unfair treatment of employees when they have reported infringements.

**(3)** BSE takes action to protect the personal data of the persons who have filed reports of violations and the persons against whom they have been filed.

**(4)** Access to the alert shall be granted only to the persons for whom it is necessary for the performance of their duties. The persons who have access to the alert shall sign a declaration to ensure the confidentiality of the information related to the alert.

**(5)** Processing, storage and disclosure of personal data is carried out under the current legislation.

**Article 7. (1)** When appointing BSE employees, an introduction (instruction) shall be made on the rights and obligations in reporting violations arising from the current legislation.

**(2)** Each employee certifies in writing that he is familiar with these internal rules.

#### **ADDITIONAL PROVISIONS**

§ 1. The terms used in these Rules, which are not defined, are understood in the sense in which they are used in the POSA, the MFIA, the AMMAFIA and their implementing acts, respectively in general commercial legislation and commercial practice.

§ 2. The following abbreviations are used in these Rules:

1. 'The Stock Exchange, or BSE', – "Bulgarian Stock Exchange" AD, respectively the regulated market, organized by the Bulgarian Stock Exchange AD.
2. 'BD' – the Board of Directors of the Bulgarian Stock Exchange AD.
3. 'FSC' – Financial Supervision Commission.
4. 'MFIA' – Law on the Markets in Financial Instruments.
5. 'AMMAFIA' – Law on the Application of Measures against Market Abuse with Financial Instruments.
6. 'POSA' – Law on Public Offering of Securities.

#### **TRANSITIONAL AND FINAL PROVISIONS**

§ 1. These Rules shall enter into force on 16.02.2021.

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