

Ordinance No 29*
of the BNB
of 12 December 2015
on Establishing the Procedure for Financing the
Administrative Expenses of the Bulgarian Deposit
Insurance Fund

(Issued by the Bulgarian National Bank; published in the Darjaven Vestnik,
issue 103 of 30 December 2015; effective as of 30 December 2015;
amended, issue 110 of 2020)

Chapter One

GENERAL PROVISIONS

Article 1. (1) (amended; Darjaven Vestnik, issue 110 of 2020) This Ordinance shall establish the amount and procedure for levying the annual fee paid by banks and bank branches under Article 1, paragraphs 2 and 3 of the Law on Bank Deposit Guarantee covered by the deposit guarantee scheme in the Republic of Bulgaria for defraying the administrative expenses of the Bulgarian Deposit Insurance Fund (BDIF).

(2) (amended; Darjaven Vestnik, issue 110 of 2020) The amount of the annual fee under paragraph 1 shall be set on the basis of the requisite BDIF technical and administrative expenses provided for in the BDIF annual budget.

(3) (repealed; Darjaven Vestnik, issue 110 of 2020)

(4) (amended; Darjaven Vestnik, issue 110 of 2020) The BDIF shall send for information its draft annual budget for administrative expenses to the Association of Banks in Bulgaria.

(5) (amended; Darjaven Vestnik, issue 110 of 2020) The BDIF Management Board shall adopt the annual budget for BDIF administrative expenses in a form pursuant to the Appendix and the report on its implementation and submit them to the National Audit Office within 30 days of their adoption.

Chapter Two

DETERMINING THE ANNUAL FEES

Article 2. Administrative expenses budget for the following year adopted by the BDIF Management Board shall be no higher than 0.0056 per cent of the amount of covered deposits under Article 1, paragraph 1 as of the end of September of the cur-

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rent year, but no less than the BDIF administrative expenses budget for the current year.

Article 3. (1) The total amount of the fees due by banks for the following year shall be equal to 0.0056 per cent of the amount of banks' covered deposits under Article 1, paragraph 1 as of the end of September of the current year.

(2) (amended; Darjaven Vestnik, issue 110 of 2020) The BDIF Management Board shall notify until 20 November of the current year the Association of Banks in Bulgaria of the total amount of annual fees.

(3) (amended; Darjaven Vestnik, issue 110 of 2020) The positive difference between the total amount of the fees due by banks for the relevant year and the total amount of BDIF's administrative expenses budget determined under the procedure of Article 2 shall constitute the disposable funds of the BDIF in accordance with the Appendix thereto.

Article 4. (1) The individual annual fee of each bank, as determined by the BDIF Management Board, shall be equal to the total amount of the fees due by banks for the relevant year, determined under Article 3, paragraph 1, multiplied by the ratio between covered deposits with this bank and their total amount in the banking system as an average value as of 31 December of the previous year, 31 March, 30 June and 30 September of the current year.

(2) (amended; Darjaven Vestnik, issue 110 of 2020) The amount of guaranteed deposits under Article 4, paragraph 1 shall be determined on the basis of the information provided by banks to the BDIF in accordance with the requirements under Article 23, item 1 of Ordinance No 30 of 2016 on Calculation of the Amount and Collection of Premium Contributions Due by Banks under the Law on Bank Deposit Guarantee (Darjaven Vestnik, issue 10 of 2016).

(3) The BDIF shall notify each bank of its individually determined fee for the following year by 30 November of the current year.

(4) (amended; Darjaven Vestnik, issue 110 of 2020) If banks do not submit to the BDIF the information under paragraph 2 required for calculating individual annual fees, the BDIF shall determine the annual fee due by each bank on the basis of its own estimates.

Chapter Three

DEPOSITING ANNUAL FEES

Article 5. (1) Banks shall deposit their individual fees by 10 January of the year the budget relates to.

(2) In case of failure to pay an annual fee within the specified deadline, the BDIF Management Board shall charge interest on the due amount for the period of delay, applying the statutory interest rate.

(3) If a bank or branches of a bank under Article 1, paragraphs 2 and 3 of the LBDG discontinue their participation in the deposit guarantee scheme in the Republic of Bulgaria, the BDIF is not obliged to recover their fee deposited for the current year.

*Chapter Four***USE OF COLLECTED FEES**

Article 6. (1) (amended; Darjaven Vestnik, issue 110 of 2020) The BDIF shall earmark collected fees for financing its administrative, technical expenses and provisioning costs recognised as liabilities under the International Financial Reporting Standards (IFRS), as provided for in its annual budget.

(2) (amended; Darjaven Vestnik, issue 110 of 2020) Where it is found after reporting of the budget in the following year that the BDIF has achieved economies, the amount of the economies shall be added to the BDIF's disposable funds.

(3) (amended; Darjaven Vestnik, issue 110 of 2020) Where in the process of preparing the budget for the following year the amount of BDIF's disposable funds is equal to or exceeds BDIF's administrative expenses budget for the following year, the Management Board may decide not to collect fees from banks for the relevant year.

(4) (new; Darjaven Vestnik, issue 110 of 2020) Funds recovered during the year in relation to expenditure made by the BDIF, including recovered provisions recognised as liabilities under the IFRS, as well as other receipts shall be included in reduction of the expenditure side of the budget report for the current year to the same item from which the expenditure is made.

(5) (new; Darjaven Vestnik, issue 110 of 2020) In the report on budget implementation, funds under paragraph 4 shall be presented separately from the sum of expenses under the relevant item.

*Chapter Five***REVISING BDIF BUDGET**

Article 7. (1) (amended; Darjaven Vestnik, issue 110 of 2020) Where extraordinary circumstances during the year lead to a revision of BDIF's budget, the Management Board of the BDIF may use all disposable funds generated hitherto or collect extraordinary fees from banks.

(2) Extraordinary fees paid by banks shall be calculated on the basis of the last four quarters preceding the quarter of the budget revision and on which the BDIF has information about covered deposits, and the rate applied may not exceed the rate set out in Article 3, paragraph 1.

(3) (amended; Darjaven Vestnik, issue 110 of 2020) The BDIF Management Board shall submit its revised budget to the National Audit Office within 30 days of its adoption.

(4) Banks shall deposit extraordinary fees within 30 days of the date of notification.

TRANSITIONAL AND FINAL PROVISIONS

§ 1. This Ordinance is issued on the grounds of Article 2, paragraph 6 of the Law on Bank Deposit Guarantee and adopted by Resolution No 121 of the BNB Governing Council of 12 December 2015.

§ 2. The requirement for determining the annual fees under Article 3, paragraphs 1 and 2 shall apply from 1 January 2016 with regard to the bank fees for 2017.

§ 3. (1) The fee due by banks for 2016 shall be determined on the basis of available information at the BDIF on the average amount of covered deposits as of 31 December 2014, 31 March, 30 June and 30 September 2015.

(2) (amended; Darjaven Vestnik, issue 110 of 2020) The amount of covered deposits until 14 August 2015 shall be set under the procedure of the repealed Law on Bank Deposit Guarantee (repealed, Darjaven Vestnik; issue 62 of 2015) and after 14 August 2015, under the Law on Bank Deposit Guarantee (Darjaven Vestnik; issue 62 of 2015) and pursuant to the requirements under Article 23, item 1 of Ordinance No 30 of 2016 on Calculation of the Amount and Collection of Premium Contributions Due by Banks under the Law on Bank Deposit Guarantee.

(3) The Management Board of the BDIF shall determine the total amount of the fees due by banks for 2016 under Article 4 until 22 December 2015, notifying the Association of Banks in Bulgaria and the BNB.

(4) Until 30 December 2015, the BDIF shall notify each bank of its individually set fee for 2016.

§ 4. This Ordinance shall come into force on the date of its publication in the Darjaven Vestnik.

Appendix
to Article 1, paragraph 5
(amended; Darjaven Vestnik, issue 110 of 2020)

No	BDIF ADMINISTRATIVE EXPENSES BUDGET	Amount in BGN thousand
I.	INCOME	
I.1.	Total amount of annual fees due by banks	
I.2.	Disposable funds carried over from previous years	
	TOTAL INCOME I	
II.	EXPENSES	
II.1.	Operating expenditure	
II.1.1.	Expenditure on materials	
II.1.2.	Expenditure on hired services	
II.1.3.	Expenditure on wages	
II.1.4.	Social security and allowance expenditure	
II.1.5.	Other expenditure	
II.1.	Operating expenditure, total:	
II.2.	Financial expenditure:	
II.3.	Expenditure on acquiring tangible and intangible assets	
	TOTAL EXPENSES II	
III.	Disposable funds in the current year (I – II)	

Chief Accountant:

Chairman

of the BDIF Management Board:

**Ordinance on Amendment of Ordinance No 29 of 2015
on Establishing the Procedure for Financing the Administrative
Expenses of the Bulgarian Deposit Insurance Fund**

(published in the Darjaven Vestnik, issue 110 of 29 December 2020)

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Final Provision

§ 8. This Ordinance is issued on the grounds of Article 2, paragraph 6 of the Law on Bank Deposit Guarantee and is adopted by Resolution No 442 of 17 December 2020 of the Governing Council of the Bulgarian National Bank.