

BULGARIA

FINANCIAL SUPERVISION COMMISSION ACT

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FINANCIAL SUPERVISION COMMISSION ACT

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Chapter One GENERAL PROVISIONS

SUBJECT OF THE ACT

Art. 1. (1) This Act shall provide for the establishment, scope of activities, structure, functions, and operation of the Financial Supervision Commission.

(2) Within the meaning of this Act, financial supervision shall be the supervision over:

1. (Am. – SG, iss. 52 in 2007) activities of the regulated securities markets, the Central Depository, investment intermediaries, investment and management companies, natural persons who are directly engaged in securities transactions and investment consultancy, public companies and other issuers of securities under the Public Offering of Securities Act and the Markets in Financial Instruments Act.

2. (Am. – SG, iss. 67 in 2003, iss. 97 in 2007) activities of insurers, reinsurers, insurance brokers and insurance agents under the Insurance Code and of the health insurance companies under the Health Insurance Act;

3. (Am. – SG, iss. 67 in 2003) activities of companies engaged in supplementary social insurance activities and the managed by them funds, pursuant to the Social Insurance Code.

(3) The Financial Supervision Commission, and its bodies and authorised officials shall supervise through:

1. Issuance of permits (licenses) and approvals, and by refusing to issue such permits and approvals;

2. Conducting off-site and on-site inspections on the operations of the persons under paragraph 2;

3. Implementation of administrative enforcement measures and imposing of administrative sanctions.

(4) The provisions of the Act shall not apply to:

1. The National Social Security Institute;

2. The National Health Insurance Fund.

Chapter Two STATUS, STRUCTURE AND MANAGEMENT OF THE FINANCIAL SUPERVISION COMMISSION

STATUS OF THE FINANCIAL SUPERVISION COMMISSION

Art. 2. (1) A Financial Supervision Commission, herein after referred to as the “Commission” is established hereby.

(2) The Commission shall be a specialised government body for regulation and supervision of the activities of persons under Art. 1, paragraph 2, hereinafter referred to as “supervised persons”

(3) The Commission shall be a budget-supported legal person with its seat in Sofia. It may establish subordinated territorial divisions.

(4) The Commission, in exercising its powers, shall be independent from the executive, and shall report its activities under this Act to the National Assembly.

COMMISSION MEMBERSHIP

Art. 3. The Commission shall consist of seven members: a chairman, three deputy chairmen and another three members.

REQUIREMENTS TO THE COMMISSION MEMBERS

Art. 4. (1) The members of the Commission may be only Bulgarian nationals with higher education, having the appropriate professional qualification and experience in economy and finance.

(2) Commission members shall be elected among the individuals who:

1. Have not been found guilty of premeditated crime of a general character;

2. Have not been declared bankrupt as sole proprietors, unlimited liability partners in companies, and are not under a bankruptcy procedure;

3. Have not been members of managing or controlling bodies of a company, respectively a co-operative, wound up due to bankruptcy in the two years preceding the date of declaring the company in bankruptcy, if there are unsatisfied creditors;

4. Are not managers, executive directors, members of managing or controlling bodies, or unlimited liability partners in a supervised person within the meaning of this Act.

5. (Suppl. – SG, iss. 42 in 2009) Are not spouses or in factual cohabitation, or relatives in direct or lateral lineage up to the third degree inclusive, or by marriage up to the third degree inclusive, to another member of the Commission or an individual under sub-paragraph 4;

6. Do not exercise control over a supervised person within the meaning of this Act.

(3) (Am. – SG, iss. 112 in 2003; issue 85 in 2004) The Chairman, the Deputy Chairmen and the other members of the Commission may not engage in any paid activities other than teaching or scientific and research activities, or as members of international organisations in relation to the activities of the Commission.

(4) (Cancelled – SG, iss. 112 in 2003).

(5) (Am. – SG, iss. 112 in 2003; issue 85 in 2004) the circumstances under para 2, sub-paragraphs 2-6, and para 3 shall be declared by the persons under Art. 3 before the Chairman of the National Assembly at the time of their inauguration.

SELECTION OF COMMISSION MEMBERS

Art. 5 (1) The Chairman, the Deputy Chairmen, and the other Commission members shall be elected by the National Assembly.

(2) At their inauguration, the Commission members shall take before the National Assembly the following oath: “I take my oath in the name of the Republic of Bulgaria to abide by the Constitution and the laws of this country, to work for the implementation of the objectives of the Financial Supervision Commission guided by the principles of independence, impartiality, and good faith in performing my duties assigned to me by the law. I have sworn.”

(3) Any violations in the election of a Commission member shall not discredit its decisions.

THE TERM OF OFFICE OF COMMISSION MEMBERS

Art. 6. (1) Commission Members' term of office shall be six years. Commission members shall perform their functions after the expiry of their term of office until the new members assume office.

(2) The term of office of a Commission member shall be terminated earlier by the National Assembly:

1. upon resignation;
2. in the event of actual inability of a member to perform his/her duties for more than six months;
3. if he/she does not anymore meet the requirements under Art. 4, paragraph 2;
4. (Am. – SG, iss. 112 in 2003) in the event of a violation of Art. 4, paragraph 3;
5. if he/she fails to participate in three or more consecutive sessions of the Commission without any justifiable reasons.
6. (New – SG, iss. 42 in 2009) upon coming into effect of an act whereby conflict of interests is established under the Prevention and Detection of Conflict of Interests Act.

(3) In case of earlier termination of Commission member's term of office, another person shall be elected to take his/her position for the remainder of his/her term of office.

REMUNERATION

Art. 7. (1) The Commission Chairman shall have basic monthly remuneration in the amount of 90 per cent of the remuneration of the Chairman of the National Assembly.

(2) The Deputy Chairmen shall have basic monthly remuneration in the amount of 90 per cent of the remuneration of the Commission Chairman.

(3) The other Commission members shall have basic monthly remuneration in the amount of 80 per cent of the remuneration of the Commission Chairman.

(4) (New – SG, iss. 85 in 2004) The Commission members shall receive additional remuneration to their basic monthly remuneration for the fulfilment of their specific functions under this Act and depending on their individual performance under conditions and procedure, set forth by adopted by the Commission internal rules on the salary.

(5) (New – SG, iss. 85 in 2004) the funds under para 4 shall be set at the rate of up to 25 per cent of the gross annual amount of the funds for the Commission members salaries and shall be provided by over-fulfilment of the Commission's budget.

COMMISSION SESSIONS

Art. 8. (1) The sessions of the Commission shall be convened by the Chairman on his initiative or at a Commission member's request.

(2) The sessions of the Commission shall be chaired by the Chairman, and in his absence - by a Deputy Chairperson authorised by him/her.

(3) The Commission may sit if more than half of its members are present.

(4) The decisions of the Commission shall be adopted by majority of not less than four votes.

(5) No abstention is allowed in voting.

TRANSPARENCY IN THE COMMISSION'S OPERATION

Art. 9. (1) The Commission shall publicly announce the policy it pursues and the practices in place for the implementation of the regulations, as well as the motives for any amendments thereto.

(2) The policy pursued in terms of the implementation of the regulations under paragraph 1 shall cover the means chosen by the Commission and used in exercising its operational independence for attaining the objectives of the Act.

(3) The Commission shall set forth in a regulation the procedure for access to the documentation kept by it, and the terms and conditions for obtaining certified transcripts of these.

COMMISSION STRUCTURE

Art. 10. (1) The following three divisions shall be established within the Commission:

Investment Activities Supervision Division, Insurance Supervision Division, and Social Insurance Supervision Division, and each of them shall be directly managed by a Deputy Chairperson of the Commission.

(2) Within the powers assigned to them by law, the Deputy Chairmen shall organise, manage, and be in charge of the operation of the respective division.

(3) By a proposal of a Deputy Chairperson, the Commission shall designate another member as his/her deputy, who shall exercise his/her powers in case of his/her absence.

(4) (New – SG, iss. 103 in 2005) In the case of pre-term termination of the Deputy Chairperson's mandate, the Commission, at the proposal of the Chairperson, shall appoint another member as his/her substitute, who will execute his/her powers until the coming into office of the new Deputy Chairperson.

(5) (Am. – SG, iss. 103 in 2005) The Commission shall establish by its Rules the structure, specific functions and responsibilities of divisions and directorates, the procedure for the interaction among them, and the powers of the officials in charge.

Chapter Three OBJECTIVES, FUNCTIONS AND POWERS OF THE COMMISSION AND ITS BODIES

COMMISSION OBJECTIVES

Art. 11. In performing the functions and powers assigned to it by this Act, the Commission shall be guided by the following objectives:

1. To protect the interests of investors, and insured persons;
2. To ensure the stability, transparency and credibility of the financial markets.

COMMISSION FUNCTION

Art. 12. The Commission, together with its bodies, shall:

1. Regulate the activities of supervised persons by adopting regulations provided by law, and issuing instructions and guidelines;
2. (Am. – SG, iss. 52 in 2007) exercise state supervision under the Public Offering of Securities Act and the Markets in Financial Instruments Act;
3. (Am. – SG, iss. 67 in 2003) exercise state insurance supervision under the Insurance Code and the Health Insurance Act.
4. (Am. – SG, iss. 67 in 2003) exercise state social insurance supervision under the Social Insurance Code.

COMMISSION POWERS

Art. 13. (1) The Commission shall have the following powers:

1. To adopt the Rules on its structure and activities;
2. Adopt and publish the main guidelines for its activities;
3. Adopt regulations and instructions where this has been provided for by law;

4. (Am. – SG, iss. 67 in 2003; suppl. iss. 84 in 2006; iss. 52 in 2007) give written guidelines on the application and interpretation of the Social Insurance Code, the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Insurance Code, the Law on Measures against Market Abuse with Financial Instruments and the Health Insurance Act, as well as of the secondary legislation on their application in relation to exercising financial supervision;

5. (Am. – SG, iss. 67 in 2003; suppl. iss. 52 in 2007) by a proposal of the respective Deputy Chairperson in charge, to issue or refuse issuance of and withdraw the respective permits (licenses) provided for in the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Insurance Code, the Social Code and the Health Insurance Act for engaging in activities regulated under these acts;

6. (Am. – SG, iss. 67 in 2003; suppl. iss. 52 in 2007) permit or refuse permission, by a proposal of the respective Deputy Chairperson in charge, for a merger, take-over, spin-off, split or voluntary winding up of supervised persons, where such a permission is required under the Social Insurance Code, the Public Offering of Securities Act or the Insurance Code; a permit under this sub-paragraph shall be issued after the submission of a permit for the merger or take-over by the Commission for Protection of Commission, where its issuance is mandatory;

7. (Am. – SG, iss. 67 in 2003) make a decision, in the cases provided for by law, to put in a claim to the court for initiation of bankruptcy proceedings for the supervised person;

8. make a decision, under the terms and conditions and the procedure set forth in the Public Offering of Securities Act, and by a proposal of the Deputy Chairperson in charge, to issue or to refuse issuance of confirmations of prospectuses for public offerings of securities or to register issues for sale at the regulated securities market;

9. Enforce, by a proposal of the Deputy Chairperson in charge, the temporary or final injunctions envisaged in Chapter eleven, Section II of the Public Offering of Securities Act on publishing tender offers for purchase and exchange of shares;

10. (Am. – SG, iss. 67 in 2003; iss. 52 in 2007) appoint a quaestor in the cases under the Public Offering of Securities Act, the Insurance Code, The Health Insurance Act and the Social Insurance Act;

11. (Am. – SG, iss. 67 in 2003; iss. 52 in 2007) issue written orders for the dismissal of one or more persons authorised to manage and represent the supervised person, in the cases provided for in the Public Offering of Securities Act, the Market in Financial Instruments Act, the Insurance Code, The Health Insurance Act and the Social Insurance Act;

12. (Cancelled – SG, iss. 103 in 2005).

13. (Cancelled – SG, iss. 103 in 2005).

14. (Cancelled – SG, iss. 103 in 2005);

15. (Cancelled – SG, iss. 103 in 2005);

16. (Cancelled – SG, iss. 103 in 2005);

17. (Prev. Item 12 – SG, iss. 85 in 2004) on the basis of a report under paragraph 5, come up with decisions on appeals against individual administrative acts issued by the Deputy Chairmen of the Commission.

18. (Prev. Item 13 – SG, iss. 85 in 2004; am. SG iss. 84 in 2006; iss. 97 in 2007) make decisions on concluding cooperation and information exchange agreements with the Bulgarian National Bank or other domestic and overseas authorities exercising supervisory functions over financial market operations as well as for participation in international organizations and institutions in the field of the financial markets;

19. (New – SG, iss. 97 in 2007; am. SG – iss. 24 in 2009) realize the representation of the Republic of Bulgaria in the European Union structures which have the objective to assist in the evolving of the general guidelines for development in the field of the financial markets, the elaboration of the European Union institutions acts, their consistent and timely implementation as well as efficient cooperation between the Member States authorities, exercising regulation and supervision of the financial markets; in the exercise of its functions the Commission accounts for the eventual impact of the actions taken by it on the financial stability of the other Member States in the conditions of reciprocity.

20. (Prev. Item 14 – SG, iss. 85 in 2004, prev. item. 19, iss. 97 in 2007) discuss periodically the reports on the activities of the Commission's main divisions;

21. (Prev. Item 15 – SG, iss. 85 in 2004, prev. item 20, iss. 97 in 2007) approve the draft annual budget and the reports under Art. 29 submitted by the Chairman;

22. (New – SG, iss. 103 in 2005, prev. item 21, iss. 97 in 2007) shall also realize different powers as explicitly provided for under a law.

(2) (Am. – SG, iss. 67 in 2003; iss. 52 in 2007) The Commission shall come up with decisions on the proposals made by the Deputy Chairmen in charge within the time limits for issuance of the respective decision set forth in this Act, the Social Insurance Act, the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Insurance Code and the Health Insurance Act.

(3) (Am. – SG, iss. 103 in 2005) The individual administrative acts of the Commission shall be reasoned and subject to appeal before the Supreme Administrative Court. The appeal shall not suspend the implementation of the individual administrative act.

(4) The Commission shall designate among its members a reporter who will be responsible for investigating appeals and complaints filed against decisions of the Commission or its bodies. This member may not be the Chairman or a Deputy Chairperson of the Commission.

(5) The reporter under paragraph 4 shall have all the powers required for conducting a comprehensive full-scope inspection. He shall be obligated to prepare a well-grounded report on the appeal or complaint, and to submit the same to the Commission. The report may contain recommendations for taking actions in relation to omissions and violations found out in the operations of the Commission or its bodies.

(6) The Commission shall be obligated to consider the report under paragraph 5 and based on the investigation conducted - to come up with a decision on the respective appeal or complaint.

(7) (Am. – SG, iss. 67 in 2003, supplemented iss. 85 in 2004) The statutory acts adopted by the Commission under paragraph 1, sub-paragraph 3, as well as the administrative decisions issued by it under paragraph 1, sub-paragraph 5 and 6 shall be published in the State Gazette, and the others shall be published in another appropriate manner. The guidelines under paragraph 1, sub-paragraph 4 shall be published in the bulletin of the Commission and on its web-site.

POWERS OF THE CHAIRMAN OF THE COMMISSION

Art. 14. (1) The Commission Chairman shall organise and manage the activities of the Commission and its administration, except for the activities set forth by this or another act as being within the exclusive competencies of the Commission Deputy Chairmen, or of its members.

(2) The Commission Chairman may delegate some of his/her powers to other officials, and also establish advisory councils to assist the performance of his/her functions.

(3) The Commission Chairman shall:

1. Represent the Commission within this country and abroad;
2. Convene and chair the sessions of the Commission;
3. Co-ordinate the activities of the Deputy Chairmen;
4. Conclude and terminate the employment contracts with the persons employed in the Commission administration and shall set their salaries;
5. Organise, manage, and control the operation of the administration;
6. Arrange for the preparation of the draft budget and its submission for adoption by the Commission;
7. Organise the execution, year closing, and reporting of the budget and its submittal to the Commission for adoption.

POWERS OF THE DEPUTY CHAIRPERSON IN CHARGE OF THE INVESTMENT ACTIVITIES SUPERVISION DIVISION

Art.15. (1) The Deputy Chairperson in charge of the Investment Activities Supervision Division has the right to independently:

1. Make the proposals under Art. 13, paragraph 1, sub-paragraphs 5, 6, 8 through 11;
- 2.(Am. – SG, iss. 52 in 2007) issue permits and approvals under the Public Offering of Securities Act and the Markets in Financial Instruments Act, if not otherwise provided for by this Act;
- 3.(Am. – SG, iss. 52 in 2007) send Commission representatives to the sessions of the managing bodies of the persons supervised under the Public Offering of Securities Act, Markets in Financial Instruments Act and of the Central Depository;
4. (Am. – SG, iss. 84 in 2006, iss. 52 in 2007) implement administrative enforcement measures under chapter 19 of the Public Offering of Securities Act and part 4, chapter 1 of the Markets in Financial Instruments Act and paragraph 6 of the Law on Measures against Market Abuse with Financial Instruments, which are not in the competencies of the Commission.
5. (Am. – SG, iss. 39 in 2005, iss. 52 in 2007) in the cases under Art. 212, paragraph 4 of the Public Offering of Securities Act and Art. 118 para 2 of the Markets in Financial Instruments Act, make proposal to the BNB to enforce the actions under Art. 103, paragraph 2 of the Credit Institutions Act or apply the measures under Art. 212, para 1 item 1 of the Public Offering of Securities Act and Art. 118 para 1 item 1 of the Markets in Financial Instruments Act against a bank acting as an investment intermediary and/or depository;
- 6.(Am. – SG, iss. 52 in 2007; iss. 52 in 2007) designate officials in the Commission administration who shall be authorised to issue acts of established violations of the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Law on Measures against Marker Abuse with Financial Instruments and the secondary legislation on the application thereof;
7. (Am. – SG, iss. 84 in 2006; iss. 52 in 2007) Impose fines and financial sanctions for violations of the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Law on Measures against Market Abuse with Financial Instruments and their implementing instruments;
8. Make claims:
 - a) for establishing the inadmissibility or invalidity of entries into the commercial register, as well as of non-existence of a registered circumstance;
 - b) for the enunciation as null and void of transactions related to the activities of the persons under its control, or concluded in violation of the Public Offering of Securities Act and the secondary legislation on the application thereof;

c) for the repeal of a decision made by the general meeting of shareholders of a public company, where the decisions are in conflict with the imperative provisions of the Public Offering of Securities Act or the company's Articles of Association; the claim shall be filed against the company with the district court by location of the company's seat within a fortnight of the receipt of the minutes of the General Meeting of the Shareholders;

9. Determine the type, format and content of the reports to be submitted to the Commission by public companies and other issuers of securities, investment companies, investment intermediaries and management companies;

10. Arrange for the timely notification in the proper manner of the regulated securities markets, and the other securities market participants about the decisions made, that are of material significance for their operation;

11. Notify the Prosecutor's Office in case of finding information about any security-related crimes, and shall assist the Prosecutor's Office, at its request, in the investigation of such crimes;

12. (Cancelled – SG, iss. 84 in 2006)

13. Exchange information with the Bulgarian National Bank, with other government authorities and agencies, with the local government authorities and the local administration, as well as with NGOs of relevance to the securities market;

14. Organise and manage the operation of the Investment Activities Supervision Division;

15. (Am. – SG, iss. 84 in 2006; iss. 52 in 2007) address other issues provided under this Act, the Public Offering of Securities Act, the Markets in Financial Instruments Act or the Law on Measures against Market Abuse with Financial Instruments in relation to the performance, regulation and control over the securities market, which have not been explicitly assigned within the Commission's competencies.

(2) The proposals under Art. 13 paragraphs 1, sub-paragraphs 5, 6, 8 and 9 shall be made within the following timeframes:

a) (Am. – SG, iss. 39 in 2005, iss. 52 in 2007) under sub-paragraph 5 on the issuance of the licenses for activities provided for in the Public Offering of Securities Act and the Markets in Financial Instruments Act - within two months from filing of the application and all required attachments thereto;

b) (Am. – SG, iss. 85 in 2004, iss. 52 in 2007) under sub-paragraph 6 on the issuance of the permits under the Public Offering of Securities Act and the Markets in Financial Instruments Act for transformation: for an investment intermediary and management company - within a fortnight, and for an investment company - within seven days from filing of the application and all required attachments thereto;

c) Under sub-paragraph 8 for issuance of the statutory confirmations - within a fortnight from filing of the application and all required attachments thereto;

d) Under sub-paragraph 9 for issuance of a temporary interdiction - within 7 business days from the registration of a tender offer with the Commission, and for a final interdiction - within three business days from the receipt of the required documents.

(3) (Am. – SG, iss. 30 in 2006) the individual administrative acts of the Deputy Chairperson in charge of the Investment Activities Supervision Division shall be subject to appeal under the administrative procedure before the Commission, with the application accordingly of the Administrative Procedure Code.

(4) (Am. – SG, iss. 39 in 2005; iss. 103 in 2005) Individual administrative acts of the Deputy Chairperson in charge of the Investment Activities Supervision Division shall be subject to appeal in court before the Supreme Administrative Court.

(5) The appeal under paragraph 4 shall not stop the execution of the individual administrative act.

POWERS OF THE DEPUTY CHAIRPERSON IN CHARGE OF THE INSURANCE SUPERVISION DIVISION

Art. 16. (1) The Deputy Chairperson in Charge of the Insurance Supervision Division shall have the right to independently:

1. Make the proposals under Art. 13, paragraph 1, sub-paragraphs 5, 6, 10 and 11;
2. (Cancelled – SG, iss. 103 in 2005).
3. (Am. – SG, iss. 103 in 2005) exercise the powers under Art. 16 of the Insurance Code;
4. (Am.– SG, iss. 103 in 2005, suppl. iss. 97 in 2007) issue or refuse the issuance of a permit for the transfer of an insurance portfolio between insurers or of a reinsurance portfolio;
5. (Am. – SG, iss. 103 in 2005) enters, denies entry and deletes an insurance broker and an insurance agent from the Commission’s Registry;
6. (Am. – SG, iss. 103 in 2005) shall approve the persons under Art. 13, 22 and 26 of the Insurance Code;
7. (Cancelled – SG, iss. 103 in 2005).
8. (Cancelled – SG, iss. 103 in 2005).
9. (Cancelled – SG, iss. 85 in 2004);
10. (Cancelled – SG, iss. 85 in 2004);
11. (Cancelled – SG, iss. 85 in 2004);
12. Approve insurers’ annual reinsurance programmes, control the reinsurance agreements concluded by them, and the execution thereof;
13. (Am. – SG, iss. 103 in 2005) shall approve or prescribe the creation of different technical reserves within the meaning of Art. 68 of the Insurance Code;
14. (Suppl. – SG, iss. 97 in 2007) Send Commission representatives to attend sessions of insurers an reinsurers’ managing bodies;
15. Implement administrative enforcement measures under the Insurance Code and the Health Insurance Act;
16. Approve sample forms of declarations, statements, reports, information sheets, and other documents under the Insurance Code;
17. (Am. and suppl - SG, iss.103 in 2005, suppl. iss. 97 in 2007) control the overall activities of insurers, reinsurers, insurance brokers and insurance agents, including compliance with the voluntary nature of insurance;
18. Designate the officials from the Commission administration who will have the right to issue acts on the established violations of the Insurance Code and the regulations for its implementation;
19. Enforce fines and financial sanctions for violations of the Insurance Code and the regulations for its implementation;
20. (Cancelled – SG, iss. 103 in 2005).
21. Supervise insurers in liquidation and bankruptcy proceedings;
22. Notify the Prosecutor’s Office in case of finding information about any insurance-related crimes;
23. Organise and manage the operation of the Insurance Supervision Department;
24. (Suppl. – SG, iss. 97 in 2007) Address other issues in relation to insurance and reinsurance supervision, which have not been explicitly assigned within the Commission’s competencies.

25. Exercise state supervision powers in relation to voluntary health insurance activities under the Health Insurance Act, which have not been explicitly assigned within the Commission's competencies.

(2) (Am. – SG, iss. 103 in 2005) the proposal under Art. 13, Para 1, item 5 – for the issue of a licence and under Art. 6 – for transformation shall be made at least 1 month before expiration of the term for pronouncement by the Commission, and in case of voluntary termination of an insurer – at least 14 days before expiration of the term for pronouncement by the Commission and all required documents must be attached to it.

(3) (Am. – SG, iss. 30 in 2006) individual administrative acts of the Deputy Chairperson in charge of the Insurance Supervision Division shall be subject to appeal under the administrative procedure before the Commission with the application accordingly of the Administrative Proceedings Act.

(4) (Am. – promulgated, SG, Issue No. 103, Dec. 23, 2005) The individual administrative acts of the Deputy Chairperson in charge of the Insurance Supervision Division, may be appealed by order of the court before the Supreme Administrative Court;

(5) The appeal under paragraph 4 shall not stop the execution of the individual administrative act.

(6) (Cancelled – SG, iss. 85 in 2004).

POWERS OF THE DEPUTY CHAIRPERSON IN CHARGE OF SOCIAL INSURANCE SUPERVISION

Art. 17. (1) The Deputy Chairperson in Charge of Social Insurance Supervision has the right to independently:

1. Make proposals under Art. 13, paragraph 1, sub-paragraphs 5 through 7, 10 and 11;
2. (Am. – SG, iss. 67 in 2003) give, refuse to give and withdraw permit for management of supplementary social insurance fund;
3. Issue permits in the cases provided for in the regulations governing supplementary social insurance;
4. (Am. – SG, iss. 67 in 2003) approve amendments and supplements to the rules of supplementary social insurance funds and other documents, and shall set the requirements to them in the cases provided for in the regulations governing supplementary social insurance;
5. Approve methodological guidelines, agreements, lists, sample forms, and other documents related to supplementary social insurance activities;
6. Set the type, format, and content of the reports submitted to the Commission by the supplementary social insurance companies;
7. exchange information with the Bulgarian National Bank, the National Social Security Institute, custodian and advisory boards of the supplementary pension insurance funds, and with other authorities, agencies, and organisations;
8. Organise the operational control for the lawful performance of supplementary social insurance activities;
9. (Am. – SG, iss. 67 in 2003) order, jointly with the Bulgarian National Bank, inspections to be conducted at banks in relation to their activities as depository banks for supplementary social insurance companies and funds;
10. Designate officials to attend sessions of the managing bodies of supplementary social insurance companies in the cases provided for in the regulations governing supplementary social insurance;

11. Designate officials authorised to issue acts on established violations of the regulations governing supplementary social insurance;

12. (Am. – SG, iss. 67 in 2003) implement the enforcement administrative measures provided for in the Social Insurance Code;

13. Issue penalty warrants for imposition of fines and financial sanctions in the cases provided for in the regulations governing supplementary social insurance;

14. (Cancelled – SG, iss. 67 in 2003);

15. (Am. – SG, iss. 67 in 2003) supervise supplementary social insurance companies in transformation, liquidation and bankruptcy procedure;

16. Notify the Prosecutor's Office in case of justified suspicion of a committed crime;

17. Organise and manage the operation of the Social Insurance Supervision Division;

18. Make decisions on other issues in relation to supplementary social insurance activities, which have not been explicitly assigned within the Commission's competencies.

(2) (Am. – SG, iss. 67 in 2003) the proposal under Art. 13 paragraph 1, sub-paragraph 5 – for the issue of licenses and under Art. 13 paragraphs 1, sub-paragraph 6 shall be made within two months from the date of submittal of all required documents.

(3) (Am. – SG, iss. 30 in 2006) individual administrative acts of the Deputy Chairperson in charge of the Social Insurance Supervision Division shall be subject to appeal under the administrative procedure before the Commission with the application accordingly of the Administrative Procedure Code.

(4) (Am. – SG, iss. 103 in 2005) The individual administrative acts of the Deputy Chairperson in charge of the Insurance Supervision Division, may be appealed through the courts before the Supreme Administrative Court;

(5) The appeal under paragraph 4 shall not stop the execution of the individual administrative act.

PROCEDURE FOR EXERCISING THE POWERS OF THE COMMISSION AND ITS BODIES

Art. 18. (1) In exercising the powers of the Commission and its bodies, the Commission members, as well as the Commission officials designated in pursuance with the procedure provided for in this Act, shall have the following rights in view of the tasks assigned to them:

1. (Am. – SG, iss. 67 in 2003, iss. 84 in 2006, iss. 52 in 2007) to require explanations in writing, documents, including certified copies of documents, data, information, and other information carriers from the supervised persons, and from other persons with regard to whom there is evidence to have violated the provisions of this Act or the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, the Markets in Financial Instruments Act, Law on Measures against Market Abuse with Financial Instruments, and the Health Insurance Act, as well as to inspect their documentation and reporting;

2. To establish the funds, financial assets, including securities, and other assets owned by the supervised persons;

3. To inspect accounting, commercial, and other documents, reporting effected transactions;

4. To conduct counter inspections;

5. (Am. – SG, is. 84 in 2006) to require from third parties information, documents, including certified copies of documents, statements of accounts, and other data required for conducting counter inspections and/or in connection with warnings, complaints or requests, including also from authorities of other states exercising financial supervision;

6. (Am. – SG, iss. 67 in 2003, iss. 84 in 2006, iss. 52 in 2007) of free access to office premises of supervised persons and other persons with regard to whom there is evidence to have

violated the provisions of this Act, the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, the Markets in Financial Instruments Act, Law on Measures against Market Abuse with Financial Instruments and the Health Insurance Act, as well as to require from inspected persons and/or their representatives and employees to turn up at the Commission premises;

7. To attend sessions of the supervised persons' managing and controlling bodies.

(2) For the purposes of the supervision exercised, the respective Deputy Chairperson in charge may appoint an external auditor to the supervised person in accordance with specific requirements set by the Commission. The expenses shall be borne by the supervised person.

(3) (Am. – SG, iss. 103 in 2005; am. iss. 24 in 2009) Upon a request in writing by the Commission Chairperson, for the purposes of the exercised by the Commission supervision, the banks shall be obligated to provide information about the assets and the operations on the accounts and deposits of the supervised persons, as well as of other persons with regard to whom there is evidence to have offended the provisions of this Law, the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, Markets in Financial Instruments Act, Law on Measures against Market Abuse with Financial Instruments, the Health Insurance Act or the Law on Special Purpose Vehicles. For the purposes and under the conditions of sentence one, the banks must provide information on the assets and operations on the accounts and deposits of clients of the bank, in case of received in the Commission request from a foreign authority exercising financial supervision in another state, with which there is concluded agreement for cooperation and exchange of information. The provision of the information under sentence one and two may not be denied or restricted due to considerations of bank or trade secret.

(4) All data and documents for violations of this Act which may result in revealing the identity of the person that submitted them shall be provided by the Commission to third parties only with such person's consent, unless otherwise provided by law.

(5) The Police, the Prosecutor's Office, and all other government authorities and officials shall be obligated to assist, within their powers, the Commission and its officers in performing their official duties and exercising their supervisory functions.

(6) The Commission, in relation to and for the purpose of performing the functions assigned to it, shall have the right of free-of-charge access to information registers, developed and maintained by budget funds.

(7) In relation to exercising its powers under this Act, the Commission may require from the Deputy Governor of the Bulgarian National Bank in charge of Banking Supervision to have target inspections conducted in banks, and the results thereof provided to it, observing the limitations under Art. 62 of the Credit Institutions Act.

(8) (Am. – SG, iss. 31 in 2003; iss. 105 in 2005; iss. 109 in 2007) In relation to exercising its powers under this Act, the Commission may conduct general inspections jointly with the National Revenues Agency and the State Agency of National Security.

(9) Commission members, and the Commission administration officials designated in accordance with the procedure set forth in this Act, shall not be held financially liable for damages incurred in exercising their supervision functions and powers, except if they have committed a crime or have acted intentionally.

CONDUCTING INSPECTIONS

Art. 19. (1) Inspections shall be conducted by Commission administration officials designated by an order of the Chairman or the respective Deputy Chairperson.

(2) The officials under paragraph 1 shall conduct inspections on site and on the Commission premises on:

1. (Am. – SG, iss. 67 in 2003, iss. 84 in 2006, iss. 52 in 2007) the compliance with this Act, the Social Insurance Code, the Public Offering of Securities Act, Markets in Financial Instruments Act, Law on Measures against Market Abuse with Financial Instruments, the Insurance Code, the Health Insurance Act and the secondary legislation for their application;

2. Prevention and detection of legal offences.

(3) A supervised person shall be obligated to provide all the conditions for the normal performance of an inspection.

(4) Commission administration officials shall be obligated to identify themselves in performing their official duties by presenting the order under paragraph 1.

(5) The inspected person shall be obligated to assist the Commission and its administration officials by:

1. Providing premises for conducting the inspection and by reporting at request at the Commission building.

2. Designating its employee as a contact person to assist the inspecting officials;

3. Providing access to official premises;

4. Providing all accounting, commercial, and other documents, necessary to establish facts and circumstances in relation to the inspection scope;

5. Providing, upon request, certified copies of accounting and other documents; the certification is done by putting the text „True to the original”, dated, signed and sealed by an authorised representative of the inspected person;

6. Providing, upon request, the official’s explanations in writing.

(6) A statement of findings shall be prepared in two copies for each conducted inspection, and shall be signed by the Commission’s official who has conducted the inspection, and shall be served against signature to the inspected person.

Chapter Four

COMMISSION ADMINISTRATION

Organisation and Obligations

Art. 20. (1) The activities of the Commission shall be assisted by an administration with a composition, structure, and rights and obligations set forth in the Rules on the Commission’s Structure and Activities.

(2) The legal relations with the administration employees shall ensue and shall be settled under the Labour Code.

(3) Commission employees may not be individuals who:

1. Have been found guilty of premeditated crime of a general character;

2. Exercise control over the supervised person;

3. Have been members of executive or controlling bodies of the supervised person;

4. Are spouses or relatives in direct or lateral lineage up to the third degree inclusive, to the persons under sub-paragraph 3, to Commission members, or to other Commission employees, with whom they are in hierarchical dependence;

5. Are employed under a regular employment or temporary employment agreement by the supervised person.

(4) (New – SG, iss. 97 in 2007) The Commission administration employees shall file a written statement about their property status upon assuming office and at 31 December of each calendar year. The property – subject to declaring, the time-limits and the procedure of declaring, the safekeeping and the access to the information contained in the written statements shall be determined by the Regulations of the Commission’s structure and operation.

ADMINISTRATION REMUNERATION

Art. 21. (1) The monthly salaries of the Commission employees shall be set by the Chairman according to the internal rules governing salaries and expendable funds in the Commission budget.

(2) (Am. – SG, iss. 85 in 2004) The Commission employees shall receive additional remuneration to the monthly salaries, determined on the basis of periodical assessment of their individual performance, under conditions and procedure, set forth by the internal rules on the salary, adopted by the Commission.

(3) The funds under paragraph 2 shall be set up to 25 per cent of the gross annual salary amount and shall be included in the Commission budget.

(4) Commission members and administration employees shall be mandatorily insured with an accident insurance policy at the expense of the Commission budget.

(5) (New – SG, iss. 85 in 2004) Where a position in the Commission administration is occupied by an employee with higher legal education, the acquired length of service shall be acknowledged as length of service under the specialty Law.

Chapter Five **AVOIDING CONFLICT OF INTEREST** **Conflict of Interest**

Art. 22. (Am. – SG, iss. 97 in 2007) (1) The Members of the Commission shall immediately notify the Commission, when they are required to consider or to participate in the consideration of an issue in relation to which they have direct or indirect interest, arousing well-founded doubts about their impartiality, and this will result in a conflict with the due performance of their functions or the exercising of their powers.

(2) A Member of the Commission in respect to whom a conflict of interest exists on an issue deliberated at a Commission’s meeting, shall not participate in the deliberation and voting in the decision-taking on such issue.

(3) In the cases of para 1 where the person who has declared the existence of direct or indirect interest is the Chairperson or a Deputy Chairperson and the issue in regard of which a conflict of interest exists is within his/her powers of a sole authority, the Commission shall appoint a Deputy Chairperson, or another Member of the Commission, who is to replace him/her.

(4) The officials from the Commission’s administration must immediately notify the Chairperson, or the Deputy Chairperson, who is directly in charge of the respective division, when they are required to consider or to participate in the consideration of an issue in relation to which they have direct or indirect interest, arousing well-founded doubts about their impartiality, and this will result in a conflict with the due performance of their functions or the exercising of their powers.

(5) Paragraph 1 shall also apply in regard to the officials from the Commission's administration, when they are required to conduct or to participate in the conducting of an inspection.

(6) The notification under para 5 about the existence of direct or indirect interest of the Commission's administration officials who conduct or participate in the conducting of an inspection, can also be made by the inspected person.

(7) The Chairperson, or the Deputy Chairperson, who is directly in charge of the respective division of the Commission shall order in writing the discontinuance of the participation of the person under para 4, or para 5, in the consideration of the issue or in the carrying out of the inspection and shall appoint another official to replace him/her.

(8) The form, content and the procedure for making the notifications shall be determined by the Regulations on the Commission's Structure and Operation.

Chapter Six

PROFESSIONAL ETHICS AND PROFESSIONAL CONFIDENTIALITY

PROFESSIONAL ETHICS

Art. 23. Commission members and administration employees shall be obligated to comply with the rules of professional ethics adopted by the Commission.

PROFESSIONAL SECRECY

Art. 24. (Am-SG, iss. 103 in 2005) (1) The information created and obtained by the Commission in connection with performance of its functions and which represents a trading, bank or other secrecy protected by law or whose disclosure would injure the trading interest of supervised persons, shall be a professional secrecy. Professional secrecy shall not be an official secrecy within the meaning of the Protection of Classified Information Act.

(2) A professional secrecy shall not be information subject to public disclosure in compliance with the present or other act.

(3) Members of the Commission and employees from its administration shall be under the obligation to keep the professional secrecy also after their dismissal from position, respectively termination of their labour relations.

(4) Paragraph 3 shall accordingly apply with regard to auditors and with regard to all other persons performing functions assigned to them by the Commission.

(5) (Am. – SG, iss. 52) with the exception of the cases, where the person that has provided information constituting professional secret, has given his express assent it to be used for other purposes as well, the information, may be used by the Commission and its bodies only in relation to performance of its functions:

1. (Am. – SG, iss. 52 in 2007) For verification of observance of the requirements for issuance of the envisaged by the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Insurance Code, the Social Insurance Code and the Health Insurance Act permits (licences) for performance of activity regulated by these acts, as well as for exercising of supervision over the performance of this activity;

2. For implementation of coercive administrative measures and enforcement of administrative sanctions;

3. Upon court appeal against Acts of the Commission and its bodies.

DISCLOSURE OF PROFESSIONAL SECRECY

Art. 25. (Am. – SG, iss. 31 in 2003; iss. 103 in 2005) (1) Information representing a professional secrecy may be disclosed only:

1. (Am. – SG, iss. 52 in 2007) Before the bodies of the Court, the Prosecutor's Office, the investigation authorities and the police authorities in case of initiated criminal procedure, and before the court, the liquidator and the receiver in civil and commercial proceedings in the cases of liquidation or bankruptcy of a regulated entity, if the information does not harm the interests of third persons.

2. (Am. – SG, iss. 109 in 2007) Before the bodies exercising bank supervision and the State Agency of National Security under terms and procedure set by joint instructions insofar as this is necessary for performance of their functions;

3. (Am. – SG, iss. 52 in 2007; iss. 97 in 2007) Before auditors performing audit of regulated entities and quaestors, liquidators or receivers of regulated persons, the Investor Compensation Fund and the Guarantee Fund insofar as this is necessary for performance of their functions;

4. (New – SG, iss. 52 in 2007) To clearing houses or other entities which according the law carry out clearing or settlement of the markets in financial instruments in the Republic of Bulgaria, insofar as needed for the exercising of their functions in case of default or possible default by the market participants;

5. (Prev. item 4 – SG, iss. 52 in 2007) By the explicit written consent of the person to whom it refers;

6. (Prev. item 5 – SG, iss. 52 in 2007) As generalized data in a manner not allowing individualization of the persons it refers to.

(2) Information concerning health status of natural persons, received in connection with the exercising of financial supervision, may be disclosed only with their explicit written consent or on the order of the court upon presence of data on a committed crime.

(3) (Am. – SG, iss. 52 in 2007) The persons and bodies under Para 1 shall be under the obligation to keep the confidentiality of the information obtained and to use it for the purposes for which it has been provided to them, save for the cases when the Commission has given an express assent it to be used for other purposes as well.

(4) Information representing a professional secrecy may ded that they keep the confidentiality of received information and use it only in connection with performance be provided only to the bodies of a Member State carrying out financial supervision provi of their functions:

1. For verification of observance of the this activity;

2. For imposing sanctions;

3. Upon appeal against their acts by administrative procedure or through requirements for issuance of licences for carrying out of activity on financial markets, as well as for exercising of supervision over performance of the court.

(5) (New – SG, iss. 52 in 2007) The Commission may provide information constituting professional secret, on condition that that the same level of confidentiality for the provided information is ensured of:

1. the Member State's authorities which exercise supervision on the operation of credit institutions, in relation to the fulfilment of their supervisory functions;

2. the Member State's authorities which participate in procedures of liquidation, insolvency or other similar procedures of investment intermediaries, insurers, collective investment

undertakings and their management companies and depositaries, in relation to the fulfilment of their supervisory functions;

3. persons from a Member State who are responsible for envisaged by law audits of the reports of investment intermediaries, credit institutions, insurers and other financial institutions, in relation to fulfilment of their supervisory functions;

4. The Member State's authorities who administrate investor compensation schemes or funds for securing insurance receivables in relation to the fulfilment of their functions.

(6) (Prev. item 5; am. – SG, iss. 52 in 2007) Information representing a professional secrecy may be provided to a foreign body from a third country, exercising financial supervision, on the grounds of an agreement for cooperation and information exchange and provided that the body to which the information is provided:

1. ensures at least the same level of confidentiality of the provided information;

2. has a power and agrees to provide information of the same nature upon request by the Commission;

3. needs the required information for performance of its supervision functions.

(7) (Prev. item 6; am. – SG, iss. 52 in 2007) The Commission may provide under the procedure of para 1 item 1 in the cases of liquidation or bankruptcy, item 2 and 3 and para 6, information which represents a professional secrecy, received by the bodies of a Member State, performing financial supervision, only with their explicit consent and for the purposes for which the consent has been given.

Chapter Seven

BUDGET AND PROPERTY OF THE COMMISSION

PROPERTY OF THE COMMISSION

Art. 26. (1) The property of the Commission comprises of right of property and other rights.

(2) Real property provided by the State to the Commission is public state-owned property.

FEEES

Art. 27. (1) The Commission shall charge fees for:

1. (Am. – SG, iss. 67 in 2003; supplemented iss. 39 in 2005, am. iss. 52 in 2007) Issuing of licenses, permits and authorizations for carrying out activities under the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Special Purpose Vehicles Act, the Insurance Code, the Health Insurance Act and the Social Insurance Code, as well as granting permits for management of supplementary social insurance funds and permit for organizing and managing a contractual fund;

2. Issuing of permits by the Commission or its bodies for mergers, takeover, splitting or spin-off of supervised persons;

3. Issuing of approvals of prospectuses for public offering of securities;

4. (Am. – SG, iss. 67 in 2003) Approval for voluntary winding up of a supplementary social insurance company;

5. Issuing of additional authorizations for performing of activities involving a new type of insurance or new health insurance package;

6. Reviewing of documents for issuing of reports under sub-paragraphs 1, 2, 3, 4, and 5;

7. Exercising of general financial supervision, including processing of the mandatory current and periodical information and for conducting of inspections.

(2) The fees under paragraph 1 shall be determined in a Tariff, provided in an appendix to the Act.

(3) The fees under paragraph 1, sub-paragraph 7 shall be payable on annual basis in two equal instalments until 31st March and 30th September of the current year.

(4) The fees under paragraph 1, sub-paragraph 7 of the newly registered persons in the respective year shall be calculated proportionately to the time from their registration in the Commercial Register to the end of the year, as the year days will be assumed to be 360. In such cases the fee shall be payable within 31st January of the year following the year of registration.

(5) In case of failure to pay any fee under paragraph 1, sub-paragraph 7 within the established deadline, interest amounting to the lawful interest rate shall be charged on the sum due for the period of the late payment.

(6) The fees shall not be subject to refunding and shall be reported as accounting expenses of the person under supervision.

(7) (Am. – SG, iss. 105 in 2005) the overdue fees payable to the Commission shall be subject to enforced collection in accordance with the procedures of the Tax and Social Security Procedure Code. The report for establishing the receivable shall be issued by the respective Deputy Chairperson and shall be subject to appeal before the Commission.

(8) Overpaid and incorrectly paid fees shall be subject to return.

BUDGET OF THE COMMISSION

Art. 28. (1) The Commission has its own independent budget, which is a part of the Republican Budget of the Republic of Bulgaria.

(2) The National Assembly shall adopt the Budget of the Commission as an independent part of the Republican Budget.

(3) The Council of Ministers may not amend the draft-budget of the Commission, and it may only express its point of view in relation to it before the National Assembly.

(4) The budget of the Commission shall be prepared, performed and reported in accordance with the State Budget Organic Act.

(5) Revenue of the Budget of the Commission shall come from:

1. Fees under Art. 27, paragraph 1;
2. Sales of periodicals issued by the Commission and sales of forms;
3. Subsidies from the central budget;
4. Other resources and activities allowed by law.

(6) The Revenue and Expenditure sides of the Budget shall be structured in accordance with the classification of the Revenue and Expenditure of the State Budget.

(7) (Am. – SG, is. 67 in 2008) The Chairman of the Commission or a Deputy Chairperson appointed by him/her shall be 1st level budget spender, and the managers of the territorial divisions and the Chairman of the Commission for Public Supervision of the Registered Auditors shall be 2nd level budget spenders.

Chapter Eight **ACCOUNTABILITY AND CONTROL OVER THE COMMISSION** **ACTIVITIES**

REPORTS AND CONTROL

Art. 29.(1) (Suppl. – SG, iss. 67 in 2008) The Commission shall submit to the National Assembly an Annual Report on its activities, an annual financial statement, and a Budget Performance Report not later than May 30th the following year. The annual financial statement and the budget performance report of the Commission shall also include the annual financial statement and the budget performance report of the Commission for Public Supervision of the Registered Auditors.

(2) The Commission Budget Performance Report and its Annual Financial Statements shall be audited by the National Audit Office. The National Audit Office Report shall be submitted to the National Assembly.

(3) The Commission Annual Report on its activities shall contain the following information:

1. Position and Prospects of the Financial Markets;
2. Adequacy of the regulatory framework of the financial markets;
3. Permits, confirmations, approvals and other individual administrative acts issued as provided for in this Act, denials to issue such acts, registrations effected, Commission's acts appealed at and sustained by the court;
4. Results of the supervision carried out over the persons under Art. 1, paragraph 2;
5. Information policy, domestic and international co-operation;
6. Organisation, funding, and staffing policies of the Commission;
7. Other data as determined by the Commission.

(4) The Commission is obligated at request to submit to the National Assembly any data and documents related to its activities.

Chapter Nine

REGISTERS AT THE COMMISSION

REGISTERS

Art. 30. (1) The Commission shall keep public registers for:

1. Regulated security markets;
2. Investment intermediaries;
3. Public companies and other securities issuers;
4. Investment companies;
5. (Am. – SG, iss. 39 in 2005) Management companies and the managed by them contractual funds;
6. Natural persons executing directly under contract investment advice and transactions in securities;
7. (Am. – SG, iss. 103 in 2005) insurers and reinsurers;
8. Health insurance companies;
9. (Am. – SG, iss. 103 in 2005) Insurance brokers and insurance agents;
10. (Am. - SG, iss. 56 in 2006) Supplementary social insurance companies, funds managed by them and professional schemes.
11. (New – SG, iss. 67 in 2003) Social insurance agents of the supplementary social insurance companies.
12. (New – iss. 103 in 2005) the persons who have recognized capacity of a responsible actuary.

(2) Circumstances subject to entry, keeping and safeguarding of the registers of the Commission, and also the procedures ensuring functioning of the registers as an integrated information system shall be provided for by an Ordinance.

Chapter Ten

FINACIAL STABILITY ADVISORY COUNCIL

FUNCTIONS AND MEMBERSHIP

Art. 31. (1) A Financial Stability Advisory Council is established as an advisory body, which shall:

1. Assist in the development of a common policy, co-operation and coordination between the actions of the Council members when performing supervision over the regulated persons;
2. Ensure exchange of information between the Council members;
3. Assist in the security, stability and development of the financial markets in the Republic of Bulgaria;
4. Assist in the improvement and enhancement of the efficiency of supervision over the participants in the financial markets.

(2) The Minister of Finance, the Commission and the Bulgarian National Bank shall participate in the Financial Stability Advisory Council. At invitation of the Council, its sessions may be attended by the Chairmen of the Budget and Finance Commission and the Commission on the Economic Policy at the National Assembly, as well as by other persons.

(3) The Financial Stability Advisory Council shall make recommendations and proposals to each one of the participants aiming at improvement of the practices for implementation and enhancement of the regulatory framework of the financial markets.

(4) Each of the participants in the Council may convene it or may ask for the opinion or the standing of the Council on certain matters.

(5) The sessions of the Council shall be chaired by its members on rotation basis for a period of one year.

Chapter Eleven

ADMINISTRATIVE PENALTY PROVISIONS

Art. 32.(1) Anyone, who obstructs the Financial Supervision Commission, its bodies or duly authorised employees of its administration in the implementation of their supervisory powers, assigned by this or by any other act, shall be punished by a fine from BGN 1,000 to BGN 5,000, if the violation is not a crime. In case of a repeated violation, the fine shall amount from BGN 2,000 to BGN 10,000.

(2) Any violation of a legal person or sole proprietor under paragraph 1 shall be subject to financial penalty amounting from BGN 2,000 to BGN 8,000, and in case of a repeated violation - from BGN 4,000 to BGN 16,000.

(3) The acts, establishing administrative violations under paragraphs 1 and 2 shall be drawn up by officials authorised by the Chairman of the Commission, and penalty warrants shall be issued by the Chairman of the Commission.

(4) Finding out of the administrative violations, issuing, appeals, and enforcement of penalty warrants shall be implemented in accordance with the provisions of the Administrative Violations and Penalties Act.

ADDITIONAL PROVISIONS

§ 1. Within the meaning of this Act:

1. “Financial markets” mean the securities market, insurance and social security service market.

2. “Bodies of the Commission” mean the Chairman and the three Deputy Chairmen of the Commission.

3. (Am. – SG, iss. 67 in 2003) “Regulatory acts on supplementary social insurance” are the Social Insurance Code and the regulations on their implementation.

4. “Control” exists when the controlling party:

a) has, including through a subsidiary or by virtue of an agreement with any other party more than half of the votes of the general meeting of the other party, or

b) has the ability to appoint, directly or indirectly, more than half of the membership of the managing or the controlling body of any other party, or

c) has the ability to manage, including also through or jointly with a subsidiary under the Articles of Association or a contract the activities of any other party, or

d) as a shareholder or partner in a company controls independently under a deal with other partners or shareholders in the same company more than half of the votes in the general meeting of the company, or

e) in any other way may exercise a decisive impact on the decision making in relation to the activities of the company.

5. “Repeated” is any violation, committed within one year from the effective date of a penalty warrant under which the perpetrator has been punished for the same type of violation.

6. “Supplementary Social Insurance Companies” are pension insurance companies and companies for voluntary insurance against unemployment and/or professional training.

7. (New – SG, iss. 103 in 2005) “Member State” means a state which is a member of the European Union or other state which belongs to the European Economic Area.

8. (New – SG, iss. 103 in 2005) “Third country” means a state, which is not a Member State within the meaning of Art.7.

TRANSITIONAL AND FINAL PROVISIONS

§ 2(1) From the date of coming of this Act into force:

1. The powers of the National Insurance Council and the Supplementary Social Insurance Council shall be terminated;

2. The powers of the State Securities Commission, of the Director of the State Insurance Supervision Agency, and of the Chairman of the State Social Insurance Supervision Agency shall be terminated;

(2) The permits (licenses) and other individual administrative regulations issued by the authorities under paragraph 1 shall remain effective.

(3) The proceedings existing before the authorities under paragraph 1 prior to coming of this act into force shall continue before the respective competent authority under this Act. Any disputes concerning competency shall be resolved by the Commission.

§3.(1) The State Securities Commission, the State Insurance Supervision Agency, and the Social Insurance Supervision Agency shall be restructured by a merger into a Financial Supervision Commission from the date of coming of this Act into force.

(2) Assets, liabilities, archives and other powers and duties of the State Securities Commission, the Insurance Supervision Agency, and the State Social Insurance Supervision Agency shall be taken over by the Financial Supervision Commission.

(3) Within fifteen days from the effective date of this Act, the Chairman of the Commission shall transform the official legal relations of the government officials of the State Securities Commission, the State Insurance Supervision Agency, and the Social Insurance Supervision Agency into permanent employment contracts. The existing ranks and unused leaves of absence shall be preserved.

(4) The employment contracts of the employees of the State Securities Commission, the Insurance Supervision Agency, and the State Social Insurance Supervision Agency shall be provided for in accordance with the procedures under Art. 123 of the Labour Code.

§ 4. (Effective from January 28, 2003) (1) Within two months from coming of this Act into force the National Assembly shall elect the members of the Commission, as the terms of office of the members shall begin from the effective date of this Act.

(2) The members of the first membership of the Commission established in accordance with this Act shall be elected for the following terms of office:

1. The Chairman - 6 years;
2. The Deputy Chairperson in charge of the Investment Activity Supervision Division - 6 years;
3. The Deputy Chairperson in charge of the Insurance Supervision Division - 5 years;
4. The Deputy Chairperson in charge of the Social Insurance Supervision Division - 4 years;
5. Other members: the first one - 4 year term of office; the second one - 5 year term of office, and the third one - 6 year term of office, as their appointment will be effected by the decision for their election.

(3) Members of the Commission may be elected among the members of State Securities Commission, the Director of the Insurance Supervision Agency, and the Chairman of State Social Insurance Supervision Agency.

(4) Until the effective date of the Act the members of the Commission shall manage the technical and organisational activities in relation to restructuring under § 3.

(5) The employees and fixed assets of the State Securities Commission, the Insurance Supervision Agency, and the State Social Insurance Supervision Agency, together with their support shall be transferred to the Financial Supervision Commission in accordance with procedures determined by the members of the Commission.

(6) The Budget of the Commission for 2003 shall be drawn up on the basis of the budgets of the State Securities Commission, the Insurance Supervision Agency, and the State Social Insurance Supervision Agency for 2003.

(7) The Minister of Finance and the Minister of Labour and Social Policy shall make the changes in relation to the preparation of the Commission Budget ensuing from this Act in the Republican Budget for 2003.

§ 5. The secondary regulations adopted with regard to implementation of the Public Offering of Securities Act, the Insurance Code, the Mandatory Social Insurance Code, the Health Insurance Act, the Supplementary Voluntary Pension Insurance Act, the Act on Protection against Unemployment and Promotion of Employment shall keep their validity to the extent the same are not in conflict with this Act.

§ 5a. (New – SG, iss. 84 in 2006) The issued by the Commission and the Deputy Chairmen till the date of effectuation of the Treaty for the Republic of Bulgaria's Accession to the European Union individual administrative acts which were not subject to appeal through the court, may not be appealed before the court under this Act.

§ 6. Within one month from the effective date of this Act, the Financial Supervision Commission shall adopt the rules for its structure and activities.

§ 7. The first session of the Financial Stability Advisory Council shall be convened by the Minister of Finance within three months from coming of this Act into effect. The rotation procedure shall be determined at that session.

§ 8. The following amendments are made to the Public Offering of Securities Act (published in the State Gazette, Issue 114 of 1999; as amended in Issues 63 and 92 of 2000, issues 28, 61, 93, and 101 of 2002):

1. Paragraph 1 of Art. 8 is amended as follows:

„1. Regulation and control over persons, activities and transactions under Art. 1, paragraph 1 shall be performed by the Financial Supervision Commission, hereinafter referred to as the Commission, and also by the Deputy Chairperson in charge of the Investment Activity Supervision Division.”

2. Articles 9, 10, 11, 12, 13, 14, 15, 16, 16(a), 17, 18 and 19 and references to them in the Act are repealed.

3. Everywhere in the Act the word „Commission” shall be replaced by „the Deputy Chairperson in charge of the Investment Activities Supervision Division, with the exception of Chapter Two, Chapter Three, Sections II and IV, Chapter Five, Section II, Chapter Six, Section III, Chapter Seven, Section I, Chapter Eleven, Section II, Chapter Fourteen, Chapter Fifteen and Chapter Eighteen, Section II, where the word „Commission” shall be replaced by „the Financial Supervision Commission”.

§9. (1) The Insurance Code (published in the State Gazette, Issue 86 of 1996; as amended in Issue 1 of 1997, issue 21 of 1997 - Decision No. 6 of the Constitutional Court of 1997; as amended in Issue 58 of 1997, issues 21, 52, 93 and 132 of 1998, issue 88 of 1999, issues 83 and 97 of 2000, issues 1, 102 and 110 of 2001, issues 96 and 107 of 2002 shall be amended and supplemented as follows:

1. In Art. 7, paragraph 3 the wording „Insurance Supervision Agency” is replaced by „The Financial Supervision Commission and by the Deputy Chairman of the Financial Supervision Commission in charge of the Insurance Supervision Division ”.

2. Article 17(a) is amended as follows:

„Art. 17(a). The State Insurance Supervision is implemented by the Financial Supervision Commission and by the Deputy Chairman of the Financial Supervision Commission in charge of the Insurance Supervision Division in accordance with the provisions of this Act and the Financial Supervision Commission Act.”

3. Articles 17(b), 17(c), 18, 19, 20, 21 and 22 are repealed.

4. Article 22(a) shall be amended as follows:

Art. 22(a) (1) The Financial Supervision Commission shall perform inspections on the compliance with this Act and the secondary legislation for its implementation.

(2) The Financial Supervision Commission shall issue an Ordinance on the Inspection Procedures”.

5. Art. 22(b) shall be amended and supplemented as follows:

A. Sub-paragraph 1 of paragraph 1 shall be amended as follows:

„1. Violation of the provisions of this Act, of the secondary legislation for its implementation, of the Financial Supervision Commission Act, of regulations of the Financial Supervision Commission and of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division, and also proposing of general conditions and clauses, which have not been approved by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division”;

b) sub-paragraphs 6 and 11 of paragraph 2 shall be repealed;

c) paragraph 3 shall be amended as follows:

„(3) In particularly serious cases of violations under paragraph 1, the Financial Supervision Commission on the proposal of its Deputy Chairperson in charge of the Insurance Supervision Division shall:

1. Instruct in writing the insurer to dismiss one or more persons authorised to manage it or to represent it, or each one of the persons under Articles 10 or 13, or

2. Appoint quaestors with the powers under Art. 33, paragraph 2 for a fixed period.”

6. Art. 23 shall be repealed.

7. In art. 24 the wording „Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission.

8. In art. 33, paragraph 1, the wording „Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission.

9. Articles 34 and 35 shall be repealed.

10. In art. 38, paragraph 2 the wording „Insurance Supervision Agency” shall be replaced with „the Financial Supervision Commission.

11. In art. 41, the wording „Articles 32 and 34 are applied” shall be replaced by „Article 32 shall apply”.

12. In art. 43, paragraph 4, the wording „kept at the Insurance Supervision Agency” shall be deleted.

13. In articles 47, 49, Art. 51, paragraph 4 and Art. 77, paragraph 4, the wording „the Council of Ministers” shall be replaced by „the Financial Supervision Commission”

14. In art. 51(a), paragraph 3, the second sentence shall be amended as follows: „In case of failure to comply with the prescription, administrative measures under Art. 22(b) shall be enforced.”

15. In art. 54, the wording „the Minister of Finance” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department”.

16. In art. 65, paragraph 1 and Art. 66, paragraphs 2 and 5, the wording „the Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission”.

17. In art. 89, paragraph 1, the wording „appointed by the Minister of Finance” shall be replaced by „elected by the Financial Supervision Commission” and the wording „appointed by the Minister of Finance” shall be replaced by the wording „elected by the Financial Supervision Commission”.

18. Art. 90 shall be amended as follows:

a) In paragraph 2 the wording „the Director of the Insurance Supervision Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division “.

b) In paragraph 3 the wording „the Director of the Insurance Supervision Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division”.

19. In Art. 93 the wording „the Minister of Finance” shall be replaced by „the Financial Supervision Commission”.

20. In Article 94c the wording „the Director of the Insurance Supervision Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department”.

21. Article 99, paragraph 2 shall be amended as follows:

„(2) The Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division may order a withdrawal of the acquired shares in favour of the State.”

22. Article 106 shall be amended as follows:

a) Paragraph 1 shall be amended as follows:

„(1) The act for establishment of administrative violation shall be prepared by employees of the administration of the Financial Supervision Commission and by any other person authorised to that effect by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division, and in the cases under Art. 96 - by the National Police authorities.”;

b) In paragraph 2 the wording „the Director of the Insurance Supervision Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division”.

23. Everywhere in the Act the wording „National Insurance Council” and „the National Insurance Council” shall be replaced respectively by „Financial Supervision Commission” and „the Financial Supervision Commission”, the wording „Insurance Supervision Agency” and „the Insurance Supervision Agency” shall be replaced respectively by „ Insurance Supervision Division: and „ the/Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division “.

(2) In § 67, paragraph 3 of the Transitional and Final Provisions of the Act on the Amendments to the Insurance Code (State Gazette issue 96 of 2002) the wording „the Minister of Finance” shall be replaced by „the Financial Supervision Commission”.

§ 10. The following amendments and supplements shall be made to the Mandatory Social Insurance Code (published in the State Gazette, issue 110 of 1999, issue 55 of 2000 - Decision No. 5 of the Constitutional Court of 2000; as amended by issue 64 of 2000, issues 1, 35, and 41 of 2001, issues 1, 10, 45, 74 and 112 of 2002):

1. In art. 145, Art. 153, Art. 155, paragraph 3, Art. 156, paragraphs 1 and 2, Art. 174, paragraphs 1 and 2, Art. 183, paragraph 9, sub-paragraph 4, Art. 184, paragraph 2, Art. 190, paragraphs 1 and 2, Art. 195, paragraphs 1 and 2, and Art. 201, paragraph 2 the name „the State Social Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission”.

2. In art. 178, paragraph 2, the wording „the State Social Insurance Supervision Agency in co-ordination with the Securities Commission” shall be replaced by „the Deputy Chairperson in charge of the Social Insurance Supervision Division, jointly with the Deputy Chairperson in charge of the Investment Activities Supervision Division”.

3. Everywhere in the Code, with the exception of the texts under subparagraphs 1 and 2, the name „the State Social Insurance Supervision Agency” and the wording „the Agency” and „the

Chairman of the State Social Insurance Supervision Agency” shall be replaced by „the Deputy Chairperson in charge of the Social Insurance Supervision Division” of the Financial Supervision Commission”.

4. In art. 156, paragraph 2 shall be repealed.

5. In art. 181, Art. 192, paragraph 2 and Art. 194, paragraph 2, the wording „by a decision of the Council of Ministers” shall be replaced by „by an Ordinance”.

6. A new Art. 206(a) shall be created as follows:

„Responsibility for violations and failure to fulfil instructions

Art. 206(a) (1) Whoever violates or allows any violation of the provisions of this Code in relation to the Supplementary Mandatory Pension Insurance or fails to fulfil any obligatory prescription of any supervisory authority, shall be punished by a fine from BGN 2,000 to BGN 10,000, if the offence is not a crime.

(2) A financial penalty of BGN 10,000 to BGN 50,000 shall be imposed on legal persons for any violations under paragraph 1.

(3) In case of a repeated violation under paragraph 1, the penalty shall be a fine from BGN 4,000 to BGN 20,000, respectively a financial penalty from BGN 20,000 to BGN 100,000. The violation shall be deemed a repeated one within the meaning of Art. 204, paragraph 2.

(4) Any incomes acquired through unlawful activities shall be confiscated in favour of the State.”

7. In art. 207, paragraph 4 the word „the Agency” shall be replaced by „the Financial Supervision Commission”.

8. A new Art. 208 shall be created as follows:

„Applying of Administrative Enforcement Measures

Art. 208. (1) Administrative enforcement measures may be applied for the purpose of prevention and discontinuation of violations under Section Two of this Code and of the regulations for its implementation, for prevention and discontinuation of the harmful consequences of such violations, and in case of obstructions of the exercising of the supervisory activities of the Commission or in case of jeopardy of the interests of the members of the Mandatory Supplementary Pension Funds. (2) Chapter Fourteen of the Supplementary Voluntary Pension Insurance Act shall apply with regard to the types of administrative enforcement measures, the bodies and the manner for their application and appeal against them. § 11. The following amendments and supplements shall be made to the Supplementary Voluntary Pension Insurance Act (published in the State Gazette, Issue 65 of 1999; as amended in Issues 110 and 111 of 1999, issues 1, 64 and 83 of 2000):

1. In art. 17, paragraph 1, Art. 21, paragraph 6, sub- paragraph 4, Art. 22, paragraph 2, Art. 26, paragraphs 4 and 5, Art. 35, Art. 38, paragraphs 1 and 3, Art. 39, paragraphs 1 and 2, Art. 40, paragraphs 1, 2, and 3, Art. 41, paragraphs 1 and 2, Art. 42, paragraphs 2 and 3, Art. 57, Art. 62, paragraphs 2 and 3 and Art. 64, the wording „the State Social Insurance Supervision Agency” and „the Agency” are replaced respectively by „the Financial Supervision Commission” and „the Commission”.

2. Everywhere in the Act, with the exception of the texts under sub-paragraph 1, the wordings „the State Social Insurance Supervision Agency” and „the Agency” shall be replaced respectively by „the Deputy Chairperson in charge of the Social Insurance Supervision Division of the Financial Supervision Commission” and „the Deputy Chairperson in charge of the Social Insurance Supervision Division of the Commission”.

3. In the title of Chapter Three, the wording „Supervision and” shall be deleted.

4. Article 30 shall be amended as follows:

„Art. 30. Licensing and supervision of the supplementary social insurance companies shall be performed by the Financial Supervision Commission, hereinafter referred to as „the Commission”.

5. Articles 31, 32, 33 and 34 shall be repealed.

6. The following amendments and supplements shall be made to Art. 35:

a) sub-paragraphs 3, 4, 6 and sub-paragraphs 8 through 11 shall be repealed;

b) in sub-paragraph 5 the wording „and accepts” shall be added after the word „develops”.

7. Article 36 shall be repealed.

8. Article 36(a) shall be created as follows:

„Art. 36(a) „the Deputy Chairperson in charge of the Social Insurance Supervision Division of the Financial Supervision Commission shall approve:

1. A List of the banks-depositories jointly with the Bulgarian National Bank;

2. A List of Certified Public Accountants authorised to make audits of the Supplementary Social Insurance Companies and of Voluntary Pension Funds after coordination with the Institute of Certified Public Accountants;

3. Biometric tables, which may be used by the Supplementary Social Insurance Companies and of Voluntary Pension Funds;

4. Other documents, related to the activities concerning Supplementary Social Insurance.”

9. Article 37 shall be repealed.

10. Article 43 shall be repealed.

11. The following amendments shall be made to Art. 60:

a) In paragraph 1 the word „the Agency” shall be replaced by „the Commission” and the wording „which makes the decision within one month” shall be deleted;

b) In paragraph 2 the wording „By the decision of the Agency” shall be replaced by „Within one month the Deputy Chairperson in charge of the Social Insurance Supervision Division of the Commission shall make a decision whereby” and the wording „from it” shall be deleted;

c) In paragraph 3 the wording „of the Agency” shall be replaced by „under paragraph 2”.

12. In art. 61, the second sentence shall be amended as follows: „In such cases the Deputy Chairperson in charge of the Social Insurance Supervision Division of the Commission shall determine by a decision the conditions, procedure, and method of satisfying the insured persons.”

13. In art. 111, paragraphs 1 and 2, the wording „the Chairman of the Agency” shall be replaced by „the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Commission”.

14. Chapter Fourteen shall be created after Art. 111 as follows:

Chapter Fourteen **ADMINISTRATIVE ENFORCEMENT MEASURES**

Art. 112. (1) The Commission may apply the following administrative enforcement measures for prevention and discontinuation of violations under this Act and of the regulations for its implementation, for prevention and discontinuation of any harmful consequences of such violations, and in case of obstructions of the exercising of the supervisory activities of the Commission or in case of jeopardy of the interests of the members of the Mandatory Supplementary Pension Funds:

1. To issue mandatory prescriptions for taking specific measures with a deadline set by it;

2. To issue mandatory prescriptions for necessary changes in the Rules of the Supplementary Pension Insurance Funds;

3. To discontinue the use and dissemination of documents, which have not been approved in accordance with the respective procedures;

4. To discontinue the dissemination of advertising and information materials and also of conducting of lotteries;

5. To obligate in writing the Pension Insurance Company to increase its capital within certain period;

6. To impose financial recovery measures to any Pension Insurance Company or to the Pension Fund managed by it;

7. To forbid the conclusion of new social insurance contracts for certain period;

8. To temporary forbid payment of dividend;

9. To appoint a Certified Public Accountant for carrying out a financial or other audit of the supervised person on its account, in accordance with requirements determined by the Deputy Chairperson in charge of the Social Insurance Supervision Division.

10. To convene the general meeting of shareholders or to fix a session of the managing and supervisory board (the Board of Directors) for making decision on the measures to be taken;

11. To suspend the implementation of a decision or order issued by the managing bodies of a Pension Insurance Company, related to the activities under the supplementary pension insurance;

12. To instruct in writing the person supervised by it to discharge one or more persons authorised to manage and represent the respective person and to withdraw his/her managerial or representative rights until his/her discharge;

13. To appoint quaestors in cases provided for in the regulations under the Supplementary Social Insurance;

14. To withdraw the pension license.

(2) The Commission may inform the public about the measures applied under paragraph 1.

(3) The measures under paragraph 1 shall be applied with regard to the persons supervised by the Commission, with regard to their employees, persons performing management functions in the company under contract or persons authorised to conclude social insurance contracts and receive applications for social insurance.

(4) In case of imposing of administrative enforcement measures under paragraph 1, the provisions of Art. 7, paragraph 2 and Art. 11, paragraph 1 of the Administrative Proceedings Act in relation to explanations and objections of the parties concerned shall not apply.

Art. 113 (1) The administrative enforcement measures under Art. 112, paragraph 1, subparagraphs 12 through 14 shall be applied by a reasoned decision of the Commission in writing, which shall be informed to the party concerned within 7 days from its issuance.

(2) The administrative enforcement measures under Art. 112, paragraph 1, subparagraphs 1 through 11 shall be applied by a reasoned decision of the Deputy Chairperson in charge of the Social Insurance Division in writing, which shall be informed to the party concerned within 7 days from its issuance.

Art. 114. (1) The decision under Art. 113, paragraph 1 shall be subject to immediate enforcement and may not be appealed under a judicial procedure.

(2) The decision under Art. 113, paragraph 2 may be appealed only in accordance with administrative procedure before the Commission in accordance with the procedures set forth in the Administrative Proceedings Act.”

§ 12. (1) The following amendments and supplements shall be made to the Health Insurance Act (published in the State Gazette, issue 70 of 1998; as amended in issues 93 and 153 of 1998, issues 62, 65, 67, 69, 110 and 113 of 1999, issues 1, 31, and 64 of 2000, issue 41 of 2001, issue 1, 54, 74, 107 and 112 of 2002):

1. Article 86 shall be amended as follows:

„Art. 86. The state supervision over the activities concerning voluntary health insurance shall be performed by the Financial Supervision Commission and by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division in accordance to the procedure set forth in this Act and the Financial Supervision Commission Act.”

2. Article 88 shall be amended and supplemented as follows:

a) A new paragraph 3 shall be created as follows:

„ (3) The General Conditions under the health insurance packages shall clearly and unequivocally determine:

1. Cover and exceptions of it;

2. Terms and conditions, procedure and deadlines for payment of health insurance premiums, and also the consequences of failure to pay or inaccurate payment;

3. Conditions and procedures for use of health services and for receiving of health goods;

4. Conditions, procedures and time limits for reimbursement of expenses incurred;

5. Conditions, procedures and time limits for termination or change of health insurance legal relation;

b) the existing paragraph 3 shall become paragraph 4;

c) the existing paragraph 4 shall become paragraph 5 and the wording „before the Financial Supervision Commission and its bodies” shall be added after the wording „the insured person”.

3. In art. 90a and Art. 90c, paragraph 4 the wording „the Council of Ministers” shall be replaced by the „Financial Supervision Commission”.

4. In art. 90d, paragraph 3, the second sentence shall be amended as follows:

„In case of failure to comply with the instruction, the enforcement administrative measures under Art. 99 shall apply.”

5. In art. 90g, the wording „the Minister of Finance” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division.”

6. In Articles 95 and 96 the wording „the / Director of the Agency” is replaced respectively with „the / Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division.”

7. Paragraph 9 is created in Art. 97 as follows:

„ (9) The persons under paragraphs 2 through 7 shall be subject to approval by the Deputy Chairman of the Financial Supervision Commission in charge of the Insurance Supervision Division. The approval shall be preceded by registering into the Commercial Register, respectively by the appointment in the respective position with regard to which such registration is not required. The Deputy Chairperson shall issue a decision within one month from the date of filing of the application.”

8. In art. 98 the wording „The Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission”.

9. The following amendment and supplements shall be made to Art. 99:

a) In paragraph 1 the wording „to the Agency” shall be replaced by „at the Financial Supervision Commission”, and comma shall be placed after the word „the tariffs” in sub-

paragraph 5 and the wording „as well as the technical basis for calculation of the premium rates and technical plans” shall be added;

b) Everywhere in paragraph 2 the word „the Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division.”

c) In paragraph 3, the first sentence shall be amended as follows: „Within two months from the date of filing of the application, the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division shall prepare a proposal for issuing or denial for issuing of a license and shall forward it to the Financial Supervision Commission for consideration”;

d) Paragraph 4 shall be created as follows:

„ (4) The Financial Supervision Commission shall issue its decision on the application within one month from forwarding of the proposal under Art. 3.”

10. The following amendments and supplements shall be made to Art. 99(b):

a) A new paragraph 2 shall be created as follows:

„ (2) The license of the health insurance company shall be withdrawn by the Financial Supervision Commission.”

c) the existing paragraph 2 shall become paragraph 3 and the wording „the Insurance Supervision Agency” shall be deleted.

11. A second sentence at the end of paragraph 3, Art. 99c shall be added as follows: „The quaestor shall have the powers of the managing and controlling bodies of the health insurance company, he shall receive remuneration at the company’s expense and the size of his remuneration shall be determined by the Deputy Chairperson of the Financial Supervision Committee in charge of the Insurance Supervision Division.”

12. Article 99(d) shall be repealed.

13. The following amendments and supplements shall be made to Art. 99(e):

a) In paragraph 1, a comma shall be inserted after the word „the tariffs” and the wording „as well as the technical basis for calculation of the premium rates and the technical plans” shall be added;

b) In paragraph 2 the word „or” shall be replaced by comma, and the wording „or the technical plans” shall be added after the word „the tariffs”;

c) Paragraph 3 shall be amended as follows:

„The Deputy Chairperson of the Financial Supervision Committee in charge of the Insurance Supervision Division shall issue a decision under paragraph 1 and approval under paragraph 2 within one month from the receiving of the application of the health insurance company. The Deputy Chairperson may request Minister of Health for a statement of opinion on the contents and feasibility of the proposed health insurance packages.”

d) Sub-paragraph 3 shall be created in paragraph 4 as follows:

„3. The general conditions under the health insurance packages and contracts infringe on any imperative provisions of the act or are not in compliance with the provisions of Art. 88, paragraph 3 and the violations have not been eliminated within the deadline set by the Deputy Chairperson of the Commission.”

14. The following amendments and supplements shall be made to Art. 99(g):

a) the existing text shall become paragraph 1 and shall be amended as follows:

„ (1) Restructuring by means of merger, split, and spin-off of health insurance companies shall be performed with the permission of the Financial Supervision Commission.”

b) Paragraphs 2 and 3 shall be created as follows:

„(2) Restructuring of health insurance companies by means of take-over shall be performed with the permission of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department.”

(3) Restructuring under paragraphs 1 and 2 shall be performed under the conditions and procedures of Chapter Eight of the Insurance Code and the Financial Supervision Commission Act.”

15. The following amendments shall be made to Art. 99(h):

a) in paragraphs 1 and 2 the word „the Agency” shall be replaced by the Financial Supervision Commission;

b) everywhere in paragraph 3 the word „the Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division.”

16. In the end of the first sentence of Art.99 (i) the wording „after the license for voluntary health insurance has been withdrawn” shall be added.

17. The heading of Section V shall be amended as follows: „State supervision over the voluntary health insurance activities.”

18. The following amendments shall be made to Art. 99(k)

a) Paragraph 1 shall be amended as follows:

„(1) The Financial Supervision Commission shall perform the state supervision over the voluntary health insurance activities in accordance with the provisions and procedures under this Act and the Financial Supervision Commission Act”;

b) Paragraph 2 shall be amended as follows:

„(2) When performing the state supervision over the voluntary health insurance activities, the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division shall:

1. Make proposals for issuing, denial for issuing or withdrawal of a license for health insurance company, for issuing or denial for issuing of permission for merger, split, or spin-off of health insurance companies and for imposing of the enforcement measures under Art. 99(n), paragraph 3;

2. Issue permits for new health insurance packages, general conditions and tariffs to them and approve changes in the permitted ones;

3. Authorise acquisition of health insurance companies and for opening of a branch of a Bulgarian health insurance company abroad;

4. Authorise transfer of an enterprise of a health insurance company or of health insurance contracts;

5. Approve the persons under Art. 97, paragraphs 2 through 7;

6. Verify the validity of the declarations under Art. 95 and if needed apprise the authorities under Art. 96, paragraph 3;

7. Approve other health insurance reserves within the meaning of Art. 90c, paragraph 3, sub-paragraph 4;

8. Approve sample forms of declarations, statements, reports, information and other documents provided for in Chapter Three of this Act.

9. File petition for opening of bankruptcy or liquidation proceedings of a health insurance company;

10. Oversee compliance of voluntary principle of effecting a voluntary health insurance;

11. Apply enforcement administrative measures and impose penalties in the cases and in accordance with procedures provided for by law;

12. Make decisions on other matters related to implementation of supervision over the activities of the health insurance companies, which are not within the competency of the Financial Supervision Commission”;

c) Paragraph 3 shall be amended as follows:

„ (3) The documents necessary for issuing of permits and approvals and also for implementation of the other supervisory powers of the bodies under paragraphs 1 and 2 shall be determined in the rules of the structure and activities of the Financial Supervision Commission or by an order of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division, with the exception of the documents under this Act”;

d) Paragraphs 4 and 5 shall be repealed;

e) Paragraph 6 shall be amended as follows:

„ (6) The individual administrative decisions of the Financial Supervision Commission and its Deputy Chairperson in charge of the Insurance Supervision Department shall be subject to appeal in accordance with the procedures under the Financial Supervision Commission Act.”

19. Article 99(l) shall be amended as follows:

„Art. 99(l)(1) The Financial Supervision Commission shall perform inspections for compliance with Chapter Three of this Act and secondary legislation on its implementation by the health insurance companies.

(2) The Financial Supervision Commission shall issue an Ordinance on the procedures for implementation of inspections.

(3) In relation to health insurance companies, Art. 24 of the Insurance Code shall respectively apply.”

20. In art. 99(m), paragraph 1, the wording „and periodic” shall be added after the word „annual” and sub-paragraph 4 shall be created as follows:

„4. Quarterly statements, information, reports and annexes in accordance with sample forms, approved by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division - by the end of the month, following the respective quarter.”

21. Art. 99(n) shall be amended as follows:

„Art. 99(n) (1) The Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division shall apply the measures under paragraph 2 where he/she finds out that any health insurance company, any of the persons under Art. 97, paragraphs 2 through 7 or any shareholder who holds 10% or higher percentage of the shares have committed any of the following violations:

1. Violation of the provisions of this Act, of the secondary legislation for its implementation, of the Financial Supervision Act, of decision of the Financial Supervision Commission and of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division, and also proposing of general conditions and clauses, which have not been approved by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Division;

2. Jeopardising the interests of the health insured persons;

3. Violation of the conditions under which the permit or the license has been issued;

4. Performing transactions and actions affecting the organisational or financial stability of the health insurance company;

5. Obstruction of the implementation of the state supervision over the activities of the voluntary health insurance.

(2) In the cases under paragraph 1 the Deputy Chairman of the Financial Supervision Commission in charge of the Insurance Supervision Department shall apply the following enforcement administrative measures:

1. Instructs in writing that violations should be discontinued or eliminated or that certain measures should be taken;

2. Issues prescription for achieving yield, security and liquidity of investments of the health insurance reserves and of the shareholders equity;

3. Imposes measures for recovery of the financial position of the health insurance company;

4. Obligates in writing the health insurance company to increase its own funds within a specified period;

5. Determines the asset structure, aiming at guaranteeing payments under the health insurance contracts;

6. Forbids on temporary basis payment of dividend;

7. Bans a shareholder from exercising his/her voting right on temporary basis;

8. Instructs in writing any shareholder to transfer the shares held by him/her within certain period.

(3) In case of particularly serious violations under paragraph 1, the Financial Supervision Commission by proposal of its Deputy Chairperson in charge of the Insurance Supervision Division shall:

1. Issue a written instruction to the health insurance company to discharge one or more persons, authorised to manage or represent it, or each one of the persons under Art. 97, paragraphs 2 through 7, or

2. Appoint quaestors with powers under Art. 99c, paragraph 3 for certain period.”

22. Art. 106(a) shall be repealed.

23. The following amendments shall be made to Art. 106(b):

a) In paragraph 3 the wording „paragraph 4” shall be replaced by „paragraph 5”;

b) In paragraph 7 the word „the Agency” shall be replaced by „the Financial Supervision Commission”;

c) In paragraph 8 the wording „and under Art. 106(a) shall be deleted;

d) Paragraph 9 shall be amended as follows:

„(9) The violations under paragraphs 1 through 8 shall be established by acts of officials of the administration of the Financial Supervision Commission authorised to this effect by its Deputy Chairperson in charge of the Insurance Supervision Division. The penalty warrants shall be issued by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department.”

24. Second sentence is added to Article 108, paragraph 2: „The fines and financial sanctions imposed on health insurance companies for violations under Chapter Three of the Act shall be paid into the Republican Budget.”

25. Everywhere in the Health Insurance Act the wording „Insurance Supervision Agency” and „the Agency” shall be replaced by „the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department.”

(2) The following amendments and supplements shall be made to the Transitional and Final Provisions of the Act on the Amendments and Supplements to the Health Insurance Act (State Gazette, issue 107 of 2002):

1. In § 95 the wording „respectively Financial Supervision Commission” shall be added after the wording „Council of Ministers”.

2. In § 98, the wording „the Insurance Supervision Agency” shall be replaced by the wording „the Financial Supervision Commission, respectively its Deputy Chairperson in charge of the Insurance Supervision Division”.

3. In § 101, paragraph 1 and § 102 paragraph 2, the wording „the Insurance Supervision Agency” shall be replaced by „the Financial Supervision Commission”.

4. New § 103a is created:

„§ 103a. In the period from the receiving of a license for voluntary health insurance activities to the increase of its capital to BGN 2 Mill., a health insurance company shall be obligated to invest part of its own funds in the amount of one third of the solvency margin pursuant to the procedure under Art. 90e of the Health Insurance Act.

§ 13. The following amendments shall be made to the Act on Protection against Unemployment and Promotion of Employment (published in the State Gazette, issue 120 of 1997, as amended and supplemented by issue 155 of 1998, issues 26, 50, 65, 67, 68, 84 and 110 of 1999, issues 1 and 31 of 2000, issues 25 and 112 of 2001):

1. Everywhere in the Act, the wording „State Social Security Supervision Agency”, and „State Social Security Supervision Agency with the Council of Ministers” shall be replaced by „Financial Supervision Commission”, and „the Agency” shall be replaced by „the Commission”, with the exception of Art. 46 paragraph 2 where the word „Agency” shall be replaced by the „Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission”.

2. In art. 42 paragraph 5 shall be amended to read as follows:

„ (5) The license issuance fee shall be set in the tariffs given as an Appendix to Art. 27, paragraph 2 of the Financial Supervision Commission Act.

3. Art. 47 shall be repealed.

§ 14. The following amendments and supplements shall be made to the Act on Publicity of Property of Persons on Top Government Positions (published in the State Gazette, issue 38 of 2000 as amended and supplemented by issue. 28 and 74 of 2002):

1. New sub-paragraph 13 is created in Art. 2:

„13. The Chairman, Deputy Chairmen, and members of the Financial Supervision Commission;”

2. Former sub-paragraphs 13, 14, 15, 16 and 17 shall become 14, 15, 16, 17, and 18, respectively.

§ 15. The Council of Ministers, within six months from the effectiveness of this Act, shall determine an appropriate building for the Commission.

§ 16. This Act shall come into effect on 1 March 2003, with the exception of § 4, which shall become effective from the date this Act is published in the State Gazette.

The Act has been passed by the XXXIX National Assembly on 5 December 2002 and 22 January 2003, and stamped with the official stamp of the National Assembly.

TRANSITIONAL AND FINAL PROVISIONS to the Insurance Code
(Am. iss. 103 in 2005 in effect from 1 January 2006)

§ 13. To the Financial Supervision Commission Act (prom. SG, iss. 8 in 2003; am. iss. 31, 67 and 112 in 2003; iss. 85 in 2004 and iss. 39 in 2005) shall be made the following amendments and supplements;

 12. Everywhere in the Act the words “the Law on Insurance” shall be replaced by “the Insurance Code”.

 FINAL PROVISIONS of the Law on Measures against Market Abuse with Financial Instruments (SG, iss. 84 in 2006 in effect from 1 Jan., 2007)

 § 4. The Financial Supervision Commission shall adopt the ordinances of the Act’s implementation.

 § 6. The Financial Supervision Commission shall give guidelines on the implementation of the Act.

 TRANSITIONAL AND FINAL PROVISIONS of the Markets in Financial Instruments Act (SG, iss. 52 in 2007 in effect as of 1 Nov., 2007)

 §27. (1) This Act is in effect from 1 November 2007, except for § 7 item 6, 7, 8, 18, 19, 22 – 24, 26 – 28, 30 – 40, item 44, letter “b”, item 47, 48, item 49, letter “a”, item 50 – 62, 67, 68, 70, 71, 72, 75, 76, 77, item 83, letter “a” and “d”, item 85, letter “a”, item 91, 93, 94, item 98, letter “a”, sub letter “aa”, sentence two about the replacement, sub letter “bb”, sentence two about the replacement, sub letter “cc”, sentence two about the replacement and sub letter “dd”, sentence two about the replacement item 99, letter “d” and “g”, item 101, letter “b” and item 102, §8, §9, item 4, letter “a”, item 5 and 7, § 14, item 1 and § 19, which enter into force three days after the promulgation of the Act in “State Gazette”.

(2) Paragraph 7, items 6, 7 and 8 shall apply till 1 November, 2007.

Supplement to Art. 27, Para. 2.

(Am. and suppl. – SG, iss. 67 in 2003; 39 in 2005; 103 in 2005, iss. 52 in 2007; iss. 97 in 2007).

No.	Fee	Fee amount
1	2	3
	(Am. – SG, iss. 39 in 2005)	
1.1.	For issuance of a permit for operating as:	
	a) A stock exchange	BGN 8,500
	b) Organiser of unofficial securities market	BGN 8,500
	c) Investment intermediary including through a branch	

	of a non-resident legal person:	
	aa) In this country	BGN 4,300
	bb) In this country and abroad	BGN 6,800
	cc) If it has been issued a permit for operating in this country and desires to have issued also a permit for operating abroad	BGN 2,500
	d) For entering a bank in the register of investment intermediaries	BGN 3,600
	e) An investment company:	
	aa) Of closed-end type	BGN 3,600
	bb) Of open-end type	BGN 4,400
	f) (Am. – SG, iss. 39 in 2005) Management company, including through a branch of a non-resident legal person.	BGN 4,300
	g) For a securities broker and investment consultants	
	h) (New – SG, iss. 67 in 2003) Special purpose vehicle	BGN 3,600
	A. Examination fee	BGN 300
	B. Fee for entry in the register and issuance of a certificate	BGN 60
1.1a.	(New – SG, iss. 39 in 2005) For issuance of a permit for organizing and management of a contractual fund.	BGN 3,000
1.2.	For issuance of a permit for winding-up and transformation	
	For winding-up of a stock exchange	BGN 1,500
	For transformation of an investment company	
	a) Of an open-end type and the opposite	BGN 2,000
	b) By take-over, merger, split and spin-off	BGN 3,600
	For winding-up of an investment company	BGN 2,000
1.3	For issuance of a confirmation of prospectuses for public offering of securities :	
a)	(Am. – SG, iss. 39 in 2005) Of prospectuses for public offering of securities:	
	Of the amount of the total issuing amount of the offered issue of securities:	
	Up to BGN 200,000	BGN 600
	Over BGN 200,000	BGN 600 + 0,1 % for the balance over BGN 200,000 but not exceeding BGN 5,000
b)	Of prospectuses for public offering of shares of an open-end investment company	BGN 5,000
1.4	Annual fee for general financial supervision:	
a)	(Am. – SG, iss. 52 in 2007) from issuers and public	

	companies	BGN 300
b)	from investment intermediaries	50 % of the fee for a permit, respectively registration
c)	From investment companies:	
aa)	Open-end investment companies	50 % of the fee for a Permit
bb)	Closed-end investment companies	30 % of the fee for a permit
d)	From management companies	50 % of the fee for a Permit
c)	(New – SG, iss. 67 in 2003) From special purpose vehicles	30 % of the fee for a permit
e)	From regulated securities markets	50 % of the fee for a Permit
f)	From the Central Depository	BGN 5,000
2.1.	(Am. – SG, iss. 103 in 2005) For issuance of a licence to a joint-stock company or a branch of an insurer having a seat in a third country:	
a)	for performance of life and accident insurance	BGN 30,000, BGN and BGN 2,000 per each type of insurance;
b)	for performance of property insurances	BGN 90,000, and and BGN 3,000 per each type of insurance
c)	(Cancelled – SG, iss. 97 in 2007)	
2.1a.	(New – SG, iss. 97 in 2007) For issuance of a license for reinsurance to a joint-stock company or to a branch of a reinsurer having a seat in a third country	BGN 120,000, and BGN 20,000 per each separate activity
2.2.	(Am. – SG, iss. 103 in 2005) For issuance of a licence for performance of insurance of a mutual insurance co-operative	BGN 10,000 for insurance under one type of insurance and BGN 1,000 for each additional type
2.3	(Am. – SG, iss. 103 in 2005; iss. 52 in 2007) For an insurance broker:	
	a) for examination	BGN 300
	b) for the issue of a certificate	BGN 60

	c) for entry in the Register	BGN 5,000
2.3a.	(New – <i>SG</i> , iss. 103 in 2005) In order to broaden the licence’s scope with an additional licence for:	
a)	performance of life and accident insurance	BGN 30,000, and BGN 2,000 per each type of insurance
b)	performance of property insurance	BGN 90,000, and BGN 3,000 per each type of Insurance
c)	(Cancelled – <i>SG</i> , iss. 97 in 2007)	
2.4.	For issuance of a permit for a merger, split and spin-off of an insurer:	
a)	Doing business with life and accident insurance policies.	BGN 30,000 and BGN 2,000 for each type of insurance
b)	Doing property insurance	BGN 90,000 and BGN 3,000 for each type of insurance
c)	(Cancelled – <i>SG</i> , iss. 97 in 2007)	
2.4a	For issuance of a permit for a merger, split and spin-off of an reinsurer	BGN 120,000 and BGN 20,000 for each separate activity
2.5.	For issuance of a permit for take-over of an insurer:	
a)	Doing business with life and accident insurance	BGN 10,000
b)	Doing business with property insurance	BGN 15,000
c)	(Cancelled – <i>SG</i> , iss.97 in 2007)	BGN 20,000
2.5a.	(New – <i>SG</i> , iss. 97 in 2007) For issuance of a permit for take-over of a reinsurer	BGN 20,000
2.6.	(Am. – <i>SG</i> , iss. 103 in 2005) For expansion of the scope of a licence with a new insurance type of an insurance company or branch of an insurer with a registered office in third country:	

a)	For life and accident insurance	BGN 2,000 for each type of insurance
b)	For property insurance	BGN 3,000 for each type of insurance
c)	(Cancelled – SG, iss. 97 in 2007)	
2.6a	(New – SG, iss. 97 in 2007) For expansion of the scope of the license with an additional license for the reinsurance activity in life insurance, or for the reinsurance activity in non-life insurance	BGN 20,000
2.7.	(Am. – SG, iss. 103 in 2005) For expansion of the scope of a licence with a new type of insurance of a mutual insurance co-operative society	BGN 1,000 for each type of insurance
2.7a.	(New – SG, iss. 97 in 2007) For sitting for an examination for qualification and for recognition of qualification of an insurance broker, acquired in a Member State:	
	a) for sitting for an examination	BGN 300
	b) for the issue of a certificate	BGN 200
2.8.	For approval of a registered auditor for independent financial audit of an annual report of an insurer	BGN 500
2.9.	(Am. – SG, iss. 103 in 2005) For inspection of documentation:	
a)	(Am. – SG, iss. 97 in 2007) for issuance of licences and permits for performance of activities of insurance, for merger, take-over, split and spin-off of insurers (reinsurers)	BGN 500
b)	on application for entry of an insurance broker	BGN 50
c)	(Am. – SG, iss. 97 in 2007) For expansion of the scope of the license with an additional license for a new type of insurance or a new reinsurance activity	BGN 20
d)	For approval of a registered auditor	BGN 20
2.10.	Annual fee for exercising general financial supervision:	
a)	Of an insurer doing business with life and accident insurance	BGN 10,000
b)	Of an insurer doing property insurance	BGN 40,000

c)	(Am. – SG, iss. 97 in 2007) Of a reinsurer	BGN 55,000
d)	Of mutual insurance co-operative	BGN 5,000
e)	Of an insurance broker	BGN 1,000
3.1.	Issuance of a license for voluntary health insurance	BGN 30,000 and BGN 2,000 for each health insurance package
3.2	For the issuance of a permit for merger, split and spin-off of a health insurance company	BGN 30,000 and BGN 2,000 for each health insurance package
3.3.	Issuance of a permit for take-over of a health insurance company	BGN 10,000
3.4.	Issuance of a permit for a new health insurance package	BGN 2,000
3.5	For reviewing of documents:	
	a) For issuing of a license for performing of voluntary health insurance activities, for issuing a permit for merger, take-over, split, or spin-off of a health insurance company	BGN 500
	b) For issuing of a permit for a new health insurance package	BGN 100
3.6.	Annual fee for implementation of general supervision over a health insurance company	BGN 10,000
4.1.	For issuance of a license to social insurance companies performing supplementary social insurance activities the following fees shall be charged:	
a)	Supplementary pension insurance	BGN 50,000
b)	Supplementary voluntary insurance against unemployment and/or professional training	BGN 25,000
4.2.	(Am. – SG, iss. 67 in 2003) For issuing a permit for management of a supplementary social insurance fund	
a)	For supplementary pension insurance	BGN 25 000
b)	For supplementary voluntary social insurance against unemployment and/or professional qualification	BGN 12 500
4.3.	For issuing of a permission for restructuring of supplementary social insurance companies shall be collected the following fees:	
	a) Supplementary pension insurance	BGN 15,000
b)	Supplementary voluntary insurance against unemployment and/or professional training	BGN 5,000

4.4.	(Am. – SG, iss. 67 in 2003) For granting a permission for voluntary winding up of a supplementary social insurance company	BGN 10,000
4.5.	For granting a permission for restructuring of supplementary social insurance funds	BGN 5,000
4.6.	Annual fee for implementation of general financial supervision over:	
a)	Pension insurance company	BGN 10,000
b)	Supplementary voluntary insurance against unemployment and/or professional training	BGN 5,000
c)	Supplementary pension insurance funds	BGN 5,000
4.7.	(Cancelled – SG, iss. 103 in 2005).	
4.8.	(Prev. item 4.7, Am.– SG, iss. 67 in 2003) For reviewing of applications and documents under:	
a)	sub-paragraphs 4.1 through 4.7	BGN 500
b)	(Cancelled – SG, iss. 103 in 2005).	
5.	(New – SG, iss. 103 in 2005) For recognition of capacity of responsible actuary:	
	a) to sit for an examination	BGN 300
	b) for issuance of a certificate	BGN 200