

Law on Bank Deposit Guarantee*

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issue 37 of 2019, effective as of the date on which applies the decision of the
European Central Bank establishing a close cooperation under Article 7 of Council
Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on
the European Central Bank concerning policies relating to the prudential
supervision of credit institutions)

Chapter One

SUBJECT AND SCOPE OF THE LAW

Article 1. (1) This Law shall regulate the public interactions relating to the reliable functioning of the deposit guarantee scheme and the protection of depositors, as well as the governance, objectives, functions, and operation of the Bulgarian Deposit Insurance Fund, hereinafter referred to as 'BDIF'.

(2) This Law shall apply to all banks that have obtained a license under the Law on Credit Institutions for public attraction of deposits or other refundable funds, as well as to all branches of these banks in other Member States.

(3) This Law shall also apply to the branches of a bank with head offices registered in a third country that has obtained a license from the Bulgarian National Bank (BNB) and operates in the Republic of Bulgaria, where:

1. the home country of the parent bank has no deposit guarantee scheme (DGS), or if it has such a scheme, it does not cover bank's branches abroad, or

2. the home country deposit guarantee scheme provides for a smaller size or scope of guarantee than the one prescribed in this Law; in this case the guarantee provided by the BDIF will supplement the one provided by the home country scheme.

(4) The entities under paragraphs 2 and 3 shall make contributions to the BDIF as prescribed herein.

(5) The BDIF Management Board shall ascertain, upon collection of relevant evidence, which banks' branches operating in Bulgaria meet the conditions under paragraph 3.

(6) In the events under paragraph 3, the BDIF shall cooperate with the authorities of the relevant deposit guarantee scheme.

* The English version is a translation of the original in Bulgarian for information purposes only. In case of a discrepancy, the Bulgarian original will prevail.

Chapter Two

BULGARIAN DEPOSIT INSURANCE FUND

Section I

Status of the BDIF

Article 2. (1) The BDIF shall be a legal entity, and its head office shall be in Sofia.

(2) The BDIF shall be transformed, dissolved or liquidated by force of a law.

(3) The National Audit Office shall exercise control over the operation of the BDIF.

(4) The BDIF shall be exempt from paying state and local taxes and fees only with respect to the deposit guarantee operations and financing of resolution actions under the Law on Recovery and Resolution of Credit Institutions and Investment Firms.

(5) Upon liquidation of the BDIF following the repayment of its liabilities, the remainder of its property shall be allocated among the banks in proportion to the contributions paid by them, with the exception of those banks whose liabilities to depositors have been paid out by the BDIF.

(6) The operational costs of the BDIF shall be financed pursuant to an ordinance of the Bulgarian National Bank upon a proposal by the BDIF Management Board.

Section II

Objectives and Functions of the BDIF

Article 3. (1) The objective of the BDIF is to promote the stability of and trust in the financial system of the Republic of Bulgaria by:

1. providing protection of deposits and paying out covered deposits;

2. contributing to the efficient execution of the restructuring of credit institutions pursuant to the Law on Recovery and Resolution of Credit Institutions and Investment Firms;

3. providing optimal protection of the interests of creditors in the bank bankruptcy proceedings.

(2) The BDIF shall:

1. determine and collect the annual and extraordinary premium contributions of banks;

2. invest its funds according to the terms and conditions under Article 23;

3. pay out the covered deposits;

4. carry out the mandates and powers provided for in the Law on Bank Bankruptcy;

5. take part in the financing of the resolution of credit institutions, taking on losses for insured depositors in the resolution process, pursuant to the Law on Recovery and Resolution of Credit Institutions and Investment Firms.

Section III

Management of the BDIF. Representation

Article 4. (1) The BDIF shall be managed by a Management Board.

(2) The Management Board shall consist of five members, including a Chairman and a Deputy Chairman, designated as follows:

1. the Chairman of the Management Board – by the Council of Ministers;
2. the Deputy Chairman of the Management Board – by the BNB Governing Council;
3. one member – by the professional organisation of banks; in case professional organisations are more than one, the BNB Governing Council shall determine the procedure for nomination and election of a member from the professional organisations of banks;
4. two members – jointly by the Chairman and the Deputy Chairman of the BDIF's Management Board.

(3) The members of the Management Board shall have a master's degree in economics or law and professional experience for at least five years in the fields of banking, trade in securities, accounting or finance.

(4) The term of office of the Management Board shall be four years. The members of the Management Board can be reelected without any restrictions. The members of the Management Board whose term of office has expired shall continue to exercise their powers until new members are designated.

(5) The Management Board shall meet at least once every three months. The meetings shall be legitimate if attended by at least three members of the Management Board. Minutes shall be taken at each meeting and shall be signed by all members in attendance.

(6) The resolutions of the Management Board shall be adopted by a majority consisting of more than half of all of its members, and the resolutions under Article 7, items 5 and 12 shall be adopted by a majority of four votes.

(7) The Management Board shall adopt rules for the operation of the BDIF including bylaws, organisational structure, and procedures for identification, management, monitoring, and reporting of risks that may be encountered in the course of BDIF operations.

(8) The Chairman of the Management Board shall organise and administer the operations and shall represent the BDIF in Bulgaria and abroad, taking all decisions related to the management of the BDIF, with the exception of the decisions under Article 7. The Chairman may authorise other persons with individual powers of his/her.

(9) The Chairman of the Management Board shall appoint and discharge from office BDIF administrative staff. The operational organisation of BDIF's administration and the total number of staff shall be stipulated according to the provisions of paragraph 7.

(10) The Management Board on behalf of the BDIF shall sign an agreement with the Chairman of the Management Board establishing his/her remuneration and specifying the rights and obligations in the exercising of his/her powers under paragraphs 8 and 9.

(11) In the absence of the Chairman, the functions thereof shall be performed by the Deputy Chairman or by some other member designated by the Management Board.

(12) The Management Board may engage individual specialists and may set up committees to assist it in the implementation of its powers.

(13) The BDIF and the bodies thereof, the persons authorized by them, and its staff shall not be liable for damages caused in the course of exercising their authority unless they have acted intentionally.

Article 5. (1) The following persons shall not be eligible to be members of the BDIF's Management Board:

1. a person who during the two years preceding the date of the decision for declaring bankruptcy was a member of an executive or controlling body of or a partner with unlimited liability in the company which was dissolved because of insolvency and there are outstanding creditors;

2. a person who during the five years preceding the date of the decision for declaring a bank insolvent was a member of a management or controlling body of the bank;

3. a person who is a spouse of or actually cohabitates with, or is related by lineal or collateral kinship up to second degree inclusive with another member of the BDIF Management Board;

4. a person who has been convicted of a premeditated crime of general character;

5. a person who has been deprived according to the relevant procedure of the right to hold a given position or to practice a given profession.

(2) The Chairman of the Management Board may not perform any other remunerative activities except for scientific, research, and teaching activities.

(3) The members of the Management Board may not work for banks or financial institutions within the meaning of Article 3 of the Law on Credit Institutions.

(4) (New; Darjaven Vestnik, issue 103 of 2017, effective as of 1 January 2018) The circumstances under paragraph 1, item 4 shall be established ex officio by BDIF.

Article 6. (1) The powers of a member of the Management Board shall be terminated before they have expired:

1. at his/her request;

2. in case of a precluding condition under Article 5;

3. if the member is effectively precluded from exercising his/her duties in excess of six months;

4. if the person has committed a material violation of his/her official duties;

5. if with his/her actions the member has inflicted damages to the interests of the BDIF;

6. if the member has been absent from three consecutive meetings of the Management Board with no legitimate excuse;

7. if Article 42, paragraph 1 of the Law on Bank Bankruptcy is violated;

8. (amended; Darjaven Vestnik, issue 7 of 2018) in case of an effective act establishing conflict of interests under the Law on Countering Corruption and Forfeiture of Illegally Acquired Assets;

9. in case of death.

(2) The powers under paragraph 1 of a member of the Management Board shall be terminated with a resolution of the relevant authority under Article 4, paragraph 2.

(3) In the event of early termination of the powers of a member of the Management Board, a replacement shall be appointed who will start a new term of office.

Article 7. The Management Board shall:

1. determine the annual and the extraordinary premium contributions of banks;
2. invest BDIF funds in compliance with the requirements for security and constant liquidity, with the right to conclude financial transactions for the purpose of alleviating risks or providing liquidity;
3. arrange the repayment of covered deposits as per the terms and conditions set forth in this Law;
4. adopt the terms and conditions for the BDIF to employ financial facilities, including debt securities issuance;
5. (amended; Darjaven Vestnik, issue 37 of 2019, effective as of the date on which applies the decision of the European Central Bank establishing a close cooperation under Article 7 of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions) provide the financing for the resolution tools pursuant to Article 144 of the Law on Recovery and Resolution of Credit Institutions and Investment Firms;
6. decide on the BDIF participation in international organisations;
7. approve agreements for BDIF cooperation with state institutions and public organisations;
8. appoint a registered auditor to conduct an independent financial audit of the annual financial statements of the BDIF;
9. adopt decisions for receipt of donations and aid from local and foreign entities;
10. adopt rules for the effectuation of internal control of BDIF operations;
11. review and resolve on all issues within its powers related to BDIF mandate under the Law on Bank Bankruptcy;
12. review and resolve within its powers on all issues related to the Law on Recovery and Resolution of Credit Institutions and Investment Firms;
13. adopt the annual report on BDIF's operations and submit it to the Council of Ministers, the Bulgarian National Bank, and to the National Audit Office;
14. annually adopt and publish in Darjaven Vestnik no later than 31 March the annual financial statements for the preceding year;
15. (amended; Darjaven Vestnik, issue 20 of 2018, effective as of 6 March 2018) adopt an annual budget for the administrative expenses of the BDIF and a report on the implementation thereof and within 30 days from their adoption submit them to the National Audit Office;
16. draft ordinances provided for in this Law and submit them to the Bulgarian National Bank for discussion and adoption;
17. adopt decisions on provision of loans to other DGS within the European Union according to the provisions of Article 24;
18. determine the amount of and the terms and conditions for the collection of the annual fee from banks for defraying BDIF administrative costs; the amount of the annual fee for banks shall be set on the basis of required costs for premises, equipment, and BDIF administrative costs provided for in the BDIF annual budget;
19. issue instructions *vis-à-vis* the content and format of the information banks are obliged to provide to the BDIF for the purposes of repayment of covered deposits and of testing the deposit guarantee system;

20. review and resolve on other issues related to BDIF operations.

Chapter Three

COVERED DEPOSITS

Section I

Coverage level and Scope of the Guarantee

Article 8. Deposits in levs and in foreign currency shall be guaranteed.

Article 9. (1) The BDIF shall guarantee full repayment of deposit amounts up to BGN 196,000 *per depositor per bank* regardless of their number and size.

(2) The provisions of paragraph 1 shall not apply to entities who have obtained rights over a deposit as a result of dispositive actions *vis-à-vis* a deposit within the term of application of the measures under Article 116, paragraph 2, items 2 and 3 of the Law on Credit Institutions and subsequent to the date of issuance of an act under Article 20, paragraph 1.

Article 10. (1) The following deposits shall be guaranteed up to BGN 250,000 for a term of three months from the moment of crediting the amount to an account of the depositor or from the moment at which the depositor has obtained the right to dispose with the amount of the deposit:

1. deposits of individuals arising from transactions with real estates for residential purposes;
2. deposits of individuals arising from amounts paid in connection with conclusion or dissolution of marriage, termination of a labour contract or civil service contract, disability, or death;
3. deposits arising from insurance or social insurance payments or from payment of compensation for damages from crimes or reversed sentence.

(2) The deposits under paragraph 1 shall not be included in the calculation of the total amount of the liability of the bank to a depositor under Article 12 within the deadline under paragraph 1.

Section II

Exclusions

Article 11. (1) Deposits with a bank up to the coverage level shall not be paid to:

1. other banks when they are made on their own behalf and for their own account;
2. the financial institutions under Article 3 of the Law on Credit Institutions;
3. (amended; Darjaven Vestnik, issue 102 of 2015, effective as of 1 January 2016) the insurers and reinsurers under Article 12 of the Insurance Code;
4. pension insurance companies and funds for mandatory and voluntary pension insurance;
5. investment firms;
6. collective investment schemes, investment funds, alternative investment funds and special investment purpose companies;
7. the budget organisations under § 1, item 5 of the Additional Provisions of the Law on Public Finance;

8. (amended; Darjaven Vestnik, issue 102 of 2015, effective as of 1 January 2016) the Investor Compensation Fund, the Bulgarian Deposit Insurance Fund, and the Guarantee Fund under Article 518 of the Insurance Code.

(2) No guarantee shall be provided on deposits arising from or connected with transactions or actions constituting ‘money laundering’ within the meaning of Article 2 of the Law on the Measures against Money Laundering and ‘financing of terrorism’ within the meaning of the Measures against Financing of Terrorism Act established by force of an effective sentence.

(3) (Amended; Darjaven Vestnik, issue 27 of 2018) Deposits whose holder has not been identified pursuant to Chapter Two, Section V of the Law on the Measures against Money Laundering as of the date of issuance of an act under Article 20, paragraph 1, shall not be paid.

(4) The circumstances determining the exclusions under paragraphs 1 and 2 shall be established as of the date of issuance of an act under Article 20, paragraph 1.

Section III

Calculation of the Repayable Amount

Article 12. (1) The total amount of the liability of a bank to a depositor shall be determined by summing up his/her deposits, including accrued interests thereon up to the date of issuance of an act under Article 20, paragraph 1. In summing up deposits in foreign currency, their lev equivalent amount shall be used according to the exchange rate of the Bulgarian National Bank as of the date of issuance of an act under Article 20, paragraph 1.

(2) For joint deposits, the portion of each holder shall be taken into account when determining the total amount of his/her deposits with a bank. Unless otherwise specified in the deposit agreement, it shall be assumed that holders have equal parts.

(3) If a depositor holds no exclusive right over the amounts in the account, the person in whose favour the deposit has been made shall be entitled to receive payment from the BDIF, unless the agreement specifies otherwise and provided this person has been identified or can be identified prior to the date of issuance of an act under Article 20, paragraph 1. In case of multiple beneficiaries of a deposit, the rules for joint deposits shall apply.

(4) In case of transformation of two or more banks through a merger or incorporation, the deposits with these banks prior to the transformation shall be calculated for the purpose of the guarantee limit for each bank individually until the expiry of the six-month term under Article 263k, paragraph 1 of the Law on Commerce.

(5) A deposit which is encumbered or serves as collateral shall be included in the calculation under paragraph 1 and the guaranteed share due on the deposit shall not be paid to the titleholder of the deposit until said encumbrance or security has been lifted. Where an act issued by a judicial authority in respect of a deposit referred to in the first sentence is effective, the BDIF shall pay the compensation on the deposit to the person designated in the act as entitled to the repayable amount.

Chapter Four
FINANCING OF THE BDIF

Section I

Sources of Funding

Article 13. (1) The sources for raising the funds in the BDIF shall be:

1. annual and extraordinary premium contributions from banks;
2. incomes from investing the funds collected in the BDIF;
3. proceeds received by the BDIF from property of the bank in the event of subrogation;
4. (amended; Darjaven Vestnik, issue 96 of 2015, effective as of 1 January 2016) other sources (loans, including in the cases not falling under Article 18, paragraph 2, donations, foreign aid and others).

(2) The Bulgarian National Bank shall be the depository of the BDIF funds.

Article 14. (1) Not later than 1 May of the current year, the BDIF shall set the annual premium contribution for each bank, taking into consideration its risk profile and the amount of covered deposits with the bank for the preceding year calculated as an average of the size of covered deposits as of the end of each quarter.

(2) Guaranteed are all deposits up to coverage level under Article 9, paragraph 1, with the exception of the deposits under Article 11, paragraphs 1 and 2.

(3) When determining the covered deposits for the purposes of paragraph 1, bank deposits in foreign currency shall be recalculated in levs at the exchange rate of the Bulgarian National Bank for the respective day.

(4) The method of calculation of the size of the contributions under paragraph 1 shall be determined by an ordinance of the Bulgarian National Bank upon a proposal by the BDIF Management Board.

(5) Banks, including branches of foreign banks, shall remit the annual premium contribution by 31 May of the current year.

(6) The annual premium contributions of banks shall be booked as current year accounting costs.

Article 15. The contributions paid by the banks shall not be refundable, in the event of termination of the bank inclusive.

Article 16. (1) In case of failure to pay a contribution within the specified deadline, the BDIF shall charge interest on the due amount for the period of the delay, applying the statutory interest rate.

(2) In case of failure of the bank to pay the due contribution within the deadline, the BDIF shall immediately notify the Bulgarian National Bank for undertaking supervisory measures under the Law on Credit Institutions.

(3) If the undertaken measures under paragraph 2 fail to secure compliance with the obligation to pay due contributions, the BDIF, with the explicit consent of the Bulgarian National Bank, may issue a one-month notice of exclusion of the bank from the deposit guarantee scheme in the Republic of Bulgaria.

(4) The BDIF shall exclude a bank from the deposit guarantee system in the Republic of Bulgaria if, upon the expiry of the term under paragraph 3, the bank's incompliance still persists.

(5) The deposits available at the date of the termination of the membership of a bank in the deposit guarantee scheme in the Republic of Bulgaria shall continue to be guaranteed by the BDIF.

(6) The Bulgarian National Bank shall issue an ordinance on the enforcement of this Article upon a proposal by the BDIF Management Board.

Article 17. (1) When the funds available at the BDIF exceed 1 per cent of the total amount of covered deposits with banks, the Management Board may take a decision to decrease the size of annual premium contributions or to suspend their payment for a specified period.

(2) The payment of the annual premium contributions shall be resumed when the funds at the BDIF go below the amount under paragraph 1.

(3) The methodology for calculating the decreased size of annual premium contributions shall be determined by the ordinance under Article 14, paragraph 4.

(4) Whenever BDIF funds are used under Article 144 of the Law on Recovery and Resolution of Credit Institutions and Investment Firms, the payment of contributions under paragraph 2 shall be set so that the amount stipulated in paragraph 1 shall be achieved within six years.

Section II

Financing BDIF within Shortfall of Funds

Article 18. (1) If the funds available with the BDIF are not sufficient to cover its obligations under Article 20 when deposits have become unavailable, upon a resolution of the Management Board, banks remit extraordinary premium contributions in the amount of up to 0.5 per cent of the covered deposits for one calendar year calculated as of the last quarter preceding the date of payment of contributions. The BDIF with the explicit consent of the Bulgarian National Bank may demand higher contributions too, in extraordinary circumstances.

(2) To cover the remaining deficit of funds in the BDIF, it may, upon a resolution of its Management Board, use loans:

1. including by means of issuance of debt securities, as per terms and conditions set forth by the BDIF Management Board;

2. from the state budget, following a decision of the Council of Ministers.

(3) The loans used by the BDIF can be secured with a guarantee issued by the Council of Ministers, on behalf of and at the expense of the state, or with assets of the BDIF, including with future receivables of the BDIF.

(4) In the event of a liquidity distress of a bank, the Bulgarian National Bank may defer in part or in full the payment of the contributions under paragraph 1 for a period not longer than six months. The deferral of the payment of the contributions under paragraph 1 may be renewed upon request by the bank.

(5) The contributions under paragraph 1, whose payment has been deferred, shall be paid when the Bulgarian National Bank establishes that their remittance does not threaten the liquidity or the solvency of the bank.

(6) The contributions under paragraph 1:

1. shall not be deductible from the contributions under Article 14, paragraph 1;
2. shall be calculated pursuant to the ordinance under Article 14, paragraph 4.

Chapter Five

USE OF BDIF FUNDS

Section I

General Provisions

Article 19. (1) (amended; Darjaven Vestnik, issue 96 of 2015, effective as of 1 January 2016) BDIF funds shall be used for payment of covered deposits in the events provided for in this Law, as well as for payment of principal and interest on the loans used by the BDIF.

(2) The BDIF funds shall be used also for financing of restructuring actions under the terms and conditions provided for in Article 144 of the Law on Recovery and Resolution of Credit Institutions and Investment Firms.

Section II

Terms and Procedure for Reimbursement of Covered Deposits

Article 20. (1) The BDIF shall repay liabilities of the respective bank to its depositors up to the coverage level in the event of:

1. a resolution of the Bulgarian National Bank on revoking a bank operation license;
2. a resolution of the Bulgarian National Bank on establishing unavailability of deposits and upon its discretion that for the time being the bank seems unable, for reasons directly related to its financial standing, to repay deposits and that the bank will not be able to do so in the short term; the resolution shall be adopted not later than five working days from obtaining advices of the bank's failure to repay deposits that are claimed and due, or;
3. an act of a judicial authority by force of which, for reasons directly related to the financial standing of the bank, claiming of receivables of depositors against the bank is precluded.

(2) The BDIF shall repay covered deposits *via* one or more banks designated by the Management Board.

(3) Within two business days from the date of issuance of an act under paragraph 1, the appointed conservator, temporary administrator or special manager, liquidator, temporary assignee in bankruptcy or assignee in bankruptcy shall present to the BDIF information on the deposits with the bank.

(4) Not later than two business days prior to the commencement of repayment of the reimbursable sums by the BDIF, its Management Board shall announce in at least two central dailies and on its website the initial day on which depositors in the bank may receive payments from the BDIF, as well as the bank or banks that will execute these

payments. The correspondence between the BDIF and depositors shall be in Bulgarian.

(5) The BDIF shall grant the depositors of the bank access to their reimbursable amounts not later than seven business days from the date of issuance of an act under paragraph 1.

(6) The term for repayment may be extended in the following events:

1. fulfilled conditions under Article 12, paragraph 3, but with not more than three months from the date of issuance of an act under paragraph 1;

2. the legal right of a given person to receive the reimbursable amount of the deposit is not established or the deposit is a subject of a legal dispute; in these events the deposit shall be paid out within seven business days from the date of notification of the BDIF about the resolution of the dispute or the establishment of the lawful right;

3. the deposit is subject to restrictive measures imposed by the government or international organisations; in these cases the deposit shall be paid within seven business days from the date of notification of the BDIF about the termination of the effectiveness of the restrictive measures;

4. the amount subject to repayment is part of a temporary high balance on the account according to the terms and conditions of Article 10, but with not more than three months from the date of issuance of an act under paragraph 1;

5. the BDIF pays the covered deposits with a branch of a Bulgarian bank in another Member State, but not later than 20 business days from the date of issuance of an act under paragraph 1.

(7) Regardless of the term under paragraph 5, when a depositor or another entity holding rights over or interest related to the amounts in an account, is charged with an offence arising from or related to money laundering within the meaning of Article 2 of the Law on Measures against Money Laundering or financing of terrorism within the meaning of the Measures against Financing of Terrorism Act, the BDIF can temporarily suspend all payments concerning the depositor/entity until a judicial act becomes effective.

(8) The amounts in accounts on which no operations ordered by the depositor have taken place over the preceding 24 months prior to the date of issuance of an act under Article 20, paragraph 1 and the balance of each of those is less than BGN 20 shall not be repaid.

(9) The reimbursed amounts shall be deducted from the amount of liabilities of the respective bank to depositors.

(10) The BDIF shall inform regularly the conservator, temporary administrator or special manager, liquidator, temporary assignee in bankruptcy or assignee in bankruptcy about the amounts paid to the individual depositors.

(11) For their receivables in excess of the amounts received from the BDIF, depositors shall be satisfied from the property of the bank in accordance with the effective legislation.

(12) The Bulgarian National Bank shall issue an ordinance on the enforcement of this Article upon a proposal by the BDIF Management Board.

Article 21. (1) A person claiming to be a depositor, who has been denied repayment within the limits under Articles 9 and 10 or within the deadlines under Article 20,

paragraph 5 or 6, or who disagrees with the reimbursed sum, can file objections within three months from the initial day of repayment of guaranteed deposits, with the conservator, temporary administrator or special manager, liquidator, temporary assignee in bankruptcy or assignee in bankruptcy of the bank.

(2) The conservator, temporary administrator or special manager, liquidator, temporary assignee in bankruptcy or assignee in bankruptcy shall pronounce on the objections under paragraph 1 within seven days from receipt thereof. In case of dismissal of the objection under paragraph 1, the person is entitled to assert his/her rights under the Civil Procedure Code.

Article 22. (1) From the initial date of repayment under Article 20, the BDIF shall subrogate to depositors' rights against the bank to the totality of covered deposits regardless of the amount and date on which the depositors disposed with their reimbursable sums.

(2) The BDIF shall not owe any interest on reimbursable deposits.

Chapter Six

INVESTING BDIF FUNDS

Article 23. The funds of the BDIF shall be invested in:

1. deposits with the Bulgarian National Bank;
2. highly liquid debt securities:

a) issued or guaranteed by the Bulgarian state;

b) issued by other Member States holding one of the two highest credit ratings given by two credit rating agencies registered or certified pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council from 16 September 2009 on credit rating agencies (OJ, L 302/1 of 17 November 2009), hereinafter referred to as 'Regulation (EC) 1060/2009';

c) issued by third countries holding one of the two highest credit ratings given by two credit rating agencies registered or certified pursuant to Regulation (EC) No 1060/2009;

d) issued by the European Central Bank, the European Investment Bank, the European Bank for Reconstruction and Development or other foreign financial institutions or international financial organisations including supranational organisations of Member States whose liabilities have been assigned one of the two highest ratings given by two credit rating agencies registered or certified pursuant to Regulation (EC) No 1060/2009.

Chapter Seven

COOPERATION WITH DEPOSIT GUARANTEE SCHEMES WITHIN THE EUROPEAN UNION

Section I

Borrowing between Deposit Guarantee Schemes

Article 24. (1) The BDIF can provide loans to deposit guarantee schemes of other Member States under the following conditions:

1. the borrowing scheme is not able to fulfil its obligations in terms of payment of covered deposits because of lack of funds;
 2. the borrowing scheme has exhausted the options for raising extraordinary contributions from banks;
 3. the borrowing scheme shall use the borrowed funds solely for payout of covered deposits;
 4. the borrowing scheme has no outstanding debts towards another scheme;
 5. the borrowing scheme has specified the amount it wishes to borrow;
 6. the total amount of the loan shall not exceed 0.5 per cent of guaranteed deposits of the borrowing scheme;
 7. the borrowing scheme has notified the European Banking Authority of its request, guaranteeing that it has fulfilled the conditions under paragraphs 1–5 and specifying the amount of the requested loan;
 8. the borrowing scheme undertakes to repay the loan within five years; the repayment may be in annual instalments, the interest being due as of the moment of full repayment of principal;
 9. the interest rate shall be no less than the interest rate on the marginal lending facility of the European Central Bank over the lending period.
- (2) The BDIF shall notify the European Banking Authority of the initial interest rate as well as of the term of the loan.

Section II

Repayment of Covered Deposits with Branches of Banks from Other Member States

Article 25. (1) The BDIF shall pay the covered deposits to depositors in branches of banks from other Member States in the Republic of Bulgaria on behalf and at the expense of the home Member State DGS.

(2) The BDIF shall pay the amounts under paragraph 1 in accordance with the guidance of the home Member State DGS. In these events the BDIF shall not be responsible for determining the reimbursable sums.

(3) The home Member State DGS shall provide the financial resources required for the payment of the reimbursable sums prior to the payment and shall defray to the BDIF all expenses incurred.

(4) The BDIF shall inform concerned depositors on behalf of the home Member State DGS and may receive the correspondence from said depositors on behalf of the home Member State DGS

Article 26. (1) The BDIF shall pay the covered deposits to depositors in branches of Bulgarian banks in other Member States through the host Member State DGS.

(2) The amounts are paid to depositors by the host Member State DGS in accordance with the guidelines under Article 7, item 19.

(3) For the purposes of paragraph 1, banks shall maintain and provide to the BDIF information on covered deposits in branches of Bulgarian banks in other Member States. Banks shall submit information to the BDIF in a scope and format specified in the guidelines under Article 7, item 19.

Section III

Transfer to Another Deposit Guarantee Scheme in Another Member State

Article 27. (1) If a bank terminates its membership in the BDIF and joins another DGS, the last annual premium contribution under Article 14, paragraph 1 paid prior to the termination of membership shall be transferred to the other DGS. This shall not be applicable in case the termination of membership of the bank is due to exclusion by the BDIF under Article 16.

(2) If some of the activities of a bank are transferred to another Member State, and as a result of this are assigned to another deposit guarantee scheme, part of the last paid annual premium contribution under Article 14, paragraph 1 of this bank shall be transferred to the other deposit guarantee scheme, proportionately to the amount of transferred covered deposits.

(3) In the events under paragraphs 1 and 2, the bank shall send a prior notice of its intention to the BDIF at least six months in advance. Over this period, the bank shall be liable to pay annual and extraordinary premium contributions to its initial DGS.

Section IV

Cooperation Agreements and Exchange of Information

Article 28. (1) For the purposes of Articles 25, 26, and 27, the BDIF shall conclude agreements for cooperation, exchange the information obtained under Article 31, paragraphs 2, 3, and 5, and cooperate with the DGSs in other Member States. The BDIF shall inform the European Banking Authority of the concluded agreements. In case it is impossible to reach an agreement with a deposit guarantee scheme in another Member State or in case of dispute related to the interpretation of the agreements, the BDIF can recourse to the European Banking Authority.

(2) The absence of an agreement under paragraph 1 shall not be a derogation from the rights of depositors in branches of banks of other Member State in the Republic of Bulgaria and in branches of Bulgarian banks in other Member State with respect to their receivables from the home Member State DGS, as well as from the interests of banks in the events under Article 27.

(3) (amended; Darjaven Vestnik, issue 17 of 2019) With regard to the exchange of information about the depositors in branches of Bulgarian banks in other Member States and branches of banks of other Member States in the Republic of Bulgaria, the requirements for confidentiality and protection of data on the accounts of depositors in accordance with the requirements on personal data protection shall be applied.

Chapter Eight

TESTING OF THE DEPOSIT GUARANTEE SYSTEM

Article 29. (1) The BDIF shall conduct regularly stress tests of the deposit guarantee system, as well as in the event of advices from the Bulgarian National Bank of problems in a bank that could trigger the deposit guarantee system.

(2) Stress tests shall be conducted at least once every three years.

(3) The Management Board and the staff of the BDIF may use the information required for testing of the deposit guarantee system solely for the purpose of conducting the tests. The BDIF shall not have the right to keep this information for a period longer than required for conducting the stress tests.

Chapter Nine

EXCHANGE OF INFORMATION

Article 30. (1) Banks shall provide the BDIF with the information required for calculating the due premium contributions to the BDIF.

(2) Banks shall provide the BDIF with the information required for the purposes of the regular testing of the deposit guarantee system or for the preparation of the repayment of covered deposits at any time and upon request from the BDIF, the type and format of this information being consistent with the guidelines under Article 7, item 19.

(3) The BDIF shall have the right to demand at any time information from a bank on the eligible deposits of each depositor and on the marking thereof in accordance with Article 57, paragraph 3 of the Law on Credit Institutions.

(4) The Bulgarian National Bank shall immediately notify the BDIF in case problems are identified in a bank that are likely to trigger the deposit guarantee scheme, as well as of any supervisory measures imposed with respect to banks under Article 103, paragraph 2, items 4–9, 13–15, 17–21, 23, and 24 of the Law on Credit Institutions, by providing the BDIF with a copy of the act on the imposition of the relevant measure.

(5) The Bulgarian National Bank shall immediately notify the BDIF of occurrence of the conditions under Article 36, paragraphs 1 and 2 of the Law on Credit Institutions.

(6) Upon request by the BDIF, the Deputy Governor heading the Banking Supervision Department at the Bulgarian National Bank shall conduct targeted inspections of banks and shall present the findings therefrom to the BDIF.

(7) The Management Board may publish information about the operations of the BDIF that is free from details representing banking or trade secrecy.

(8) In the events under paragraph 6, the restrictions under Articles 62 and 63 of the Law on Credit Institutions regarding the access to banking and professional secrecy shall not apply.

(9) Professional secrecy shall be the information which the BDIF obtains or generates in the course of exercising its functions under the present Law whose disclosure could damage the commercial interest or reputation of a bank, shareholders or customers thereof. Professional secrecy shall not be official secrecy within the meaning of the Law on Protection of Classified Information.

(10) Information that is subject to publication or disclosure under a legal act shall not be professional secrecy.

(11) The members of the Management Board, the staff, external auditors, experts, and the other persons working for the BDIF, shall keep the professional secrecy, including after their relations with the BDIF have been terminated.

(12) The persons under paragraph 11 may use the information which is professional secrecy only for the purpose and during the performance of their official duties. This information may not be disclosed or provided to persons or authorities other than those specified in paragraph 14.

(13) The restrictions under paragraph 12 shall not apply if the information is in a summary form so that the bank or the persons it relates to cannot be identified. The information received from a bank or another person bound by this Law may be provided back to them without any restrictions.

(14) The persons under paragraph 11 may provide information which is professional secrecy to the following authorities and organisations in performing their functions or duties:

1. the court:
 - a) in the events of initiated criminal proceedings;
 - b) in relation to a lawsuit concerning undertaken actions pursuant to this Law and/or under the Law on Bank Bankruptcy;
2. other authorities, when explicitly provided for in a special law;
3. the home Member State DGS for the purposes of Article 25, paragraph 1.

(15) Every year, not later than 1 March, the Management Board of the BDIF shall inform the European Banking Authority of the total amount of covered deposits in Bulgaria, as well as of the amount of the available funds at the BDIF as of 31 December of the preceding year.

Article 31. Should a bank fail to fulfil its obligations under Article 30, the BDIF shall notify immediately the Bulgarian National Bank for undertaking supervisory measures under the Law on Credit Institutions.

Article 32. The banks covered by the deposit guarantee scheme shall not be able to use for advertising purposes the amount of the guarantee under this Law, nor to advertise deposit guarantee in amounts exceeding those provided for in this Law.

Article 33. If a bank terminates its membership in the BDIF or is expelled from it, the bank shall, within one month of termination of membership, inform the depositors thereof.

ADDITIONAL PROVISIONS

§ 1. Within the meaning of this Law:

1. 'Deposit' shall be the credit balance obtained as a result of funds deposited in an account, or from temporary situations resulting from regular banking transactions, which the bank is obliged to pay in accordance with applicable legal and contractual provisions with the exception of a credit balance meeting one of the following criteria:

a) (amended; Darjaven Vestnik, issue 15 of 2018, effective as of 16 February 2018) its existence can only be proven by a financial instrument within the meaning of Article 4 of the Law on Markets in Financial Instruments, unless it is a savings product certified by a certificate of deposit issued to a named person and in existence as of 2 July 2014.

b) the principal thereof is not repayable at nominal value;

c) the principal thereof is only repayable at nominal value by force of a special guarantee from or an agreement with a credit institution or third party;

d) is not equity within the meaning of the definition in Article 4, paragraph 1, item 118 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ, L 176/1 of 27 June 2013), hereinafter referred to as 'Regulation (EU) No 575/2013' or debt securities issued by a bank, and liabilities arising from a promissory note or as a result of a written consent of a paying bank to accept the order of the issuer of the bill of exchange.

2. 'Unavailable deposit' shall be a deposit that is claimed and due but has not been paid by the bank as per the legal or contractual provisions relevant with respect to it.

3. 'Joint deposit' shall be funds in an account opened in the name of two or more persons, or in an account with respect to which two or more persons hold rights exercised by the signature of one or more of these persons.

4. 'Available funds' shall be cash, deposits, and low-risk assets that can be converted into cash within a term not exceeding the term under Article 20, paragraph 5.

5. 'Eligible deposits' shall be deposits that are not excluded from the scope of the protection under Article 11, paragraphs 1 and 2.

6. 'Depositor' shall be the holder or, in case of a joint deposits, each of the holders of the deposit.

7. 'Member State' shall be a state that is a member of the European Union or another state that is a party to the Agreement on the European Economic Area.

8. 'Third country' shall be a country that is not a Member State within the meaning of item 7.

9. 'Low-risk assets' shall be instruments falling into the first or second category in Table 1 in Article 336 of Regulation (EU) No 575/2013 or any assets deemed equally safe and liquid by the Bulgarian National Bank or the BDIF.

10. 'Deposit guarantee schemes' shall be:

a) statutory deposit guarantee schemes;

b) deposit guarantee schemes that are officially recognised as deposit guarantee schemes;

c) institutional protection schemes that are officially recognised as deposit guarantee schemes.

11. 'Home Member State' shall be a Member State within the definition in Article 4, paragraph 1, item 43 of Regulation (EU) No 575/2013.

12. 'Host Member State' shall be a receiving Member State within the definition in Article 4, paragraph 1, item 44 of Regulation (EU) No 575/2013.

13. 'Branch' shall be a term within the meaning of § 1, paragraph 1, item 22 of the Additional Provisions of the Law on Credit Institutions.

§ 2. This Law shall introduce the provisions of Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (OJ, L 173/1 of 12 June 2014).

TRANSITIONAL AND FINAL PROVISIONS

§ 3. This Law shall repeal the Law on Bank Deposit Guarantee (published in Darjaven Vestnik, issue 49 of 1998; amended, issues 73, 153 and 155 of 1998; issue 54 of 1999; issue 109 of 2001; issues 92 and 118 of 2002; issues 31 and 39 of 2005; issues 59, 64, and 86 of 2006; issues 67 and 98 of 2008; issues 42 and 44 of 2009; issues 97 and 101 of 2010; issue 109 of 2013; issue 98 of 2014 and issue 22 of 2015).

§ 4. The Bulgarian Deposit Insurance Fund shall be the successor of the Bulgarian Deposit Insurance Fund established by force of the repealed Law on Bank Deposit Guarantee.

§ 5. For the procedures related to repayment of covered deposits incepted prior to entry into force of this Law, the provisions of the repealed Law on Bank Deposit Guarantee shall be applied.

§ 6. The Law on Credit Institutions (published in Darjaven Vestnik, issue 59 of 2006; amended with issue 105 of 2006; issues 52, 59 and 109 of 2007; issue 69 of 2008; issues 23, 24, 44, 93 and 95 of 2009; issues 94 and 101 of 2010; issues 77 and 105 of 2011; issues 38 and 44 of 2012; issues 52, 70 and 109 of 2013; issues 22, 27, 35 and 53 of 2014, and issues 14, 22 and 50 of 2015) shall be amended as follows:

1. In Article 36:

a) item 7 is inserted in paragraph 1:

‘7. The Bulgarian National Bank has taken a decision for establishing that deposits with the bank are not available, on the grounds of Article 20, paragraph 1, item 2 of the Law on Bank Deposit Guarantee.’;

b) paragraph 2 shall be amended as follows:

‘(2) The Bulgarian National Bank shall withdraw the license granted to a bank due to insolvency, where the amount of bank’s own funds is negative and the conditions for resolution under Article 51, paragraph 1 of the Law on Recovery and Resolution of Credit institutions and Investment Firms have not been met.’;

c) in paragraph 7 ‘under paragraph 1’ shall be inserted after the word ‘the license.’

2. Second sentence is introduced in Article 37, paragraph 2: ‘The petition shall be filed not later than two days after the revocation of the license.’

3. Paragraph 5 is inserted in Article 56:

‘(5) The inclusion in and exclusion from the information system shall be done by an act of the Deputy Governor heading the Banking Supervision Department.’

4. In Article 57:

a) paragraph 3 shall be amended as follows:

‘(3) The bank must specify in the terms and conditions under paragraph 2 and in the contract whether the deposit is guaranteed or not under the terms and procedure of the Law on Bank Deposit Guarantee, the amount of the guarantee and the applicable DGS. The Depositor Information Template according to the appendix shall be provided to depositors before the conclusion of the contract and at least once a year after the conclusion of the contract in language and in a manner agreed mutually between the depositor and bank upon opening of the account. Banks shall mark deposits in a manner and under the terms determined by the BNB, which allow for an immediate

identification of deposits meeting the conditions under § 1, item 5 of the Additional Provisions of the Law on Bank Deposit Guarantee.’

b) paragraph 6 shall be inserted:

‘(6) The Bulgarian National Bank shall notify depositors of a transformation of a bank through takeover or merger into another bank at least one month prior to the relevant action, producing a legal effect, by publishing an announcement on the BNB website. Within three months after the notification depositors may withdraw or transfer to another bank their deposits meeting the conditions under § 1, item 5 of the Additional Provisions of the Law on Bank Deposit Guarantee together with the accrued interest over the amount of the guarantee, with no penalties and fees to be paid for the early termination of a deposit contract.’

5. In Article 58:

a) in paragraph 3 the expression ‘of the non-retail’ shall be deleted;

b) paragraph 5 shall be inserted:

‘(5) This Article shall apply to non-retail loans.’

6. In Article 62:

a) paragraph 1 shall be amended as follows:

‘(1) Bank employees, members of the bank’s managing and controlling bodies, officials from the BNB, employees and members of the management board of the Bulgarian Deposit Insurance Fund, liquidators, temporary assignees in bankruptcy and assignees in bankruptcy, as well as any other persons working for the bank, may not disclose, or use to their personal benefit or to the benefit of the members of their families, information which is bank secrecy.’

b) paragraph 5 shall be amended as follows:

‘(5) Except for the BNB and for the purposes of and pursuant to the conditions set forth in Article 56, a bank may disclose information under paragraph 2 on individual customers only:

1. with their consent;

2. pursuant to a court ruling under Articles 6 and 7;

3. by a determination of the Court, where it is necessary for clarifying the circumstances on the proceedings heard by it, or

4. in cases under Article 12 for a bank in bankruptcy proceedings.’

7. In Article 63, paragraph 1, sentence one and the expression ‘and whose disclosure could damage the commercial interest or reputation of a bank or its shareholders’ shall be deleted.

8. In Article 64:

a) in paragraph 1:

aa) in item 2(b), following the word ‘lawsuit’, ‘or an arbitration case’ shall be inserted;

bb) item 3 shall be amended as follows:

‘3. The financial supervision authorities in the Republic of Bulgaria, the Bulgarian Deposit Insurance Fund and the State National Security Agency, in the cases and according to a procedure set out in the Law on Bank Deposit Guarantee or in joint instructions or agreements;’

b) sentence two shall be inserted in paragraph 2: ‘Such information shall be submitted only where it is necessary for the purposes of supervision, prevention and resolution of credit institutions.’

9. In Article 67:

a) new item 7 is inserted:

‘7. detailed documentation on financial contracts within the meaning of § 1, item 83 of the Additional Provisions of the Law on Recovery and Resolution of Credit Institutions and Investment Firms to which the bank is a party;’

b) previous item 7 becomes item 8.

10. Article 73d shall be repealed.

11. In Article 103:

a) in paragraph 1:

aa) item 7 shall be amended as follow:

‘7. non-payment of premium contributions to the Bulgarian Deposit Insurance Fund or any other actions threatening depositors’ interests;’

bb) item 18 is inserted:

‘18. lack of a plan for changes to the activity within the term set by the BNB or where the BNB has decided that the proposed changes are inappropriate for removing the weaknesses and obstacles associated with developing and adopting recovery plans under Chapter Two, Section I of the Law on Recovery and Resolution of Credit Institutions and Investment Firms.’;

b) in paragraph 2:

aa) item 21 is repealed;

bb) at the end of item 23 the following shall be inserted: ‘where conditions for appointing a temporary administrator under Article 46 of the Law on Recovery and Resolution of Credit Institutions and Investment firms are not in place’;

cc) in item 24 the expression ‘– in case of insolvency danger’ shall be deleted.

12. In Article 103a, paragraph 2, item 1 the words ‘Article 73d’ shall be deleted.

13. In Article 105, paragraph 2, sentence one after the word ‘shall’ the following shall be inserted: ‘at BNB’s judgement have the required qualification, skills and knowledge to perform the functions and tasks assigned to him/her and’, and ‘item 1 and items 3–9’ shall be inserted after ‘Article 11, paragraph 1’.

14. In Article 115:

a) paragraph 1 shall be amended as follows:

‘(1) The Bulgarian National Bank may place a bank under special supervision provided that:

1. the bank has not paid deposits that are due and payable, and the BNB has started a procedure for delivery of a decision under Article 20, paragraph 1, item 2 of the Law on Bank deposit Guarantee, and

2. the bank does not meet the resolution requirements under the Law on Recovery and Resolution of Credit Institutions and investment Firms.’;

b) paragraph 2 shall be repealed;

c) in paragraph 3, sentence one the words ‘six months’ shall be replaced with ‘one month’, and sentence two shall be deleted;

d) paragraph 4 shall be inserted:

‘(4) In cases under Articles 107, 109, 110 and Articles 115–121 the provisions of the Law on Public Offering of Securities shall not apply to a bank which is a public company.’

15. In Article 116:

a) new paragraph 3 is inserted:

‘(3) The measure under paragraph 2, item 2 may not provide for a complete limitation of depositors’ access to deposits for a term longer than five working days.’;

b) previous paragraph 3 shall become paragraph 4.

16. In Article 118, paragraphs 1, 2 and 3 are repealed.

17. In Article 121, the expression ‘one month’ is replaced by ‘ten days’.

18. In Chapter Eleven, Section IX with Article 121a is repealed.

19. In Article 125 paragraph 3 is amended as follows:

‘(3) Provided the proposition under paragraph 1 is justified, the BNB Governing Council, on a motion by the Deputy Governor heading the Banking Supervision Department, within five working days after the proposition under paragraph 1, shall take a decision establishing that the bank is insolvent, and shall petition the court for initiating bankruptcy proceedings.’

20. The following is inserted in Article 127, paragraph 5: ‘as well as its special managers and temporary administrators’.

21. In Article 130 paragraph 3 is amended as follows:

‘(3) Provided the proposition under paragraph 1 is justified, the BNB Governing Council, on a motion by the Deputy Governor heading the Banking Supervision Department, within five working days after the proposition under paragraph 1, shall take a decision establishing that the bank is insolvent, and shall petition the court for initiating bankruptcy proceedings.’

22. In Article 133:

a) in paragraph 1:

aa) the words ‘and other similar measures’ are deleted;

bb) sentence two is inserted: ‘The reorganisation measures include the application of the resolution tools and the exercise of resolution powers provided for in the Law on Recovery and Resolution of Credit Institutions and Investment Firms or in the relevant legislation of another Member State.’;

b) paragraph 4 shall be inserted:

‘The measures under Article 1 shall be the measures applied by the BNB and the competent authorities of another Member State in their capacity as supervisory authorities and resolution authorities.’

23. In Article 145:

a) in item 1 the words ‘or other instruments’ shall be replaced with ‘instruments within the meaning of Article 4, paragraph 1, item 50(b) of Regulation (EU) No 575/2013’;

b) in item 2 at the end the following is inserted: ‘laid down in Articles 100 and 103 of the Law on Recovery and Resolution of Credit Institutions and Investment Firms or the relevant provisions of a Member State legislation’;

c) at the end in item 3 a comma and the following wording are added: ‘subject to the provisions laid down in Articles 100 and 103 of the Law on Recovery and Resolution

of Credit Institutions and Investment Firms or the relevant provisions of a Member State legislation’;

24. In Article 148 the words ‘or other instruments’ shall be replaced with ‘instruments within the meaning of Article 4, paragraph 1, item 50(b) of Regulation (EU) No 575/2013’.

25. In Article 151 paragraph 4 is amended as follows:

‘In the court proceedings under paragraph 3, if needed, the court shall appoint experts to provide to the court accounting or economic expert appraisals out of a list of experts approved by the chairman of the Supreme Administrative Court. The Bulgarian National Bank shall provide to the chairman of the Supreme Administrative Court information on the specialized auditing enterprises that have audited annual financial statements of a bank or a bank branch from a third country under Articles 76 and 78 in the last five years. These enterprises shall provide to the chairman of the Supreme Administrative Court a list of not less than two certified accountants who took part in the specified activities. The chairman of the Supreme Administrative Court shall approve a list of experts which shall be updated at least in five years.’

26. In § 2 of the Additional Provisions, paragraph 2 is repealed.

27. An appendix to Article 57, paragraph 3 is inserted:

‘Appendix
to Article 57, paragraph 3

DEPOSITOR INFORMATION TEMPLATE

Basic information about the protection of deposits

Deposits in (insert name of credit institution) are protected by:	Bulgarian Deposit Insurance Fund (BDIF)
Limit of protection:	BGN 196,000 per depositor per bank
If you have more deposits at the same credit institution:	All your deposits at the same credit institution are ‘aggregated’ and the total is subject to the limit of BGN 196,000 ¹
If you have a joint account with other person(s):	The limit of BGN 196,000 applies to each depositor separately ²
Reimbursement period in case of credit institution’s insolvency:	7 working days ³
Currency of reimbursement:	Bulgarian levs (BGN)
Contact:	Bulgarian Deposit Insurance Fund (BDIF) Address: Tel:, Fax:, e-mail: contact@dif.bg URL: http://dif.bg
More information:	www.dif.bg
Acknowledgement of receipt by the depositor:	

¹ If a deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the Bulgarian Deposit Insurance Fund. This repayment covers at maximum BGN 196,000 *per* bank. This means that all deposits at the same bank are added up in order to determine the reimbursable amount. If, for instance, a depositor holds a savings account with BGN 180,000 and a current account with BGN 40,000, he or she will only be repaid BGN 196,000.

² In case of joint accounts, the limit of BGN 196,000 applies to each depositor.

More information can be obtained under BDIF website: www.dif.bg.

³ Reimbursement.

The responsible deposit guarantee scheme is

Bulgarian Deposit Insurance Fund (BDIF)

27 Vladayska Str., 1606 Sofia,

Tel: +359 2 953 1217, Fax: +359 2 952 1100

e-mail: contact@dif.bg

URL: <http://dif.bg>.

BDIF will repay your deposits (up to BGN 196,000) within seven working days at the latest, from the date of the issue of the act under Article 20, paragraph 1 of the Law on Bank Deposit Guarantee.

Other important information

In general, all retail depositors and businesses are covered by deposit guarantee schemes. Exceptions for certain deposits are stated on the website of the responsible deposit guarantee scheme. Your bank will also inform you on request whether certain products are covered or not. If deposits are covered, the bank shall also confirm this on the statement of account.⁷

§ 7. In the Law on Financial Collateral Agreements (published in *Darjaven Vestnik*, issue 68 of 2006; amended, issue 24 of 2009; issue 101 of 2010; issue 77 of 2011, and issues 70 and 109 of 2013) in Article 3, paragraph 1, item 17 shall be amended as follows:

‘Each entity, excluding a sole trader or a company which is not a legal entity provided that the other party to the financial collateral arrangement is an entity as defined in items 1 to 16.’

§ 8. The available funds at the BDIF shall reach the amount of one per cent of the total amount of covered deposits in banks no later than 3 July 2024.

§ 9. The ordinance under Article 14, paragraph 4 shall be adopted by 31 December 2015.

§ 10. (1) The Law shall enter into force on the date of its publication in the *Darjaven Vestnik*.

(2) The requirement for determining premium contributions in proportion to the degree of risk in accordance with Article 14, paragraphs 1–4 shall be applied from 1 January 2016. Until 31 December 2015, the provisions of Article 16, paragraphs 1–4 of the repealed Law on Bank Deposit Guarantee shall apply.

This Law was adopted by the 43rd National Assembly on 30 July 2015, and the official seal of the National Assembly was affixed on it.