

**Ordinance No 5**  
**of the MF and the BNB**  
**of 4 October 2007**  
**on the Terms and Procedure for Acquisition,**  
**Registration, Redemption and Trade in**  
**Government Securities**

(Published in the Darjaven Vestnik, issue 85 of 23 October 2007;  
amended; issue 100 of 2013; amended; issue 56 of 2015, effective as of  
24 July 2015; amended; issue 29 of 2017; amended; issue 77 of 2023,  
effective as of 11 September 2023)

*Chapter One*

**General Provisions**

**Article 1.** (1) This Ordinance shall establish the terms and procedure for acquisition, registration, redemption and trade in book-entry government securities hereinafter referred to as ‘government securities, issued in the domestic market by the Minister of Finance. This ordinance shall not apply to trade in government securities in regulated markets or multilateral trading facilities.

(2) (new; Darjaven Vestnik, issue 29 of 2017) This ordinance shall also apply to registration of government securities transactions concluded on a regulated market or a multilateral trading facility (MTF).

(3) (previous paragraph 2; Darjaven Vestnik, issue 29 of 2017) Book-entry government securities shall be government securities which are not issued in a physical form but exist in the form of accounting and/or electronic entries in programme systems certifying the ownership over these government securities.

**Article 2.** (1) Government securities shall be issued by a decision of the Minister of Finance.

(2) Government securities may be:

1. ‘short-term government securities’ – with a redemption term of up to one year inclusive;

2. ‘medium-term government securities’ – with a redemption term from one to five years inclusive;

3. ‘long-term government securities’ – with a redemption term of over five years.

(3) Government securities may yield income in the form of discount from the nominal value and/or interest.

(4) The Bulgarian National Bank shall:

1. organize the activities in relation to the sale of government securities on behalf and for the account of the government and publish information thereof; therefore, it shall establish and maintain a System for Conducting Auctions and Sale Subscriptions of Government Securities (GSAS);

2. adopt a tariff on fees and commissions charged on government securities transactions in the primary and secondary markets upon coordination with the Ministry of Finance;

3. establish and maintain the Electronic System for Registration and Servicing Trade in Government Securities (ESROT);

4. establish and maintain a Government Securities Settlement System (GSSS).

(5) All government securities issued by the Minister of Finance shall be registered in the systems under paragraph 4, items 3 and 4.

(6) (new, Darjaven Vestnik, issue 100 of 2013) Government securities issued by the Minister of Finance in the domestic market, registered by the BNB under paragraph 5 may be transferred to central securities depositories established in other member states subject to the provisions for direct participation of the respective central securities depository within the meaning of Article 3, paragraph 1, item 5.

(7) (new, Darjaven Vestnik, issue 100 of 2013) ESROT participants may transfer and hold the government securities owned by them in central securities depositories established in other member states subject to the provisions of paragraph 6. In such cases, all government securities owned by the ESROT participants shall, as from the moment of their registration on the respective accounts with a central securities depository established in another member states, be subject to the laws in force in the member state concerned and applicable to the respective account of the central securities depository.

(8) (former paragraph 6; Darjaven Vestnik, issue 100 of 2013) The Bulgarian National Bank shall organize its activities under paragraphs 4 and 5 pursuant to the agency contract signed with the Minister of Finance.

(9) (former paragraph 7; amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) All transactions concluded under this Ordinance with flows on the cash settlement accounts in RINGS and on TARGET2-Securities dedicated cash accounts (T2S DCA) in the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) shall be carried out on the 'delivery versus payment (DVP)' principle.

**Article 3.** (1) The following entities may become ESROT participants:

1. primary dealers of government securities;
2. subdepositories of government securities;
3. investment intermediaries other than the entities under item 1 whose licenses provide for the services and activities under Article 5, paragraph 2, items 1, 2 and 3 of the Law on Markets in Financial Instruments, including investment intermediaries from other member states;

4. banks other than the entities under items 1 and 2 whose licenses provide for the services and activities under Article 2, paragraph 2, items 8 and 9 of the Law on Credit Institutions, including banks from other member states;

5. member states' central securities depositories (CSDs);

6. the Bulgarian National Bank and other members of the European System of Central Banks;

7. the Ministry of Finance;

8. (repealed; Darjaven Vestnik, issue 29 of 2017);

9. other entities approved by the Minister of Finance and the BNB Governor.

(2) Primary dealers shall be the entities approved by the Minister of Finance under Ordinance No. 15 of 2007 on the Control over Transactions in Government Securities (Ordinance No. 15 of 2007).

(3) (amended; Darjaven Vestnik, issue 100 of 2013) Subdepositories of government securities may be credit institutions under Article 2, paragraph 5 of the Law on Credit Institutions whose licenses provide for the activity under Article 2, paragraph 2, items 4 and 9 of the Law on Credit Institutions, as well as institutions authorised to act as a central securities depository in the member state concerned.

(4) ESROT participants shall participate in GSSS.

**Article 4.** (1) ESROT participants shall meet the following requirements:

1. (amended; Darjaven Vestnik, issue 29 of 2017) the persons except for those under Article 3, paragraph 1, items 6, 7 and 9 shall hold a licence issued by the relevant competent authority;

2. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) have a cash settlement account in RINGS and a TARGET2-Securities dedicated cash account in TARGET or to specify a cash settlement account in a bank in RINGS and a TARGET2-Securities dedicated cash account in TARGET, which shall be used for the cash settlement of transactions in government securities pursuant to a contract concluded with this bank;

3. have technical communication facilities necessary to send instructions for and notifications of transactions in government securities in the secondary market, as well as to receive notifications and confirmations on behalf of the BNB.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) The technical communication facilities which may be used are SWIFT and the ESROT WEB-based interface where a qualified electronic signature is used.

(3) Other technical facilities may be used upon notification by the Ministry of Finance and the Bulgarian National Bank that they are ready to introduce them.

(4) (new, Darjaven Vestnik, issue 100 of 2013) To facilitate the direct participation in ESROT, the participants under Article 3, paragraph 1, item 5 may specify a local subdepository of government securities acting as a technical operator of the ESROT link, on behalf and for the account of the respective participant under Article 3, paragraph 1, item 5, that, on the basis of an agreement concluded between them, shall be responsible for the entire ESROT communication.

**Article 5.** (1) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) A Commission, as determined by the BNB Deputy Governor heading the Banking Department, which consists of three permanent and three reserve members, shall decide on the eligibility for participation in ESROT.

(2) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Those willing to participate in ESROT shall submit an application to the BNB Fiscal Services Directorate drawn up according to the sample form under Appendix 1 and signed by the persons authorized to represent the institution. The following documents shall be attached to the application:

1. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 29 of 2017) a unique identification code or an excerpt from the Commercial register issued not more than one month before the date of submission of the application; an applicant willing to participate in ESROT established in another member state or in a third country shall enclose a relevant document equivalent to an excerpt from the Commercial Register issued by a judicial or administrative authority of the state where it is established; where the relevant national law of the applicant concerned does not provide for such a document, another document establishing the status of the candidate shall be enclosed; participants under Article 3, paragraph 1, items 6 and 7 shall not submit such an excerpt;

2. certified true copies of the specimens of the signatures of the persons authorized to represent the institution.

3. a copy of the bank/investment intermediary license;

4. (amended; Darjaven Vestnik, issue 100 of 2013) an application for opening government securities settlement accounts (Appendix 1 to Article 9 of Ordinance No. 31 of 2007 on Government Securities Settlement);

5. (amended; Darjaven Vestnik, issue 100 of 2013) a Business Identifier Code (BIC) of the participant which shall be used for ESROT communication and data on the qualified electronic signature certificates of users authorized by the participant to establish connections via the ESROT WEB-based interface;

6. a list of authorised contact persons in the events of problems with government securities transactions of the participant.

(3) (amended; Darjaven Vestnik, issue 100 of 2013) For the cash settlement purposes of government securities transactions in lev and euro:

1. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) participating banks shall specify the number of their cash settlement account in RINGS and the number of a TARGET2-Securities dedicated cash account in TARGET2-BNB or in another TARGET2 system component and the BIC code in TARGET2.

2. (new, Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) participants, who have no cash settlement account in RINGS shall enclose a declaration in the form set out in Appendix 2 in which the bank which they have chosen agrees to be the participant's settlement

bank; participants who do not have a TARGET2-Securities special cash account in TARGET shall enclose a declaration in the form set out in Appendix 2a stating that they have concluded an agreement with a bank of their choice on the settlement of payments in euro on government securities transactions through a TARGET2-Settlement dedicated cash account of the bank in the TARGET system component;

3. (repealed, former item 2; Darjaven Vestnik, issue 100 of 2013) non-bank participants willing to open a cash settlement account with the BNB shall file an application for opening such an account to the Banking Department; this account shall differ from the settlement account of a participant in RINGS and shall be used only for the purposes of cash settlement of transactions in government securities;

4. (new, Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) for the purposes of cash settlement in euro, each participant settlement bank in the TARGET-BNB system component or in another TARGET system component shall submit a request to the BNB or to another central bank for connecting its TARGET2-Settlement dedicated cash account in TARGET with one or more government securities settlement accounts.

(4) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Transactions between two ESROT participants where one of the participants is the settlement bank of the other, as well as transactions between two ESROT participants that have the same settlement bank, shall be registered in ESROT without flows on the cash settlement accounts in RINGS and with flows on the cash settlement accounts on TARGET2-Securities dedicated cash accounts in TARGET.

(5) (new, Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The ESROT operator shall *ex-officio* debit/credit the cash settlement accounts in RINGS and the TARGET2-Securities dedicated cash accounts in TARGET used by the participants for their transactions in government securities.

(6) (former paragraph 5, Darjaven Vestnik, issue 100 of 2013) ESROT participants under Article 3, paragraph 1, items 1, 3 and 4, that are not subdepositories of government securities shall enclose a declaration according to the sample form under Appendix 3 on the basis of a contract concluded with a subdepository bank where the government securities transferred to the customers shall be deposited.

(7) (new; Darjaven Vestnik, issue 29 of 2017) The Commission under paragraph 1 shall examine the candidate's application for participation and the documents enclosed thereto. Following an assessment of compliance with the effective legislation and the Principles for Financial Market Infrastructures adopted by the Committee on Payment and Market Infrastructures (CPMI) and IOSCO (International Organization of Securities Commissions), the BNB shall provide its response to the candidate within three months of receipt of all required documents.

(8) (previous paragraph 6, amended; Darjaven Vestnik, issue 100 of 2013, previous paragraph 7, amended; Darjaven Vestnik, issue 29 of 2017; amended; Darjaven

Vestnik, issue 77 of 2023, effective as of 11 September 2023) Upon submitting the required documents and conducting successful tests for the technical preparedness of the participant for communication with ESROT *via* SWIFT and/or ESROT web-based interface when using a qualified electronic signature, an agreement for participation in ESROT shall be signed or an annex to a signed agreement between the BNB and the participant in a form approved by the BNB. Where necessary, the ESROT participants under Article 3, paragraph 1, items 5, 6, 7 and 9 shall sign specific participation agreements depending on the nature of the services used.

(9) (previous paragraph 7, amended Darjaven Vestnik, issue 100 of 2013, previous paragraph 8; Darjaven Vestnik, issue 29 of 2017) The Bulgarian National Bank shall retain its right to refuse access to ESROT to a participant, stating the reasons for its decision.

(10) (previous paragraph 8; Darjaven Vestnik, issue 100 of 2013, previous paragraph 9; Darjaven Vestnik, issue 29 of 2017) The Bulgarian National Bank shall keep an up-to-date list of ESROT participants which shall be available on its official website.

(11) (previous paragraph 9; amended; Darjaven Vestnik, issue 100 of 2013, previous paragraph 10; Darjaven Vestnik, issue 29 of 2017; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The documents under this Ordinance issued in a foreign language shall be submitted in the original and shall be accompanied by a certified translation into Bulgarian, and the official documents submitted shall also be legalized in accordance with the requirements of the legislation in force.

(12) (previous paragraph 10; Darjaven Vestnik, issue 100 of 2013, previous paragraph 11; Darjaven Vestnik, issue 29 of 2017) The participants shall notify the BNB of any change of circumstances under this Article on the date of entry into force of this change.

**Article 6.** (1) Participation in ESROT shall be unilaterally terminated by the BNB where:

1. the license of the ESROT participant has been revoked or insolvency proceedings have been instituted;
2. the decision on termination has been taken by the competent authority of the participant;
3. (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) there are cases of a takeover or merger between ESROT participants.

(2) (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) The BNB may temporarily limit or even terminate access to ESROT where the BNB establishes that a participant has stopped to meet the requirements for system participation, fails to perform its obligations or the participant is subject to measures imposed by law and limiting its operation entirely or partially.

(3) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) In the cases under paragraph 1, government securities held by the participant and its

customers, including encumbered bonds, shall be transferred *ex officio* to another participant – subdepository of government securities, as determined by the Ministry of Finance in coordination with the BNB.

(4) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) In the cases under paragraph 2, at the discretion of the BNB and in coordination with the Ministry of Finance, government securities held by the participant and/or by its customers, including encumbered bonds, may be transferred *ex officio* to another participant – subdepository of government securities, as determined by the Ministry of Finance in coordination with the BNB.

(5) (previous paragraph 3; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) Participation in ESROT may be terminated at the participant's request with a one-month prior notice. Within this month, the participant shall transfer the administration of government securities owned by him or by his customers to another ESROT participant. Transactions agreed upon in advance with a value date on or after the date on which the participation is terminated shall not be registered in ESROT.

(6) (new; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The adoption of crisis prevention or crisis management measures within the meaning of the Law on the Recovery and Resolution of Credit Institutions and Investment Firms with regard to an ESROT participant is not an independent ground to consider that the participant is not eligible to participate in the system or is not fulfilling its obligations under the ESROT Participation Agreement, and to that effect this circumstance does not constitute a reason to suspend or terminate participation in the ESROT.

**Article 7.** (amended; Darjaven Vestnik, issue 100 of 2013; repealed, Darjaven Vestnik, issue 29 of 2017)

## *Chapter Two*

### **Acquisition of Government Securities in the Primary Market**

**Article 8.** (1) Government securities shall be acquired in the primary market through auctions organized and conducted by the BNB via the GSAS.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) Participants in GSAS may be the primary dealers of government securities approved by the Minister of Finance under Ordinance No. 15 of 2007 having the technical communication facilities needed to send bids for participation in auctions and to receive notifications by the BNB. The technical communication facilities which can be used are: SWIFT and the GSAS WEB-based interface where a qualified electronic signature is used. Other technical facilities may be used only upon a notification by the Ministry of Finance and the Bulgarian National Bank that they are ready to introduce them.

(3) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) A Commission, as determined by the BNB Deputy Governor heading the Banking Department, which consists of three permanent and three reserve members shall decide on the eligibility of primary dealers for participation in the GSAS.

(4) On the basis of the list of primary dealers officially announced by the Ministry of Finance and designated as eligible, the Commission under paragraph 3 shall organize tests which each primary dealer shall pass to prove its technical preparedness to send bids in line with the system rules. Those primary dealers that have successfully passed the tests shall be entitled to participate in GSAS and the persons authorized by them to send bids shall be granted access to the system. Primary dealers that have already participated in the GSAS may not be subject to such tests.

(5) Where necessary, upon prior notification by the Ministry of Finance and the BNB the participants in GSAS shall pass tests related to the development and improvement of the system.

(6) Participation in GSAS shall be unilaterally terminated by the BNB where:

1. the participant in GSAS has been excluded from the list of primary dealers by a decision of the Minister of Finance from the date specified in the decision;
2. participation in ESROT has been terminated pursuant to Article 6;
3. the tests under paragraph 5 have not been performed successfully;

(7) The Bulgarian National Bank shall keep an up-to-date list of GSAS participants which shall be available on the BNB website.

**Article 9.** (1) The Bulgarian National Bank shall conduct government securities auctions on Monday. By a decision of the Minister of Finance, the BNB may organize auctions on the other days of the week.

(2) When the day specified under paragraph 1 is not a business day, the auction shall be conducted on the following business day.

(3) By a decision of the Minister of Finance, the BNB may organize extraordinary auctions, in which only the primary dealers specified in the decision are allowed to participate. After the receipt of the notification of the Ministry of Finance, the BNB shall inform primary dealers on the terms of the extraordinary auction.

(4) Government securities may also be acquired in the primary market by other means as determined by the Minister of Finance in accordance with the effective legislation.

**Article 10.** (1) Only primary dealers participating in the GSAS may take part in the auctions.

(2) Primary dealers may participate in the auctions with competitive bids using sample forms according to the respective appendices to this Ordinance.

(3) Primary dealers may participate with competitive bids both on behalf and for the account of themselves and on behalf of themselves but for the account of their customers.

(4) (amended; Darjaven Vestnik, issue 100 of 2013) By a decision of the Ministry of Finance primary dealers shall participate with non-competitive bids both in their own name and for their own account and in their own name but for the account of their customers, which are not banks or investment intermediaries, including such established in another member state or in a third country.



(5) The auctions shall be conducted by the Commission under Article 8, paragraph 3.

**Article 11.** (1) Primary dealers may also participate in the auctions under Article 9 with bids for replacing government securities held by them and repurchased without a definite term under Article 38, paragraph 1.

(2) Bids for participation shall be competitive and shall be made under Article 13, paragraphs 1 and 2.

(3) The total nominal value of any bid shall be equal to the total nominal value of the bid for repurchase by replacement under Article 38, paragraph 1.

**Article 12.** (1) (amended; Darjaven Vestnik, issue 100 of 2013) Within three business days prior to the conduct of each auction, the BNB shall notify the GSAS participants of the information received from the Ministry of Finance relating to the issue number of government securities (ISIN); the offered quantity; the currency of the issue; the currency of payment on the issue where this currency is other than the currency of the issue; the interest rate for the respective period if they are interest-bearing; the dates of redemption of interest and the nominal value; the change, as the case may be, in the proportion of government securities offered for competitive and non-competitive bids; the change, as the case may be, in the maximum quantity of government securities which a participant with competitive bids may acquire (including when he participates in his own name but for the account of his customers), as well as the terms for redemption of government securities, should they be different from those under Article 15, paragraph 3.

(2) Where primary dealers participate in the auction with non-competitive bids pursuant to Article 10, paragraph 4, the proportion between competitive and non-competitive bids offered shall be 80 to 20 per cent of the total amount offered.

(3) The maximum quantity of government securities which a participant may acquire (including when he participates on his own behalf but for the account of his customers) with competitive bids shall be:

1. for short-term government securities – 15 per cent of the quantity earmarked for sale through competitive bids;
2. for medium-term government securities – 35 per cent of the quantity earmarked for sale through competitive bids;
3. for long-term government securities – 50 per cent of the quantity earmarked for sale through competitive bids.

(4) The Minister of Finance may determine proportions other than those specified under paragraphs 2 and 3 upon submission of the information under paragraph 1.

**Article 13.** (1) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Primary dealers shall tender their bidding applications for participation in an auction within the time limits determined jointly by the Ministry of Finance and the BNB. Bids shall be sent to the BNB Fiscal Services Directorate. An entry check shall be immediately carried out of bids received, including a check for compliance with the format set in the appendices, a check of the key words identifying

the respective requisites, and a check of the date and time of receipt. Where an error has been found, a message shall be sent to the primary dealer. The applications tendered may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be considered irrevocable. Only the last message received shall be deemed valid.

(2) The bidding application shall be drawn up in accordance with the sample forms in Appendices 4, 5, 6, 7, 8 and 9, and shall contain the following requisites:

1. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) the number of the cash settlement account of the RINGS participant in case of bids for lev-denominated government securities or the number of the TARGET2-Securities dedicated cash account in TARGET in case of bids for government securities denominated and payable in euro.

2. number of the issue of government securities the bid is made for, and in the cases under Article 11, paragraph 1, also the number of the government securities issue to be repurchased by replacement under Article 38, paragraph 1;

3. nominal value of the bid (in figures);

4. price/yield at which the bidder is ready to acquire government securities, expressed as a percentage of 100 units nominal value with two digits after the decimal point (in figures).

(3) Provided the bid is made for the account of a primary dealer's customer, in addition to the requisites under paragraph 2, it shall contain data about the customer for whose account the bid is made: for natural persons – the full name and identity number; for legal entities and sole proprietors – the company name and the identification code under the BULSTAT register.

(4) Provided the bid is made for the account of non-residents the documents specified in the appendices to this Ordinance shall contain the following:

a) for natural persons – the full name, type, series and number of the identity document, as well as the country of issue;

b) for legal entities registered abroad – the company's name, headquarters' address, number and date of registration, court of registration, etc.

(5) Non-competitive bids shall specify no price and yield. They shall be determined pursuant to Article 15, paragraph 5, item 2. The total nominal value of one non-competitive bid shall be at least BGN 50 and shall be a multiple of BGN 1 (for government securities issued in another currency: at least 50 and a multiple of 1). The total amount of non-competitive bids tendered by one primary dealer may not exceed the amount determined under Article 12. Provided this requirement is not met, the bids of the respective primary dealer shall not be admitted to the auction.

(6) A bidder shall be eligible to tender up to thirty competitive bids per auction, including bids on his own behalf but for the account of his customers. The total nominal value of a competitive bid shall be not less than BGN 1000 and shall be a multiple of BGN 1 (for government securities issued in another currency: not less than 1000 and a multiple of 1).

(7) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the bids until the auction is conducted.

**Article 14.** (1) On the auction day the Commission shall carry out a check and shall not admit to the auction the bids which do not comply with the requirements of this Ordinance.

(2) The Commission under Article 8, paragraph 3 shall grade the competitive bids of primary dealers approved for the auction in a descending order according to the price tendered by the bidders or in an ascending order according to the yield tendered by the bidders within the maximum quantity of government securities which one participant may acquire under Article 12. Should there be bids of one and the same price, which is the minimum price set by the Ministry of Finance, or should there be bids of one and the same yield which is the maximum yield set by the Ministry of Finance, the bids shall be graded on a proportional principle through a coefficient formed as a ratio between the quantity remaining for distribution and the sum of these bids upon attainment of the quantity offered for competitive bids under Article 12. When calculating the coefficient, the sum of competitive bids approved and those participating in the proportional principle distribution may not exceed the maximum quantity which one participant may acquire under Article 12. Provided the total amount of competitive bids filed by primary dealers is less than the quantity under Article 12, the remainder shall be distributed among the non-competitive bids.

(3) Provided the total amount of non-competitive bids filed by primary dealers exceeds the quantity of government securities under Article 12 all bids received are distributed on a pro rata basis upon attainment of the limit as specified in Article 12. Provided the total amount of non-competitive bids filed by primary dealers is less than the quantity under Article 12, the remainder shall be distributed among the competitive bids.

(4) Bids approved on a proportional principle are rounded off so that the nominal value shall be a multiple of BGN 1 (for government securities issued in another currency: a multiple of 1). In case of remainder after rounding off, it shall be distributed as follows: provided the issue remains underbid, the remainder is added to the first graded bid but shall not exceed the quantity determined for one participant (if the limit is reached, the sum is added gradually to the next bids graded according to time); in cases of overbidding the issue, the remainder is deducted from the last bid graded according to time.

(5) The Minister of Finance may decide on non-admission of a particular participant with competitive bids or particular competitive bids to participate in the auction, or on rejection of all or approval of particular competitive bids. Graded bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(6) Based on the graded bids and the approval under paragraph 5, a report on the results of the conducted auction shall be drawn up by the Commission under Article 8, paragraph 3, and signed by all its members.

(7) The Commission under Article 8, paragraph 3 shall notify all bidders about the results of the auction in the time limits as determined jointly by the Ministry of Finance and the BNB.

(8) The unsold quantity of the issues offered for sale in the primary market at several auctions for which the Ministry of Finance has not approved the whole quantity offered at a particular auction shall be offered at the last auction announced for the relevant issue. Provided the whole offered quantity is not approved at the last auction, the announced total quantity of the issue shall be decreased by the unsold quantity. This procedure shall apply to the cases where the whole offered quantity at a particular auction is not sold due to the insufficient total amount of primary dealers' competitive and/or non-competitive bids.

**Article 15.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik; issue 77 of 2023, effective as of 11 September 2023) Primary dealers whose bids have been approved, including when they participate in the auction with bids on their own behalf but for the account of their customers, are obliged to provide on the settlement date the required funds for the payment of the government securities on their cash settlement accounts in RINGS, on TARGET2-Securities dedicated cash accounts in TARGET respectively, within the time limits as determined jointly by the Ministry of Finance and the BNB.

(2) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The requirements under paragraph 1 shall also apply to the approved bids filed under Article 11, paragraph 1, and in this case, the required funds which primary dealers are obliged to provide on their cash settlement accounts in RINGS, on TARGET2-Securities dedicated cash accounts in TARGET respectively, are the positive difference between the amount they have to pay for the government securities acquired by them and the amount that the Ministry of Finance has to pay for government securities repurchased by replacement under Article 38, paragraph 1.

(3) (amended; Darjaven Vestnik, issue 100 of 2013) The BNB shall *ex officio* debit the cash settlement accounts of the primary dealers whose bids have been approved with the total amount of the government securities acquired by them against payment, whereas for those acquired by replacement also with the amount calculated under paragraph 2 on the second business day after the date of the auction. By a decision of the Minister of Finance, the payment may be effected in other time limits pre-set in the terms and conditions of the auction under Article 12.

(4) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Should the primary dealers whose bids have been approved have not the required funds on their cash settlement accounts on the settlement date to pay for the government securities and/or should they have not the required government securities of the issue for replacement, or these government securities are pledged/blocked in favour of a third party as of the beginning of the settlement date, the BNB shall not effect the payment, respectively

register these government securities, resulting in partial performance of the issues, and the Fiscal Services Directorate shall notify in writing the Ministry of Finance thereof. In such cases, the Minister of Finance may exclude the primary dealer from the list of primary dealers.

(5) The government securities acquired at the auction shall be paid for, as follows:

1. for competitive bids – at the price tendered in the bid; in the cases where the auction is based on yield – at the price corresponding to the yield tendered in the bid;
2. for non-competitive bids – at the average-weighted price, and, in the cases where the auction is based on yield – at the price corresponding to the average-weighted yield of the approved competitive bids.

(6) (amended; Darjaven Vestnik, issue 100 of 2013) The date of effecting the settlement on the cash settlement accounts and government securities settlement accounts shall be considered to be the date of acquisition of the government securities.

(7) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) On the settlement date, the BNB Fiscal Services Directorate shall, after closing the settlement on the cash settlement accounts and government securities settlement accounts, enter in its registers the government securities acquired by each bidder and all his customers. The Bulgarian National Bank shall maintain registers of ESROT participants.

(8) The following information shall be entered in the registers under paragraph 7:

1. (amended; Darjaven Vestnik, issue 100 of 2013) the number of the issue (ISIN);
2. the date of the issue;
3. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) a cash settlement account in RINGS and a TARGET2-Securities dedicated cash account in TARGET, specified by the participant in ESROT;
4. the nominal value of the government securities held;
5. the purchase price;
6. the total amount of government securities held as of a particular date.

(9) (amended; Darjaven Vestnik, issue 100 of 2013) In case of a purchase of government securities with a competitive or non-competitive bid where the customer for whose account the primary dealer participates in the auction does not pay the government securities until the end of the issue settlement day, the primary dealer shall acquire these government securities. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of these government securities from the customer register to its own register under Article 20, paragraph 2, and the BNB shall enter this change in the register under paragraph 7.

(10) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The BNB shall *ex officio* effect payments on government securities acquired by ESROT participants in the primary market through a primary dealer chosen by them, directly debiting the cash settlement account in RINGS, the TARGET2-Securities dedicated cash account in

TARGET respectively, specified by the participant with the total amount of government securities acquired and shall record the acquired government securities in the register of the participant kept by the BNB. The provisions under paragraphs 1 and 4 shall also apply to ESROT participants that have acquired government securities in the primary market through primary dealers chosen by them.

### *Chapter Three*

## **Acquisition of Government Securities in the Secondary Market**

### Section I

#### **General Provisions**

(new; Darjaven Vestnik, issue 29 of 2017)

**Article 16.** (1) (amended; Darjaven Vestnik, issue 100 of 2013) Transactions made in the secondary market and entered in the registers under Article 15, paragraph 7 shall be, as follows:

1. purchase and sale of government securities;
2. repo agreements in government securities;
3. government securities lending transactions;
4. other government securities transfer transactions or operations, including:
  - a) transfers of government securities on registers between participants;
  - b) transfers of government securities on customer registers;
  - c) transfers of government securities on accounts under Article 8, paragraph 1, item 3 of Ordinance No. 31 of 2007 on Government Securities Settlement (Darjaven Vestnik, issue 85 of 2007);
  - d) sale of pledged government securities in the cases of foreclosure under Article 37 of the Law on Registered Pledges;
  - e) other government securities transfer transactions or operations.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) Transactions under paragraph 1 shall be entered in the registers under Article 15, paragraph 7 after completing the settlement on cash settlement accounts and/or on government securities settlement accounts.

**Article 16a.** (new, Darjaven Vestnik, issue 100 of 2013) (1) (amended; Darjaven Vestnik, issue 77 of 2023, effective 11 September 2023) Transactions in the secondary market under Article 16, paragraph 1, items 1 and 2 between ESROT participants shall be carried out only with a flow on cash settlement accounts in RINGS, on TARGET2-Securities dedicated cash accounts in TARGET respectively.

(2) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Transactions in the secondary market under Article 16, paragraph 1, items 1 and 2 between ESROT participants and their customers and between customers of ESROT participants shall be carried out with or without a flow on cash settlement

accounts in RINGS, on TARGET2-Securities dedicated cash accounts in TARGET respectively.

(3) Transactions under Article 16, paragraph 1, items 3 and 4 shall be carried out without a flow on cash settlement accounts in RINGS, on TARGET2-Securities dedicated cash accounts in TARGET respectively.

**Article 16b.** (new; Darjaven Vestnik, issue 29 of 2017) (1) Secondary market transactions under Article 16, paragraph 1, item 1 concluded on a trading platform (hereinafter referred to as the ‘platform’) shall be executed in line with the rules for trading, closing and monitoring government securities transactions approved by the Minister of Finance and the Governor of the BNB.

(2) Participants in government securities trading under paragraph 1 may be only:

1. the participants in ESROT within the meaning of Article 3, paragraph 1, item 1: primary dealers of government securities approved by the Minister of Finance under the procedure of Ordinance No 15 of 2007;

2. other participants in ESROT within the meaning of Article 3, paragraph 1, items. 2, 3 and 4 following a written notification by the Minister of Finance and the Governor of the BNB.

(3) The transactions under paragraph 1 shall be deemed to have been concluded when electronic confirmations are generated and sent by both parties which are transaction participants. Transactions shall be cancelled through an exchange of notifications on the platform between the two transaction parties before the end of the trade session.

## Section II

(previous Section I; Darjaven Vestnik, issue 29 of 2017)

### **Transactions in Government Securities between ESROT Participants**

**Article 17.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Registration of secondary market transactions shall be effected on the basis of requests addressed to the BNB, Fiscal Services Directorate, from the two parties to the transaction: the acquirer and the transferor, the borrower and the lender respectively.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) Requests under paragraph 1 shall be drawn up according to a sample form (Appendices 10, 10a, 10b, 10c and 10d), and shall contain the following requisites:

1. (amended; Darjaven Vestnik, issue 100 of 2013) the name of the firm of the transferor, the lender respectively;

2. (amended; Darjaven Vestnik, issue 100 of 2013) the code of the register/government securities settlement account of the transferor, the lender respectively;

3. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) the number of the cash set-

tlement account in RINGS/the number of the TARGET2-Securities dedicated cash account in TARGET of the transferor, the lender respectively;

4. (amended; Darjaven Vestnik, issue 100 of 2013) the name of the firm of the acquirer, the borrower respectively;

5. (amended; Darjaven Vestnik, issue 100 of 2013) the code of the register/government securities settlement account of the acquirer, the borrower respectively;

6. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) the number of the cash settlement account in RINGS/the number of the TARGET2-Securities dedicated cash account in TARGET of the acquirer, the borrower respectively;

7. the number of the issue of government securities being transacted;

8. (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) the nominal value of the transferred government securities (in figures), which shall be at least BGN 1 and shall be a multiple of BGN 0.01; in the case of government securities denominated in foreign currency: at least 1 and a multiple of 0.01;

9. the price (in figures) at which government securities are transferred (acquired);

10. the value date;

11. the value date and price (in figures) of the repurchase (repo agreements).

12. (new, Darjaven Vestnik, issue 100 of 2013) the maturity date of the loan.

(3) (amended; Darjaven Vestnik, issue 100 of 2013) In the cases where requests under paragraph 1 refer to transactions/operations in government securities under Article 16, paragraph 1, items 3 and 4 without a flow on cash settlement accounts of the transferor and acquirer, the lender and the borrower respectively, no price shall be specified in the request.

(4) (amended; Darjaven Vestnik, issue 100 of 2013) The requests under paragraph 1 shall be sent to the BNB and processed within the system day of ESROT. Upon receipt, the requests shall be subject to an entry check, including a check for compliance with the format set in the appendices to this Ordinance, a check of key words identifying the respective requisites, and a check of the date and time of receipt. Where an error has been found, the request shall be rejected and the participant shall be informed thereof. Participants may file new requests for the same transactions but only those requests that have successfully passed the entry check shall be admitted to further processing.

**Article 18.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik; issue 77 of 2023, effective as of 11 September 2023) Upon a successful entry check under Article 17, paragraph 4, the BNB shall compare the data and match the requests. Participants may cancel requests with unmatched data within the system day of ESROT. Where, by the end of the system day of ESROT, the data are still unmatched, the requests shall be rejected and the participants shall be notified of the reasons thereof.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) In case of matching requests, they shall become irrevocable. The BNB shall check the registers under Article 15,



paragraph 7 as to whether the transferor, the lender respectively, owns the government securities, subject to the transaction, and whether the said securities are not blocked. The same check-up shall also be made on the value date of the repurchase, the maturity date of the loan respectively.

(3) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) If the provisions of paragraph 2 are not fulfilled by the end of the system day of ESROT, the BNB Fiscal Services Directorate, shall not register the transaction, forthwith advising the parties concerned about the reasons thereof.

(4) (amended; Darjaven Vestnik, issue 100 of 2013) If the provisions under paragraph 2 are fulfilled, the BNB shall *ex officio* debit the acquirer's cash settlement account and credit the transferor's cash settlement account with an amount equal to the price specified in the request for the transaction, correspondingly credit the acquirer's/borrower's government securities settlement account, debit the transferor's/lender's government securities settlement account and shall record in the registers under Article 15, paragraph 7 the flow of government securities at the value date as specified in the requests. In the cases under Article 17, paragraph 3, no settlement operations shall be effected on the transferor's and acquirer's, lender's and borrower's respectively, cash settlement accounts, and only the flow of government securities shall be recorded on the government securities settlement accounts and in the register.

(5) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) If the acquirer does not have the required funds on his cash settlement account in RINGS or on the TARGET2-Settlement dedicated cash account in TARGET by the close of the system day of ESROT, the BNB shall refuse to effect the settlement, respectively register the transaction, and the Fiscal Services Directorate shall advise the parties concerned about the reasons thereof.

**Article 19.** (amended; Darjaven Vestnik, issue 100 of 2013) At the request of ESROT participants, the BNB shall provide them with a statement from the registers under Article 15, paragraph 7, stating the amount and/or the flow of the government securities held by them and their customers.

### Section III

(previous Section II; Darjaven Vestnik, issue 29 of 2017)

## **Transactions in Government Securities between ESROT Participants and Their Customers and between Customers of ESROT Participants**

**Article 20.** (1) (amended; Darjaven Vestnik, issue 100 of 2013) The transactions under Article 16, paragraph 1 between participants and their customers and between participants' customers shall be entered in the registers of ESROT participants under Article 15, paragraph 7 kept by the BNB based on requests/notifications sent by these participants.

(2) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Participants shall notify the BNB Fiscal Services Directorate, no later than at the close of the system day of ESROT about the value date, the number of the issue and the nominal value of the government securities transferred/lent to their customers, respectively repurchased/borrowed from them prior to maturity of the securities and the value date of the repurchase (sale), in the event of a preliminary agreement thereof, the value date of the loan respectively (Appendices 11, 11a, 12 and 12a).

(3) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Participants having a contract with the Ministry of Finance for sale of target government securities to investors (natural persons) shall notify the BNB Fiscal Services Directorate, in the time limits, as set in the contract of the conducted government securities transactions, as follows:

1. for government securities sold by them – the number of issue, total nominal value, the actual selling price and the average selling price *per* BGN 100 nominal value (Appendix 13);

2. for government securities repurchased by them – the date of repurchase transaction; the number of issue, nominal value, the actual purchasing price and the purchasing price *per* BGN 100 nominal value (Appendix 14).

(4) Where government securities are transferred by a participant's customer to another participant, the latter shall send a request to effect the transaction (Appendix 15) addressed to the BNB and to the participant keeping the record of government securities of the customer-transferor.

(5) Where government securities are transferred by a participant to a customer of another participant, the transferor shall send a request to effect the transaction (Appendix 16) addressed to the BNB and to the participant recording government securities of the customer-acquirer.

(6) Should a customer of a participant wishes government securities held by him to be recorded by another participant, the latter shall send a request to effect the transaction (Appendix 17) addressed to the BNB and to the participant recording government securities of the customer-transferor.

(7) Should a customer of a participant wishes to transfer government securities held by him to a customer of another participant, the latter shall send a request to effect the transaction (Appendix 18) addressed to the BNB and to the participant recording government securities of the customer-transferor.

(8) (amended; Darjaven Vestnik, issue 100 of 2013) In the cases of transactions under paragraphs 4, 6 and 7, the participant recording government securities of the customer-transferor, and for transactions under Article 5, the participant recording government securities of the customer-acquirer shall, by the close of the system day of ESROT on the required value date, send a request to effect the transaction under the appendices provided for in Article 20, paragraphs 4, 5, 6 and 7.

**Article 21.** (1) Upon receipt of notifications under Article 20, paragraphs 2 and 3 and requests to effect transactions under Article 20, paragraphs 4, 5, 6, 7 and 8, an entry check shall be immediately carried out, including a check for compliance with the format set in the appendices, a check of key words identifying the respective requisites, and a check of the date and time of receipt. Where an error has been found, the notification/request to effect a transaction shall be rejected, and a message shall be sent to the participant. Participants may send new notifications/requests about the same transaction, but only those which have successfully passed the entry check shall be further processed.

(2) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Upon receipt of the requests under Article 20, paragraphs 4, 5, 6, 7 and 8 for processing, the BNB shall compare the settlement details in order to ensure that they agree. Participants may cancel requests with unmatched data within the system day of ESROT. Provided that by the end of the system day the data in the requests are still unmatched, the requests shall be rejected and the participants shall be informed thereof.

(3) Where the preconditions under paragraph 1 concerning the notifications under Article 20, paragraphs 2 and 3 are present and in case the request data under paragraph 2 match, the requests shall become irrevocable. The Bulgarian National Bank shall check the registers under Article 15, paragraph 7 as to whether the transferor owns the government securities that are subject to the transaction. The same check-up shall also be made on the value date of the repurchase/sale. Where the transferor owns the government securities that are subject to the transaction, the BNB shall enter in the registers under Article 15, paragraph 7 the changes made and shall specify the nominal value of the government securities transferred or acquired by each participant or his customers.

(4) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Provided the transferor does not have the sufficient quantity of government securities that are subject to the transaction by the end of the system day of ESROT, the BNB shall not enter the transaction in the register and shall immediately notify the participants of the reasons thereof.

**Article 22.** (1) ESROT participants may send requests and notifications for registering government securities transactions under Article 17, paragraph 1 and Article 20, paragraphs 2, 3, 4, 5, 6, 7 and 8 prior to the value date on which the transaction is to be effected. The received requests and notifications shall immediately be subject to an entry check under Article 17, paragraph 4 and Article 21, paragraph 1. Where an error has been found, the notification/request to effect a transaction shall be rejected, and a message shall be sent to the participant. The notifications/requests which have successfully passed the entry check shall be kept until the value date on which they are to be effected.

(2) On the required value date, requests and notifications entered under paragraph 1 shall be submitted for further processing under Article 18 and Article 21, paragraphs 2, 3 and 4.

**Article 23.** The ESROT participants that are not government securities subdepositories shall notify their subdepository bank of the government securities which the said participants have transferred to their customers, respectively have repurchased from them prior to maturity under this Ordinance. Notifications shall contain all the terms of the transaction by customer and shall be immediately sent upon successful recording of the transaction in the registers kept by the BNB under Article 15, paragraph 7. The responsibility for preparation and timely submission of the notifications, their grounds and authenticity of the information shall be entirely borne by the ESROT participant that is not a subdepository.

**Article 24.** (1) Subdepositories of government securities shall maintain systems for registering government securities wherein individual government securities accounts are kept to record government securities held by their customers and the customers of ESROT participants, that are not subdepositories, on the basis of a contract concluded with the participant.

(2) Unless otherwise stated in the legislative acts regulating record activities, subdepositories shall keep data in the registration systems for an unlimited period of time.

**Article 25.** (1) Subdepositories of government securities shall issue registered certificates solely to natural persons. At the request of legal entities, their customers and the customers of ESROT participants, that are not subdepositories, the subdepositories of government securities shall provide them with statements from the individual accounts kept by the registration systems under Article 24.

(2) The certificate under paragraph 1 shall be drawn up on a special paper, size 21/15, according to a sample (Appendix 19), and shall contain:

1. the inscription 'certificate';
2. the certificate number;
3. the subdepository – issuer of the certificate;
4. information about the acquirer:
  - a) for Bulgarian citizens – the full name and identity number;
  - b) for non-residents – the full name according to the identity document, the type, series and number of the identity document, as well as the country of issue;
5. the number and date of the issue of government securities which are subject to the transaction;
6. the nominal value of the government securities held (in figures and in words);
7. the interest rate on the government securities;
8. dates of interest payments;
9. the maturity of the government securities;
10. a space for noting down interest paid (on the reverse of the certificate);
11. the date and place of issuance of the certificate;

12. the signature and seal of the issuing subdepository.

(3) The certificate shall be issued in duplicate, an original and a copy; the original of the certificate shall be given to the acquirer and the copy of the certificate shall be kept by the subdepository within five years after the maturity date of the government securities. Where the acquirer is a customer of an ESROT participant, that is not a subdepository, the original of the certificate may be transmitted to the participant who duly transmits it to the customer. All stamps, signatures and seals under this Ordinance shall be put on both the original and the copy of the certificate.

(4) Subdepositories of government securities shall also record in the registration systems kept by them under Article 24 data on the holders of certificates under paragraph 2, data on the interest paid by the Ministry of Finance, repayments of government securities instalments with a redemption schedule, as well as data of the identity document of the person who has received the interest payments.

(5) In sales of government securities earmarked for investors, natural persons (target issues), a registered certificate shall be issued to the acquirer on a special paper, size 21/16, according to the sample of Appendix 20, which shall, in addition to the information under items 1–12 of paragraph 2, contain the following requisites:

1. the inscription '*Ministry of Finance of the Republic of Bulgaria*';
2. the type of government securities;
3. the date of issue;
4. the repurchase terms and conditions.

**Article 26.** (1) Natural persons and legal entities may transfer the acquired government securities to other persons. The transfer shall be effected in the presence of the two parties to the transaction that shall sign a declaration on the transfer of government securities ownership in three copies (Appendix 21).

(2) Transactions on the transfer of government securities by customers (natural persons) shall be entered in the register under Article 24, to be effective in respect of the subdepository – the certificate issuer.

(3) Where government securities are transferred by natural persons under paragraph 1, the subdepository shall issue a new certificate to the acquirer of government securities under Article 25, paragraphs 1 and 2, paragraph 5 respectively, upon submission of the original of the certificate issued to the transferor, and if only part of the securities is to be transferred – the subdepository (the issuer of the former certificate) shall issue a new certificate to the transferor for the remainder. The original of the former certificate shall be stamped 'invalid', signed by the officer, sealed, and returned to the transferor by the subdepository (the issuer of the old certificate). Subdepositories shall reflect the changes in their registration systems under Article 24.

**Article 27.** (1) The Ministry of Finance shall issue certificates under Article 25, paragraph 1 and/or paragraph 5 to subdepositories of government securities, including those having a contract with the Ministry of Finance for sale of target government securities.

(2) Subdepositories of government securities, that have stopped performing the functions of subdepositories, shall within five business days submit to the Ministry of Finance the unused certificates, a statement from the registration system under Article 24 and copies of the certificates issued, which shall be subsequently transmitted by the Ministry of Finance to the selected subdepository.

**Article 28.** Subdepositories of government securities shall submit to the Ministry of Finance information about government securities held by their customers and ES-ROT participants' customers that are not subdepositories for statistical purposes in the established format and in accordance with the set time frame.

**Article 29.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Requests and notifications about registration of government securities transactions under this Chapter and under Article 34 shall be accepted until 15,00 p. m. and shall be processed until 15,30 p. m. of the system day of ESROT preceding the maturity of the respective government securities issue or interest payments thereon.

(2) The Minister of Finance may effect the transactions under Article 16.

(3) All requests and notifications about registration of government securities transactions under this Chapter and under Article 34, for which the required value date is not a business day, or a day when the government securities issue is falling due shall be rejected and the participant shall be informed thereof.

(4) The nominal value of transferred government securities under this Chapter shall be at least BGN 1 and shall be a multiple of BGN 0.01 (in the case of government securities denominated in foreign currency: at least 1 and a multiple of 0.01);

## *Chapter Four*

### **Pledge of Government Securities**

**Article 30.** (1) (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) Where government securities issued by the Minister of Finance are pledged pursuant to the Law on Registered Pledges, these government securities shall be blocked in the registers under Article 15, paragraph 7 or Article 24.

(2) Any person keeping a register of government securities under Article 15, paragraph 7 and Article 24 shall create a register wherein circumstances of the government securities pledged shall be also entered.

(3) If upon receipt of a request for a pledge registration the person keeping the register of government securities under this Ordinance establishes that the pledger does not own the government securities specified in the request, the said registration shall be refused.

(4) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where government securities encumbered and blocked under paragraph 1 are transferred from a register under Article 15, paragraph 7 to a register under Article 24, these government securities shall be *ex officio* unblocked and transferred by the BNB to the customer register of the pledge creditor,

if he is an ESROT participant – subdepository of government securities, and if he is not a participant, to another subdepository specified by him, which shall immediately block them on the register kept by him under Article 24. The pledge over government securities and registered circumstances concerning the pledge shall remain in full effect. Persons keeping registers shall *ex officio* record circumstances around this transfer based on an *ex officio* registration instruction according to a sample from in Appendix 29.

(5) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where government securities encumbered and blocked under paragraph 1 are transferred from one to another register under Article 24, the BNB shall *ex officio* transfer these government securities from the customer register of the participant to the customer register of the other subdepository which shall immediately block them on the register kept by him under Article 24 based on the information under Article 36, paragraph 2. The pledge over government securities and registered circumstances concerning the pledge shall remain in full effect. Persons keeping registers shall *ex officio* enter circumstances concerning this transfer based on an *ex officio* registration instruction according to a sample form in Appendix 30.

**Article 31.** (1) Upon maturity of interest and principal payments, the pledge shall be transferred onto the claims on pledged government securities. Foreclosure of the claims on the pledged government securities shall be executed pursuant to the Law on Registered Pledges.

(2) (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) The manner of paying interest and principal on the pledged government securities shall be established by virtue of a trilateral contract concluded between the person keeping the register of government securities under this Ordinance, the pledger and the pledge creditor. The trilateral contract shall be signed simultaneously with the request for the pledge registration thereof. In the cases under Article 30, paragraph 4 or 5, a new trilateral contract shall be signed.

**Article 32.** Registration of requests for a pledge of government securities and changes thereof shall be discontinued two business days prior to the maturity of the respective issue of government securities or interest payments thereon.

**Article 33.** (1) Disposition transactions in the pledged government securities may be conducted by the pledger solely with the consent of the creditor pledgee.

(2) Consent to conduct disposition transactions in pledged government securities shall be deemed given by the creditor pledgee upon filing a request for unblocking thereof to the person keeping the register of government securities pursuant to this Ordinance.

(3) Upon filing a request for blocking of the pledged government securities filed by the creditor pledgee to the person keeping the register of government securities pursuant to this Ordinance, disposition with the said government securities by the pledger shall be discontinued.

(4) (amended; Darjaven Vestnik, issue 100 of 2013) Blocking and unblocking of government securities shall be recorded in the government securities registers kept under this Ordinance after completing the settlement on the government securities settlement accounts (Appendices 27 and 28).

**Article 34.** (1) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) The BNB shall block government securities under the procedure of Article 152, paragraph 2 of the Law on Public Finance in the registers of banks – ESROT participants under Article 15, paragraph 7, which shall have an effect of a legal registered pledge in favour of the Ministry of Finance.

(2) (new; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where government securities blocked under paragraph 1 are transferred from the register under Article 15, paragraph 7 to the register under Article 24, the BNB shall *ex officio* unblock these government securities and transfer them to the customer register of the other participant – subdepository, determined by the MF in coordination with the BNB, which shall immediately block them on the register kept by him under Article 24. During the transfer, the legal registered pledge shall remain in full effect.

(3) (amended; Darjaven Vestnik, issue 100 of 2013; previous wording of Article 34; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) Blocking and unblocking operations may be furthermore effected beyond the cases of government securities registered pledges (Appendices 27 and 28) within the term provided for in Article 29, paragraph 1.

## Chapter Five

### Redemption of Government Securities and Interest Thereon

**Article 35.** (1) The Ministry of Finance shall provide the necessary funds for the redemption of government securities and interest thereon on an account opened with the BNB not later than one business day prior to redemption dates thereof.

(2) Payments on government securities (the nominal value, principal and/or interest, etc.) shall be effected on the dates specified in the terms and conditions of the respective issue.

(3) Where the date under paragraph 2 is not a business day, the payment shall be effected on the next business day.

(4) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Upon maturity of the respective issue of government securities or interest payments thereon, the BNB, on the basis of the registers under Article 15, paragraph 7, shall establish the amount of the government securities entered on behalf of each participant in the ESROT and in line with the system day schedule and shall transfer to cash settlement accounts in RINGS, to the TARGET2-Securities dedicated cash account in TARGET respectively, specified by the ESROT participant the funds necessary for the redemption of the government securities held by them and their customers within the term set jointly by the Ministry



of Finance and the BNB. The ESROT participants that are not government securities subdepositories shall without delay transfer the received funds for the redemption of government securities held by their customers to the subdepository selected by them.

(5) Subdepositories of government securities shall repay interest and the nominal value of the government securities transferred to their customers – natural persons, and to the customers of ESROT participants, that are not subdepositories, upon submission of the originals of the certificates which they have issued. Repayment of interest shall be certified by a signature of the official who has effected the payment, and by the seal of the subdepository on the space specified in the original certificate, with an indication of the date of payment and the amount of interest paid. Upon repayment of the nominal value, the original of the certificate shall be stamped ‘paid up’ signed by the official who has effected the payment, sealed by the subdepository, and returned to the customer.

(6) Subdepositories of government securities shall repay interest and the nominal value of the government securities, to their customers – legal entities, and to the legal entities – customers of ESROT participants, that are not subdepositories, based on the registration systems’ data under Article 24 with value date at maturity (interest payment).

(7) Upon repayment of government securities installments with redemption schedule, the subdepository shall issue a new certificate for the unpaid nominal value to the acquirer; the original certificate shall be stamped ‘invalid’. Repayment of the installment shall be entered in the register under Article 24.

**Article 36.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Upon maturity of the respective issue of government securities or interest payments thereon, the Bulgarian National Bank may not transfer to cash settlement accounts in RINGS, to a TARGET2-Securities dedicated cash account in TARGET respectively, specified by the ESROT participant, the funds necessary for the repayment of the government securities under Article 35, paragraphs 4, 5 and 6 where measures against the ESROT participant have been initiated under Article 6, and there is a justified proposition by the Minister of Finance thereof driven by information of a delay or inability of the said ESROT participant to fulfill his obligations under Article 35, paragraphs 4, 5 and 6.

(2) (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) The Ministry of Finance in coordination with the BNB shall immediately determine the subdepository that will effect payments on government securities and interest thereon to customers of the participant under paragraph 1, provided he is a subdepository. The subdepository under paragraph 1 must immediately submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 and the non-original copies of the certificates as issued, which shall be given by the Ministry of Finance to the respective subdepository as determined.

(3) (amended; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015) Where an ESROT participant under paragraph 1 is not a subdepository, payments of government securities and interest thereon to customers shall be effected by the subdepository with whom the participant has concluded a contract. The Bulgarian National Bank shall *ex officio* enter in the registers under Article 15, paragraph 7 the transfer of the said government securities in the name of the subdepository as determined, and shall transfer the funds necessary to effect payments under Article 35, paragraph 4.

**Article 37.** (1) In case the original of the registered certificate is lost, the titleholder shall notify in writing the subdepository – the certificate issuer who shall issue a duplicate under Article 25, paragraphs 1 and 2, correspondingly paragraph 5, declare null and void the originally issued certificate which shall be noted down in the registration system under Article 24, and the copy of the certificate shall be stamped ‘invalid’.

(2) Payment of government securities and interest thereon shall be effected on the basis of the duplicate as issued and the data of the registration system under Article 24.

(3) Where a titleholder under paragraph 1 is a customer of an ESROT participant, that is not a subdepository, the notification of a lost certificate, correspondingly the new original certificate, may be handed and/or accepted by the ESROT participant that duly hands the certificate to the customer.

## Chapter Six

### Repurchase of Government Securities prior to Maturity

**Article 38.** (1) Repurchase of government securities with or without a definite term prior to maturity shall be effected by a decision of the Minister of Finance at the GSAS auctions held by the BNB by replacing them by government securities of the new issue, and/or by redemption of the nominal value and interest thereon.

(2) Repurchase auctions shall be held by the Commission under Article 8, paragraph 3.

(3) Bids for participation in the auctions shall be competitive. Only primary dealers holding government securities from the issues announced for repurchase may participate in the auctions under paragraph 1.

(4) Primary dealers may participate with competitive bids on their own behalf but for the account of their customers only if the repurchase is effected without a fixed term.

**Article 39.** (1) The repurchase of government securities with or without fixed term prior to maturity may be effected in other manners determined by the Minister of Finance in accordance with the effective legislation.

(2) By a decision of the Minister of Finance only primary dealers holding government securities from the issues announced for repurchase may participate in the repurchase under paragraph 1.

**Article 40.** Within three business days prior to each repurchase auction, the BNB shall notify the GSAS participants, based on the information received from the Ministry of Finance, of the terms under which the repurchase will be effected. By a decision of the Minister of Finance, the BNB may notify the GSAS participants of the information received from the Ministry of Finance in another time limit.

**Article 41.** (1) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Primary dealers shall tender their bidding applications for participation in a repurchase auction in the time limits as established jointly by the Ministry of Finance and the BNB. Bids shall be sent to the BNB Fiscal Services Directorate. An entry check shall be immediately carried out of bids received, including a check for compliance with the format set in the appendices, a check of key words identifying the respective requisites, and a check of the date and time of receipt. Where an error has been found, a message shall be sent to the primary dealer. The applications tendered may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be considered irrevocable. Only the last message received shall be deemed valid.

(2) The bidding application shall be drawn up in accordance with the sample forms in Appendices 22, 23, 8, 9 and 24 and shall contain the following requisites:

1. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) the number of the cash settlement account of the RINGS participant in case of lev-denominated government securities or the number of the participant's TARGET2-Securities dedicated cash account in TARGET in case of bids for government securities denominated and payable in euro.

2. number of the issue, announced for repurchase;

3. nominal value of the government securities bid for repurchase (in figures);

4. price/yield/annual interest rate at which the bidder expects the government securities to be repurchased, expressed as a percentage of BGN 100 nominal value with two digits after the decimal point (in figures);

(3) Provided the bid is made for the account of a primary dealer's customer, in addition to the requisites under paragraph 2, it shall contain data about the customer for whose account the bid is made:

1. for natural persons – the full name and the identity number (for non-residents – information under Article 13, paragraph 4, item 'a');

2. for legal entities – the company name, identification code under the BULSTAT register (for legal entities registered abroad – information pursuant to Article 13, paragraph 4, item 'b');

(4) In cases of repurchase of government securities by replacement, in addition to requisites under paragraph 2 the bid shall contain the number of issue by which the replacement is made.

(5) In cases of repurchase of government securities with a fixed term against payment, in addition to requisites under paragraph 2 the bid shall contain the auction date and the term of repurchase in days.

(6) A bidder shall be eligible to tender up to 30 competitive bids *per* a repurchase auction, including bids on his own behalf but for the account of his customers.

(7) The total nominal value of a bid shall be not less than BGN 1 and shall be a multiple of BGN 0.01 (in the case of government securities denominated in foreign currency: at least 1, a multiple of 0.01).

(8) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the bids until the repurchase auction is conducted.

**Article 42.** (1) On the auction day the Commission under Article 8, paragraph 3 shall carry out a check and shall not admit to the auction the bids which do not comply with the requirements of this Ordinance.

(2) The Commission shall grade the primary dealers' bids approved for the repurchase auction in an ascending order according to the price tendered by the bidders or in a descending order according to the tendered annual interest rate or yield.

(3) Should there be bids of one and the same price, which is the maximum price, or an annual interest rate or yield which is the minimum interest rate or yield set by the Ministry of Finance, the bids shall be graded proportionally to the quantity remaining for distribution upon attainment of the Ministry of Finance offer pursuant to Article 40 and in compliance with the procedure provided for in Article 14, paragraphs 2 and 4. Graded bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(4) Should there be bids for repurchase of government securities by replacement with government securities of a new issue, bids shall be graded only if the applications for acquisition of government securities of the new issues have been approved.

(5) The Minister of Finance may not admit to the repurchase auction a particular bidder with competitive bids or particular competitive bids and may reject all or respectively approve particular bids. Graded bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(6) Based on the graded bids and the approval under paragraph 5, a report on the results of the conducted auction shall be drawn up by the Commission and signed by all its members.

(7) The Commission shall notify all bidders about the results of the auction in the time limits as determined jointly by the Ministry of Finance and the BNB.

(8) Bidders in the repurchase auction by replacement, whose bids have been approved, shall receive government securities of the new issue under preset terms and conditions.

(9) (repealed; Darjaven Vestnik, issue 100 of 2013)

**Article 43.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) On the repurchase date, the BNB shall, in accordance with the system day schedule, *ex officio* effect the

payment operations between the Ministry of Finance and the successful bidders in the repurchase auction.

(2) (amended; Darjaven Vestnik, issue 100 of 2013) In case of repurchase by replacement the BNB shall effect operations under paragraph 1 by crediting/debiting the respective cash settlement accounts of the bidders in the repurchase auction and of the Ministry of Finance with the balance between the total value of government securities acquired by the bidders from the new issue and the total amount of repurchased government securities by the Ministry of Finance.

(3) (new; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Primary dealers whose bids have been approved, including when they participate in the auction with bids on their own behalf but for the account of their customers in line with the system day schedule, are obliged to provide on the repurchase date the required funds for the payment of differences under paragraph 2 in their cash settlement accounts in RINGS, or on the TARGET2-Securities dedicated cash account respectively, within the time limits as determined jointly by the Ministry of Finance and the BNB.

(4) (new; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Should the primary dealers whose bids have been approved have not the required government securities of the issue for repurchase or these government securities are pledged/blocked in favour of a third party at the beginning of the repurchase date and/or should they have not the required funds on their cash settlement accounts on the settlement date to pay the differences under paragraph 2, the BNB shall not effect the payment, respectively register the repurchase/replacement of/by government securities of the new issue. As a result, issues for repurchase/replacement shall remain partially effected, and the Fiscal Services Directorate shall notify in writing the Ministry of Finance. In such cases the Minister of Finance may exclude the primary dealer from the list of primary dealers.

(5) (new; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) On the repurchase/replacement date the BNB Fiscal Services Directorate, after closing the settlement on the cash settlement accounts and government securities settlement accounts, shall enter in its registers the government securities repurchased/replaced by each bidder and all his customers. The date of effecting the settlement shall be considered the date of repurchase/replacement of/by government securities of the new issue.

(6) (new; Darjaven Vestnik, issue 100 of 2013) In case of a repurchase of government securities by replacement where the customer for whose account the primary dealer participates in the auction has not pay the balance due under paragraph 2 until the end of the repurchase day, the primary dealer shall acquire these government securities. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of the government securities from the customer register to its own register under Article 20, paragraph 2 and the BNB shall enter this change in the register under Article 15, paragraph 7.

(7) (new; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) The BNB shall *ex officio* effect payments on government securities repurchased/replaced by ESROT participants in the primary market which participated in the auction through a primary dealer chosen by them, directly debiting/crediting the cash settlement account in RINGS, the TARGET2-Securities dedicated cash account in TARGET respectively, specified by the participant, with the amount due under paragraphs 1 and 2 and shall record the repurchased/replaced government securities in the register of the participant kept by the BNB.

(8) (new; Darjaven Vestnik, issue 100 of 2013) The provisions of paragraphs 3 and 4 shall also apply to ESROT participants under paragraph 7.

## *Chapter Seven*

### **Government Securities Replacement Subscription**

**Article 44.** (1) Government securities replacement subscription hereinafter referred to as ‘replacement subscription’ shall be organised and conducted by the BNB *via* GSAS by a decision of the Minister of Finance.

(2) Replacement subscription shall be conducted by the Commission under Article 8, paragraph 3.

(3) Primary dealers may participate in replacement subscription with bids both on their own behalf and for their own account, and on behalf of themselves but for the account of their customers, using sample forms according to the respective appendices to this Ordinance.

**Article 45.** No later than three business days before the initiation of replacement subscription the BNB shall communicate to the GSAS participants the information received by the Ministry of Finance about the numbers of the issues of government securities that are the subject of replacement subscription; the date of announcement and the deadline for submission of bids for participation in the replacement subscription, the date of replacement; the minimum bid limit for a participant in case it is different from the one specified under Article 46, paragraph 4; the amount of interest incurred on government securities that are the subject to subscription; issue terms and conditions in case the replacement is conducted using new issue/issues of government securities; the date on which the conversion exchange rate for the replacement shall be set.

**Article 46.** (1) (amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Primary dealers shall tender their bidding applications for participation in a replacement subscription in the time limits determined by the Ministry of Finance. Bids shall be sent to the BNB Fiscal Services Directorate. An entry check shall be immediately carried out of bids received, including a check for compliance with the format set in the appendices to this Ordinance, a check of key words identifying the respective requisites, and a check of the date and time of bid receipt. Where an error has been found, a message shall be sent to the primary dealer. The applications

tendered may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be considered irrevocable. Only the last message received shall be deemed valid.

(2) The bidding application shall be drawn up in accordance with the sample forms in Appendices 25 and 26, and shall contain the following requisites:

1. (amended; Darjaven Vestnik, issue 100 of 2013) number of the participant's cash settlement account in RINGS;

2. number of the issue of government securities announced for subscription;

3. number of the issue with which the subscription shall be conducted;

4. nominal value of the government securities announced for subscription (in figures);

(3) Provided the bid is made for the account of a primary dealer's customer, in addition to the requisites under paragraph 2, it shall contain data about the customer for whose account the bid is made: for natural persons – the full name and identity number; for legal entities and sole proprietors – the company name and the identification code under the BULSTAT register; for non-residents – the information under Article 13, paragraph 4.

(4) The total nominal value of a bid shall be at least BGN 50 and shall be a multiple of BGN 1 (for government securities issued in another currency: not less than 50 and a multiple of 1).

(5) The Minister of Finance may determine a minimum bid limit for a participant other than the one specified under paragraph 4 upon announcing the terms and conditions for replacement subscription under Article 45.

(6) A primary dealer shall be eligible to tender an unlimited number of bids *per* replacement subscription, including bids on his own behalf but for the account of his customers.

(7) By the start of the business day on the date of replacement each participant shall hold the government securities that are the subject of the replacement subscription. Government securities bid for replacement subscription should not be blocked in favour of a third party. Primary dealers shall keep their customers' (natural persons) ownership certificates of the government securities bid for replacement.

(8) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the bids until the replacement subscription is conducted.

**Article 47.** (1) Upon expiry of the deadline for sending bidding applications for participation in replacement subscription the Commission under Article 8, paragraph 3 shall verify the submitted bids and shall not allow those not complying with the requirements of this Chapter to participate in the subscription.

(2) Bids shall be approved by the Minister of Finance and sent to the BNB.

(3) Based on the approval by the Minister of Finance or by a person designated by him, a report on the results of the conducted replacement subscription shall be drawn up by the Commission under Article 8, paragraph 3 and signed by all its members.

(4) The Commission under Article 8, paragraph 3 shall notify all bidders about the results of the replacement subscription in the time limits as determined jointly by the Ministry of Finance and the BNB.

**Article 48.** The Minister of Finance reserves his right to decide on rejection of all or approval of particular bids for replacement subscription.

**Article 49.** (1) The Bulgarian National Bank shall communicate to the participants in the replacement subscription the information received by the Ministry of Finance about the conversion exchange rate at which the replacement shall be conducted. The notification shall be sent not later than one business day after the day for which the conversion exchange rate is calculated.

(2) Conversion exchange rate shall be the ratio between the currencies of government securities that are the subject of the replacement, on the basis of the quoted BNB exchange rates on the date specified by the Ministry of Finance in the terms and conditions for conducting the replacement subscription under Article 45. The conversion exchange rate shall be expressed with five digits after the decimal point following the principle of mathematical rounding.

(3) Differences resulting from government securities replacement shall be rounded up, so that the nominal value of acquired government securities shall be a multiple of 1. Interest payments and differences resulting from rounding of government securities, denominated and payable in foreign currency, shall be effected in their lev equivalents. Accrued interest shall be expressed with two digits after the decimal point.

**Article 50.** (1) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Primary dealers whose bids have been approved, including when they participate in the replacement subscription with bids on their own behalf but for the account of their customers, are obligated to provide on the subscription date the required funds in their cash settlement accounts in RINGS within the time limits as determined jointly in line with the system day schedule by the Ministry of Finance and the BNB.

(2) (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) On the subscription date in line with the system day schedule the BNB shall *ex officio* debit the cash settlement accounts in RINGS of the primary dealers whose bids have been approved, including bids for the account of their customers, with the lev equivalent of the differences under Article 49, paragraph 3; shall *ex officio* credit/debit the accounts of the Ministry of Finance and the participants in the replacement subscription whose bids have been approved for effecting interest payments accrued from the date of issue/last interest payment to the date of subscription.

(3) (amended; Darjaven Vestnik, issue 100 of 2013) After effecting the settlement on the cash settlement accounts in RINGS and government securities settlement accounts the Bulgarian National Bank shall enter in its registers government securities



subject to replacement subscription. The date of effecting the settlement shall be considered the date of replacement.

**Article 51.** (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) Should by the start of the business day on the date of subscription the primary dealers whose bids have been approved, including for the account of their customers, have not the required government securities that are the subject of the replacement subscription and/or funds on their cash settlement accounts in RINGS, the BNB shall not effect the payment, respectively register the government securities replacement, resulting in partial performance of the subscription, and the Fiscal Services Directorate shall notify in writing the Ministry of Finance. In such cases the Minister of Finance may exclude the primary dealer from the list of primary dealers.

**Article 52.** (1) (Previous wording Article 52 – Darjaven Vestnik, issue 100 of 2013) In case of a subscription of government securities, the customer for whose account the primary dealer participates in the replacement subscription has not pay the difference due under Article 49, paragraph 3 until the end of the subscription date, the primary dealer shall acquire these government securities. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of the government securities from the customer register to its own register under Article 20, paragraph 2 and the BNB shall enter this change in the register under Article 15, paragraph 7.

(2) (new; Darjaven Vestnik, issue 100 of 2013) The BNB shall *ex officio* effect payments on government securities in replacement subscriptions for ESROT participants which participated in the replacement subscription through a primary dealer chosen by them, directly debiting the cash settlement account in RINGS, specified by the participant, with the amount due under Article 49, paragraph 3 and shall record the government securities replacement in the register of the participant kept by the BNB.

(3) (new; Darjaven Vestnik, issue 100 of 2013) The provisions of Article 50, paragraph 1 and Article 51 shall also apply to ESROT participants under paragraph 2.

## Additional Provision

§ 1. Within the meaning of this Ordinance:

1. ‘member state’ shall be the state that is a member of the European Union or any other state of the European economic area.

2. (amended; Darjaven Vestnik, issue 100 of 2013) ‘delivery *versus* payment’ shall be the simultaneous transfer of cash from the buyer to the seller, and of government securities *vice versa*: from the seller to the buyer.

3. ‘blocking’ shall be a prohibition against disposition of government securities.

4. ‘unblocking’ shall be invalidation of the prohibition against disposition of government securities.

5. (amended; Darjaven Vestnik, issue 100 of 2013; amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) ‘system day of ESROT’

shall be a preset period of time within the business day in line with the RINGS and TARGET2-Securities working schedule during which requests and notifications for registering transactions in government securities shall be accepted and processed.

6. (new; Darjaven Vestnik, issue 100 of 2013) ‘repo agreement in government securities’ shall be any agreement in which there is a transfer of government securities, subject to a commitment to repurchase them at a specified price on a specified future date. The agreement must not allow the transferor to transfer or pledge government securities to more than one counterparty simultaneously. The agreement is a repo agreement for the party selling the government securities, and a reverse repo for the party purchasing them.

7. (new; Darjaven Vestnik, issue 100 of 2013) ‘government securities lending’ shall be any transaction in which there is a transfer of government securities against appropriate collateral. The borrower makes the commitment to return government securities of the same issue and same amount on a specified future date. The transaction is government securities lending for the party transferring the government securities, and is government securities borrowing for the party to which they are transferred.

8. (new; Darjaven Vestnik, issue 100 of 2013) ‘currency of service’ shall be the currency of the issue in which the payment on government securities operations is effected upon their initial acquisition, on transaction in the secondary market, on repurchase and replacement operations prior to maturity, and on redemption of government securities and the interest on maturing government securities.

9. (new; Darjaven Vestnik, issue 100 of 2013) ‘Business Identifier Code (BIC)’ shall mean an alphanumeric sequence used internationally to uniquely identify business units – financial and non-financial institutions.

10. (new; Darjaven Vestnik, issue 100 of 2013) ‘technical operator’ shall be an ESROT participant and subdepository of government securities who in the name and for the account of the participant under Article 3, paragraph 1, item 5 shall be responsible for the entire ESROT communication.

11. (new; Darjaven Vestnik, issue 29 of 2017) ‘trading platform’ shall be a functionality for electronic trading in financial instruments, other than a regulated market and multilateral trading facility (MTF).

12. (new; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) ‘TARGET’ shall be a new generation Trans-European Automated Real-time Gross settlement Express Transfer system.

13. (new; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023) ‘TARGET2-Securities dedicated cash account (T2S DCA)’ shall be a cash payment account in relation to government securities settlement opened in a TARGET component system.

## **Transitional and Final Provisions**

§ 2. This Ordinance is issued in accordance with Article 36, paragraph 1 of the Law on the Government Debt and enters into force as of 1 November 2007.

§ 3. This Ordinance repeals Ordinance No. 5 of 2002 on the Terms and Procedure for Issuance, Acquisition and Redemption of Book-entry Government Securities (Darjaven Vestnik, issue 119 of 2002; amended; issue 67 of 2003, issue 101 of 2004, issue 38 of 2006).

§ 4. (1) Upon the entry of this Ordinance into force the incumbent ESROT participants wishing to preserve their status shall file an application for participation in ESROT accompanied by all required documents under Article 5 until 16 November 2007. Persons approved to be participants shall sign an agreement for participation in ESROT until 30 November 2007.

(2) Participation in the ESROT of persons who have not signed an agreement for participation in ESROT under Article 5, paragraph 6 until 30 November 2007 shall be discontinued as of 1 December 2007 and these persons may not participate in GSAS.

§ 5. Prior to signing the agreement for participation in ESROT under § 4, primary dealers under § 3 of Ordinance No. 15 of 2007 shall perform the functions of a primary dealer and subdepository pursuant to this Ordinance.

§ 6. (1) Within five business days after signing the agreement for participation in ESROT, primary dealers under § 3 of Ordinance No. 15 of 2007, that are not subdepositories of government securities, shall submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 of this Ordinance and copies of the certificates issued, which shall be subsequently transmitted by the Ministry of Finance to the subdepository selected by the primary dealer.

(2) Within five business days after 30 November 2007, primary dealers under § 3 of Ordinance No. 15 of 2007 that have not signed an agreement for participation in ESROT shall submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 of this Ordinance and copies of the certificates issued, which shall be subsequently transmitted by the Ministry of Finance to the subdepository selected by the primary dealer.

§ 7. Government securities denominated in levs and foreign currency with a total nominal value multiple of 0.01 shall be kept at BNB registers under Article 15, paragraph 7 and by subdepositories under Article 24.

§ 8. After 5 July 1999 the use of government securities in privatisation under the procedure of CM Decree No. 221 (issue 105 of 1995) and for repayment of the obligations to the government arising under the Law on Settlement of Non-performing Credits Negotiated prior to 31 December 1990 under the procedure of CM Decree No. 22 of 1995 (issue 12 of 1995) shall be accompanied by certificates issued in denominated nominal value.

§ 9. The certificates printed under Article 15, paragraph 2, item 4 of the repealed Ordinance No. 5 of 1996 shall be used until the depletion of their quantity completing the information about the acquirer under Article 25, paragraph 2 of this Ordinance.

§ 10. Participants in ESROT that are not subdepositories of government securities may represent their customers before the subdepository bank in accordance with contracts concluded with the customer and the bank.

§ 11. The Minister of Finance and the Governor of the BNB shall give methodological instructions on the implementation of this Ordinance.

**Transitional and Final Provisions  
to the Ordinance on Amendment of Ordinance No. 5 of 2007  
on the Terms and Procedure for Acquisition, Registration,  
Redemption and Trade in Government Securities**

(Published; Darjaven Vestnik, issue 100 of 2013)

§ 50. Technical requirements for the way of completing electronic messages used in GSAS and ESROT systems, subject to the appendices to this Ordinance, shall be regulated by BNB User Manual for the respective system and shall be mandatory for its participants.

**Final Provisions  
to the Ordinance on Amendment of Ordinance No. 5 of 2007  
on the Terms and Procedure for Acquisition, Registration,  
Redemption and Trade in Government Securities**

(Published; Darjaven Vestnik, issue 56 of 2015, effective as of 24 July 2015)

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§ 8. This Ordinance shall enter into force on the day of its publication in the Darjaven Vestnik.

**Ordinance on Amendment to BNB Ordinance No 5 of 2007  
on the Terms and Procedure for Acquisition, Registration,  
Redemption and Trade in Government Securities**

(published in the Darjaven Vestnik, issue 29 of 7 April 2017)

.....

**Final Provisions**

§ 8. The requirement for holding a license under Article 4, paragraph 1, item 1 regarding the persons under Article 3, paragraph 1, item 5 shall apply upon expiry of the time limits for granting a license pursuant to Article 69, paragraph 2 in relation to Article 17 paragraph 8 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ, L 257/1 of 28 August 2014).

§ 9. The Minister of Finance and the Governor of the BNB, within the remit of their competence, shall approve the rules for admission to trading and closing of government securities transactions concluded on a regulated market and multilateral trading facility.

§ 10. The Minister of Finance and the Governor of the BNB, within the remit of their competence, shall approve the rules under Article 16b, paragraph 1 within one month of enactment of this Ordinance.

**Ordinance on Amendment of Ordinance No 5 of 2007 on the  
Terms and Procedure for Acquisition, Registration, Redemption  
and Trade in Government Securities**

(published in the Darjaven Vestnik, issue 77 of 8 September 2023, effective as of 11 September 2023)

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**Final Provision**

§ 27. This Ordinance shall enter into force on 11 September 2023.

Appendix 1  
to Article 5, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

<b>To the Bulgarian National Bank, Fiscal Services Directorate</b>	<b>Name of the applicant</b>
<b>APPLICATION for Inclusion in ESROT</b>	
<b>Registered office and address:</b>	
<b>Type of applicant:</b>	
	<b>Bank:</b>
	Subdepository bank
	Bank
	<b>Investment intermediary</b>
	<b>Other:</b>
	BNB
	MF
	Central Securities Depository
	ESCB central bank
	Other
<b>The applicant shall provide the following investment services/activities:</b>	
	Transactions in government securities for its own account
	Transactions in government securities on behalf and for the account of customers
<b>Subdepository bank:*</b>	
<b>For settlement in levs - the number of the account in RINGS **</b>	
	Own account:
	Account of the settlement bank:
<b>For settlement in euro - the number of a TARGET2-Securities dedicated cash account in TARGET **</b>	
	Own account:
	Account of the settlement bank:
<b>Attachments:</b>	
1. An excerpt from the Commercial Register under Article 5, paragraph 2, item 1 of Ordinance No 5	
2. A copy of the investment intermediary/bank license	
3. Specimen signatures of the persons authorized to represent the participant under Article 5, paragraph 2, item 2 of Ordinance No 5	
4. An application for opening government securities settlement accounts under Ordinance No 31 of the BNB	
5. A declaration by the settlement bank in levs (Appendix 2)	
6. A declaration on the existence of an agreement concluded between the ESROT participant and a settlement bank in euro (Appendix 2a)	
7. A declaration by a subdepository bank (Appendix 3)	
8. Data for the purposes of communication: SWIFT address of the participant; data on QES certificates of the authorized users of the system; a list of the contact persons in the events of problems related to government securities transactions	
<b>Place and date of submission</b>	<b>Signatures of the persons authorized to represent the institution</b>

\* Investment intermediaries and banks whose licence does not include the activities under Article 2, paragraph 2, item 4 of the Law on Credit Institutions shall specify a subdepository bank.

\*\* For settlement in levs and euro participants shall specify the number of their cash settlement account in RINGS and the number of the TARGET2-Securities dedicated cash account in a TARGET system component. Participants, who have no cash settlement account in RINGS and/or TARGET2-Securities dedicated cash account in TARGET shall specify the number of a settlement account of a bank of their choice.

Appendix 2  
to Article 5, paragraph 3, item 2  
(former Appendix 2 to Article 5, paragraph 3, item 3;  
amended Darjaven Vestnik, issue 100 of 2013)

**DECLARATION**

By: .....  
(name of the Bank whose account will be used for cash settlement in levs)

We hereby declare that our cash settlement account in RINGS, IBAN .....  
..... may be *ex officio* credited and debited by the BNB  
with regard to the cash settlement in levs of government securities transactions con-  
ducted by ..... (name of the ESROT  
participant) in the primary and secondary markets, including *ex officio* collection  
by the BNB of all fees and commissions due in compliance with the BNB Tariff on  
the Fees and Commissions Charged on Government Securities Transactions.

Signatures: 1. ....  
(name and position of the person representing the Bank)

2. ....  
(name and position of the person representing the Bank)

Appendix 2a  
to Article 5, paragraph 3, item 2  
(new, Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023)

### **DECLARATION**

on the existence of an agreement concluded between the ESROT participant  
and a settlement bank

Herewith, the following ESROT participant declares to the BNB in its capacity as an operator of the government securities registration and settlement system – a participant in the TARGET2-Securities system, that it has concluded an agreement with a bank which is a direct participant in TARGET, hereinafter the ‘settlement bank’, on the execution of payments in euro on transactions in government securities issued in the domestic market and denominated in euro by payments in euro through the TARGET2-Securities dedicated cash account of the settlement bank in the TARGET system component of the specified national central bank.

ESROT PARTICIPANT

BIC

Name

SETTLEMENT BANK

Name in Bulgarian

Name in English

BIC

number of the TARGET2-Securities dedicated cash account in TARGET

Address

Country

City

Postcode

Street and number

Phone number

E-mail

Fax

Website

Contact persons

Name

Position

Phone number

E-mail

Name

Position

Phone number

E-mail



NATIONAL CENTRAL BANK

Address

Country

City

Postcode

Street and number

Phone number

E-mail

Fax

Website

Name in Bulgarian

Name in English

I/We, the undersigned, hereby declare my/our representative's powers to complete and sign this declaration on behalf of the ESROT participant.

SIGNATURES:

1. ....  
(name and position of the person representing the ESROT participant)

2. ....  
(name and position of the person representing the ESROT participant)

Date:

Note: This document shall also be completed in case of switching the settlement bank.

Appendix 3  
to Article 5, paragraph 6  
(former Appendix 3 to Article 5, paragraph 5,  
Darjaven Vestnik, issue 100 of 2013)

**DECLARATION**

By: .....  
(name of the subdepository bank)

We hereby declare that we have concluded an agreement with

.....,  
(name of the ESROT participant)

Under this agreement we shall perform functions of a subdepository of government securities issued by the Government of the Republic of Bulgaria on the domestic market with respect to the customers of the above ESROT participant.

- Signatures:
- 1. ....  
(name and position of the person representing the Bank)
  - 2. ....  
(name and position of the person representing the Bank)

Appendix 4  
to Article 13, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON ONE'S OWN ACCOUNT FOR  
PARTICIPATION IN AN AUCTION FOR SALE AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Nominal value	3,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20
Nominal value	1,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.46/7.21

Appendix 5  
to Article 13, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR  
PARTICIPATION IN AN AUCTION FOR SALE AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Customer details	natural person 5303125633 Ivan Pavlov Ivanov
Nominal value	3,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20
Customer details	legal entity 999999999 Company 'AAAAA'
Nominal value	3,000,000
Price/yield <i>per</i> 100 units nominal value of the issue for which the auction is held	98.98/6.20
Customer details	bank or investment intermediary 111111111 Bank 'BBBBB'
Nominal value	3,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	99.49/5.01
Customer details	non-resident 222222222 'CCCCCCCC' Data under Article 13, paragraph 4

Appendix 6  
to Article 13, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**NON-COMPETITIVE BID ON ONE'S OWN ACCOUNT FOR  
PARTICIPATION IN AN AUCTION FOR SALE AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000

Appendix 7  
to Article 13, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**NON-COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR  
PARTICIPATION IN AN AUCTION FOR SALE AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	G12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000,
Customer details	natural person 5303125633 Ivan Pavlov Ivanov
Nominal value	5,000,000,
Customer details	legal entity 999999999 Company 'AAAAA'
Nominal value	5,000,000,
Customer details	non-resident 222222222 'CCCCCCCC' Data under Article 13, paragraph 4

Appendix 8  
to Article 13, paragraph 2 and Article 41, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON ONE'S OWN ACCOUNT FOR  
PARTICIPATION IN A REPURCHASE AUCTION WITHOUT  
A DEFINITE TERM/SALE THROUGH REPLACEMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Number of the issue with which the subscription shall be conducted	BG9876543210
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20

Appendix 9  
to Article 13, paragraph 2 and Article 41, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023, effective as of 11 September 2023)

**COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR  
PARTICIPATION IN A REPURCHASE AUCTION WITHOUT  
DEFINITE TERM/SALE THROUGH REPLACEMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Number of the issue with which the subscription shall be conducted	BG9876543210
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Customer details	natural person 5303125633 Ivan Pavlov Ivanov
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20
Customer details	legal entity 999999999 Company 'AAAAA'
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.99/6.20
Customer details	bank or investment intermediary 111111111 Bank 'BBBBB'
Nominal value	4,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	99.48/7.20
Customer details	non-resident 222222222 'CCCCCCCC' Data under Article 13, paragraph 4



Appendix 10  
to Article 17, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR REGISTRATION OF A TRANSACTION  
IN GOVERNMENT SECURITIES PURCHASE  
AND SALE/REPO AGREEMENT**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Transferor	Bank 'A'
Code of the register/government securities settlement account of the transferor	9251011100
Cash settlement account in RINGS/TARGET2-Securities of the transferor	1000010244
Acquirer	Bank 'B'
Code of the register/government securities settlement account of the acquirer	9251022200
Cash settlement account in RINGS/TARGET2-Securities of the acquirer	1000010100
Nominal value	10,000,000
Price	9320210,
Value date of the repo agreement (To be completed in case of a preliminary agreement.)	17/02/2005
Price	9803150,

Appendix 10a  
to Article 17, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013)

**REQUEST FOR GOVERNMENT SECURITIES  
LENDING TRANSACTION**

Value date of the transaction	15/04/2012
Issue No.	BG3010096005
Participant – lender	Participant ‘A’
Code of the register/government securities settlement account of the lender	9251011100
Cash settlement account in RINGS of the lender	1000010244
Participant – borrower	Participant ‘B’
Code of the register/government securities settlement account of the borrower	9251022200
Cash settlement account in RINGS of the borrower	1000010100
Nominal value	10,000,000
Value date of the loan	17/04/2012

Appendix 10b  
to Article 17, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES  
ON REGISTERS BETWEEN PARTICIPANTS**

Value date of the transaction	30/08/2013
Issue No.	BG3010096005
Participant – transferor	Bank ‘A’
Code of the register/government securities settlement account of the transferor	9251011100
Cash settlement account in RINGS of the transferor	1000010100
Participant – acquirer	Bank ‘B’
Code of the register/government securities settlement account of the acquirer	9251022200
Cash settlement account in RINGS of the acquirer	1000010200
Nominal value in levs/in euro	10,000,000

Appendix 10c  
to Article 17, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES HELD  
BY ESROT PARTICIPANT TO A PARTICIPANT  
UNDER ARTICLE 3, PARAGRAPH 1, ITEM 5,  
WITHOUT OWNERSHIP CHANGES**

Value date	15/02/2012
Issue No.	BG3010096005
Participant – transferor	Bank ‘A’
Code of the register/settlement account for own government securities of the participant	9251011100
Cash settlement account of the participant in RINGS	1000010100
Nominal value of transferred government securities	10,000,000
Participant under Article 3, paragraph 1, item 5	CSD ‘AA’
Code of the register/settlement account for customer’s government securities of a participant under Article 3, paragraph 1, item 5	9252022200
Cash settlement account of the participant under Article 3, paragraph 1, item 5 in RINGS	1000010100

Appendix 10d  
to Article 17, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES HELD  
BY ESROT PARTICIPANT BY A PARTICIPANT  
UNDER ARTICLE 3, PARAGRAPH 1, ITEM 5,  
WITHOUT OWNERSHIP CHANGES**

Value date	15/02/2012
Issue No.	BG3010096005
Participant under Article 3, paragraph 1, item 5	CSD 'AA'
Code of the register/settlement account for customer's government securities of the participant under Article 3, paragraph 1, item 5	9252022200
Cash settlement account of the participant in RINGS	1000010100
Nominal value of transferred government securities Participant – acquirer	10,000,000 Bank 'A'
Code of the register/settlement account for own government securities of the participant	9251011100
Cash settlement account of the participant in RINGS	1000010100

Appendix 11  
to Article 20, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant – transferor	Bank ‘A’
Participant’s code of the register/settlement account for own government securities	9251011100
Participant’s code of the register/settlement account for customer’s government securities	9252011100
Cash settlement account in RINGS	1000010100
Nominal value	10,000,000
Value date of the repurchase	17/02/2005

(To be completed in case of a preliminary agreement.)

Appendix 11a  
to Article 20, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2  
'GOVERNMENT SECURITIES LENDING'**

Value date of the transaction	15/04/2012
Issue No.	BG3010096005
Participant – lender	Bank 'A'
Participant's code of the register/settlement account for own government securities	9251011100
Participant's code of the register/settlement account for customer's government securities	9252011100
Cash settlement account in RINGS	1000010100
Nominal value	10,000,000
Value date of the loan	17/04/2012

Appendix 12  
to Article 20, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant – acquirer	Bank ‘A’
Participant’s code of the register/settlement account for customer’s government securities	9252011100
Participant’s code of the register/settlement account for own government securities	9251011100
Cash settlement account in RINGS	1000010100
Nominal value	10,000,000
Value date of the repurchase	17/02/2005

(To be completed in case of a preliminary agreement.)



Appendix 12a  
to Article 20, paragraph 2  
(new; Darjaven Vestnik, issue 100 of 2013)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2  
'GOVERNMENT SECURITIES LENDING'**

Value date of the transaction	15/04/2012
Issue No.	BG3010096005
Participant – borrower	Bank 'A'
Participant's code of the register/settlement account for customer's government securities	9252011100
Participant's code of the register/settlement account for own government securities	9251011100
Cash settlement account in RINGS	1000010100
Nominal value	10,000,000
Value date of the loan	17/04/2012

Appendix 13  
to Article 20, paragraph 3, item 1  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 3, ITEM 1**  
on Sales of Target Government Securities  
to Natural Persons  
for the period ..... – .....

Participant	Bank 'A'
Participant's code of the register/settlement account for customer's government securities	9252011100
Cash settlement account of the participant in RINGS/TARGET2-Securities	1000010100
Issue No.	BG2210098112
Nominal value	16,500
Actual selling value	17,164.95
Average selling price <i>per</i> 100 units nominal value	104.03

Appendix 14  
to Article 20, paragraph 3, item 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 3, ITEM 2  
on Purchases of Target Government Securities by Natural Persons**

Purchase date	29/10/1998
Participant	Bank 'A'
Participant's code of the register/settlement account for customer's government securities	9252011100
Cash settlement account of the participant in RINGS/TARGET2-Securities	1000010100
Issue No.	BG2210098112
Nominal value	7300
Actual purchasing value	7464.25
Purchasing price <i>per</i> 100 units nominal value	102.25

Appendix 15  
to Article 20, paragraph 4  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES  
UNDER ARTICLE 20, PARAGRAPH 4**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant keeping a register of government securities of the customer – transferor	Bank ‘A’
Participant’s code of the register/settlement account for customer’s government securities	9252011100
Cash settlement account in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Nominal value	10000000
Transaction price (To be completed, if available)	10000000,
Participant – acquirer	Bank ‘B’
Participant’s code of the register/settlement account for own government securities of the acquirer	9251022200
Cash settlement account of the acquirer in RINGS/TARGET2-Securities	BG12ABCD12345678901234

Appendix 16  
to Article 20, paragraph 5  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES  
UNDER ARTICLE 20, PARAGRAPH 5**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant – transferor	Bank ‘A’
Participant’s code of the register/settlement account for own government securities	9251011100
Cash settlement account in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Nominal value	10,000,000
Transaction price (To be completed, if available)	10000000,
Participant keeping a register of government securities of the customer – acquirer	Bank ‘B’
Participant’s code of the register/settlement account for customer’s government securities	9252022200
Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234

Appendix 17  
to Article 20, paragraph 6  
(amended; Darjaven Vestnik, issue 100 of 2013)

**REQUEST FOR A TRANSFER OF A CUSTOMER REGISTER OF  
GOVERNMENT SECURITIES UNDER ARTICLE 20, PARAGRAPH 6**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant keeping a register of government securities of the customer	Bank 'A'
Participant's code of the register/settlement account for customer's government securities	9252011100
Cash settlement account in RINGS	1000010244
Nominal value	10,000,000
Participant that customer's government securities are transferred to	Bank 'B'
Participant's code of register/settlement account for customer's government securities	9252022200
Cash settlement account in RINGS	1000010100

Appendix 18  
to Article 20, paragraph 7  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**REQUEST FOR A TRANSFER OF GOVERNMENT SECURITIES  
UNDER ARTICLE 20, PARAGRAPH 7**

Value date of the transaction	15/02/2005
Issue No.	BG3010096005
Participant keeping a register of government securities of the customer – transferor	Bank ‘A’
Participant’s code of the register/settlement account for customer’s government securities	9252011100
Cash settlement account in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Nominal value	10,000,000
Transaction price (To be completed, if available)	10000000,
Participant keeping a register of government securities of the customer – acquirer	Bank ‘B’
Participant’s code of the register/settlement account for customer’s government securities	9252022200
Cash settlement account in RINGS/TARGET2-Securities	BG12ABCD12345678901234

Appendix 19  
to Article 25, paragraph 2

**CERTIFICATE No.**  
of Ownership of Government Securities

..... (data about the acquirer of government securities)	
government securities, issue No. ....	maturity .....
(issue No. and date)	(date)
of nominal value .....	BGN .....
(in figures)	(in words)
at interest rate .....	
(interest rate on government securities, fixed, floating)	
dates of interest payments .....	
.....	.....
(date and place of issue)	(signature and seal of the issuer)

Reverse side of the certificate

Space for noting down interest paid






Appendix 21  
to Article 26, paragraph 1  
(amended; Darjaven Vestnik, issue 100 of 2013)

**DECLARATION ON TRANSFER OF GOVERNMENT SECURITIES  
RIGHT TO OWNERSHIP**

I, the undersigned, .....  
(full name)  
identity card No. ...., issued on ..... by .....  
personal identification number (identity card No) .....  
hereby declare that I have transferred to

.....  
(full name)  
\*hereby declare that I have transferred to .....  
(company name and UIC)  
\* represented by .....  
(full name)  
identity card No. ...., issued on ..... by .....  
personal identification number (identity card No) .....  
on behalf and for the account of ....., \* the ownership on  
government securities of issue No...../.....  
(date of issue)

in the amount of .....  
(in figures and in words)

total nominal value certificate No .....

.....  
(date) Transferor: .....  
(signature)

Acquirer: .....  
(signature)

- To be completed in the case of legal entity.

Appendix 22  
to Article 41, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013);  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON ONE'S OWN ACCOUNT  
FOR PARTICIPATION IN A REPURCHASE AUCTION  
WITHOUT A DEFINITE TERM AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20

Appendix 23  
to Article 41, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON A CUSTOMER'S ACCOUNT  
FOR PARTICIPATION IN A REPURCHASE AUCTION  
WITHOUT A DEFINITE TERM AGAINST PAYMENT**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of the issue for which the auction is held	BG1234567890
Nominal value	1,300,000
Price/yield per 100 units nominal value of the issue for which the auction is held	101.46/5.20
Customer details	natural person 5303125633 Ivan Pavlov Ivanov
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.48/7.20
Customer details	legal entity 999999999 Company 'AAAAA'
Nominal value	2,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	98.99/6.20
Customer details	bank or investment intermediary 111111111 Bank 'BBBBB'
Nominal value	4,000,000
Price/yield per 100 units nominal value of the issue for which the auction is held	99.48/7.20
Customer details	non-resident 222222222 'CCCCCCC' Data under Article 13, paragraph 4

Appendix 24  
to Article 41, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013;  
amended; Darjaven Vestnik, issue 77 of 2023,  
effective as of 11 September 2023)

**COMPETITIVE BID ON ONE'S OWN ACCOUNT  
FOR PARTICIPATION IN A BUYBACK AUCTION WITH A DEFINITE  
TERM AGAINST PAYMENT (REPO AUCTION)**

Cash settlement account of the participant in RINGS/TARGET2-Securities	BG12ABCD12345678901234
Number of issue	BG1234567890
Auction date	20040109
Repurchase term, days	1
Nominal value	1,300,000
Annual interest rate	5.20
Nominal value	2,000,000
Annual interest rate	5.25

Appendix 25  
to Article 46, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013)

**BID ON ONE'S OWN ACCOUNT  
IN A REPLACEMENT SUBSCRIPTION**

Cash settlement account of the participant in RINGS	BG12ABCD12345678901234
Number of the issue of government securities announced for subscription	BG1234567890
Number of the issue with which the subscription shall be conducted	BG9876543210
Nominal value	1,300,000

Appendix 26  
to Article 46, paragraph 2  
(amended; Darjaven Vestnik, issue 100 of 2013)

**BID ON A CUSTOMER'S ACCOUNT IN A REPLACEMENT  
SUBSCRIPTION**

Cash settlement account of the participant in RINGS	BG12ABCD12345678901234
Number of the issue of government securities announced for subscription	BG1234567890
Number of the issue with which the subscription shall be conducted	BG9876543210
Nominal value	1,300,000
Customer details	natural person 5303125633 Ivan Pavlov Ivanov
Nominal value	3000000
Customer details	legal entity 999999999 Company 'AAAAA'
Nominal value	3,000,000
Customer details	bank or investment intermediary 111111111 Bank 'BBBBB'
Nominal value	3,000,000
Customer details	non-resident 222222222 'CCCCCCCC' Data under Article 13, paragraph 4

Appendix 27  
to Article 33, paragraph 4 and Article 34  
(new, Darjaven Vestnik, issue 100 of 2013)

### **REQUEST FOR BLOCKING OF GOVERNMENT SECURITIES**

Value date of blocking	15/03/2010
Issue No.	BG3010098005
ESROT participant	Participant 'A'
Code of the register/settlement account for own government securities of the ESROT participant	9251XXXXXX
Code of the register/settlement account for blocked government securities of the ESROT participant	9253XXXXXX
Cash settlement account of the participant in RINGS	BGXXXXXXXXXX
Nominal value of blocked government securities	100,000



Appendix 28  
to Article 33, paragraph 4 and Article 34  
(new, Darjaven Vestnik, issue 100 of 2013)

### **REQUEST FOR DEBLOCKING OF GOVERNMENT SECURITIES**

Value date of deblocking	15/03/2010
Issue No.	BG2010110004
ESROT participant	Participant 'A'
Code of the register/settlement account for blocked government securities of the ESROT participant	9253XXXXXX
Code of the register/settlement account for own government securities of the ESROT participant	9251XXXXXX
Cash settlement account of the participant in RINGS	BGXXXXXXXXXX
Nominal value of deblocked government securities	200,000



