

Translation from Bulgarian



**BULGARIAN
NATIONAL BANK**

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GUIDELINES

**for Daily Reporting to the BNB of Concluded Deals in Foreign Exchange against
Bulgarian Levs on the Territory of the Country**

No. РД [RD] 22 – 1734 / 30.07.2010

Sofia, 2010

GENERAL:

These Guidelines lay down:

- the content of daily information on deals concluded in foreign exchange against Bulgarian levs on the territory of the country reported to the BNB by credit institutions and financial institutions registered under Art. 3, para. 2 of the Law on Credit Institutions (LCI) as engaged in trading in foreign currencies under Art. 2, para. 2, item 8 (b) of LCI;

- the procedure of submission of daily information on the deals concluded in foreign exchange on the territory of the country with the BNB.

Information is submitted in the form of daily reports on the deals concluded in foreign exchange against Bulgarian levs (in cash and in accounts) on the territory of the country, and is sent to the Bulgarian National Bank, Banking Department, Banking Policy Directorate, Financial Markets Division.

The report is sent in a tabular form in the format of Form No. 51 (Appendix 1 to these Guidelines).

ORGANIZATION OF INFORMATION BY LINE:

1. Deals with banks and financial institutions, registered under Art. 3, para. 2 of the Law on Credit Institutions (LCI), as doing business under Art. 2, para. 2, item 8 of LCI, “trade in money market instruments, foreign exchange, precious metals, and term transactions”- resident legal persons, irrespective of the amounts of foreign exchange traded; and deals with nonresidents amounting to or exceeding the lev equivalent of BGN 20,000 (including under international and intergovernmental agreements, regional programmes, and other such), are mandatorily specified separately on a separate line. If these are deals with residents, information about the persons is entered in columns 7, 8 and 9. If the deals are with a nonresident, information about the persons is entered in columns 8, 9 and 10.

2. Deals amounting to or exceeding the lev equivalent of BGN 100,000 each, effected with resident legal persons outside those under item 1, are stated separately on a separate line. For such deals, information about the persons is entered in columns 7, 8 and 9.

3. Deals with resident natural persons are stated as a sum total on a separate line, grouped by currency, value date, and average exchange rate weighted by the quantities of traded foreign exchange. No information about the natural persons is entered in columns 7, 8 and 10, and code 4 is entered accordingly in column 9.

4. Deals amounting to less than the lev equivalent of BGN 100,000 each, effected with resident legal persons outside those under item 1 and item 2, as well as deals with nonresidents amounting to less than BGN 20,000, are stated as a sum total on a separate line, grouped by currency, value date, and average exchange rate weighted by the quantities of traded foreign exchange. No information is entered in columns 7, 8, 9 and 10 for this type of transactions.

ORGANIZATION OF INFORMATION BY COLUMN:

Column 1. – Transaction Type – the type of the effected transaction - SPOT or FORWARD - is indicated by a numeric code:

Numeric code 1 – SPOT deals (SPOT) - with value date up to 2 business days inclusive, i.e.: the same business day or at a cash desk (T+0), the following business day (T+1) or 2 business days after the date of the trade (T+2);

Numeric code 2 - FORWARD deals (FORWARD) – with value date over 2 business days after the trade.

In the case of currency swap deals (SWAP), numeric code 2 used for reporting FORWARD deals (FORWARD) is entered for both legs of the deal (purchase and sale).

Business days are counted after the date of striking the deal as elapsed official business days for the Republic of Bulgaria.

Column 2. – Purchase (sale) of Foreign Exchange – specifies the transaction type (from the point of view of the reporting entity) by a letter code written in block letters:

- purchase of foreign exchange -“B” – abbreviation from “bought”;
- sale of foreign exchange -“S” - abbreviation from “sold”.

Column 3. – Foreign Currency Code – specifies the foreign currency traded by its 3-letter code under ISO Standard 4217. Information is submitted only for deals in currencies the BNB has included (with the respective codes) for daily publication in “Exchange Rates” (a bulletin of exchange rates of foreign currencies to the Bulgarian lev), also including the euro constituent currencies of the euro area member states from the BNB publication “Fixed

Exchange Rates of Euro and the EMU Legacy Currencies against the Bulgarian Lev”, which is updated after every new member state joins the euro area. NO INFORMATION IS ENTERED in Form 51 about any other traded currencies for which the BNB does not publish an exchange rate to the lev on a daily basis.

Column 4. – Foreign Exchange Amount – an amount of the traded foreign exchange in units of the original currency. Maximum number of digits in this column: 15. Only integers are entered.

Column 5. – Exchange rate to the Bulgarian lev for the deal – the number of units of the foreign currency, for which an exchange rate to the lev is indicated, should be the same as the number of units of the respective foreign currency in the BNB daily publication “Exchange Rates” and in the BNB periodically updated publication “Fixed Exchange Rates of Euro and the EMU Legacy Currencies against the Bulgarian Lev”. (e.g.: number of levs exchanged for 10 units of one foreign currency, levs for 100 units of another foreign currency, levs for 1 unit of a third foreign currency, etc.. It is important to follow on a daily basis the units of a foreign currency, for which exchange rates are quoted in the above publications.) Maximum number of meaningful digits: 11, including 4 before and 7 after the decimal point.

Column 6. - Value date of the deal – standard date format: Day.Month.Year. The day and month are conveyed by 2 Arabic numerals each, and the year – by 4 Arabic numerals (dd.mm.yyyy).

Column 7. – Customer Code - code of the bank (pursuant to Appendix 3 to these Guidelines) or code of the resident legal person per BULSTAT / UEC. This column is not filled in for deals with resident natural persons and for deals with nonresidents (respectively code for type 4 and 5 of column 9), and for aggregated deals.

Column 8. – Customer’s Name. This column is not filled in only in cases of deals with resident natural persons and of aggregated deals.

Column 9. – Type of Customer: specifies the type of the customer by a digit from 1 to 5, or 9, such as type of resident, e.g. a bank, financial institution, money exchange bureau, company, government budget-supported entity, foundation, natural person, etc., and as a nonresident:

Numeric code 1 – Banks operating on the territory of the country, including the BNB. Where the digit 1 is specified in column 9, the code of the bank (according to Appendix 3 to these Guidelines) and the name of the bank in Cyrillic or Roman letters should be specified in columns 7 and 8 respectively. Column 10 remains blank.

Numeric code 2 - Financial institutions, registered under Art. 3, para. 2 of the Law on Credit Institutions (LCI) as doing business under Art. 2, para. 2, item 8 of LCI, „trade in money market instruments, foreign exchange, precious metals, and term transactions”. Where the digit 2 is specified in column 9, the BULSTAT / UEC and the name of the financial institution in Cyrillic or Roman letters should be specified in columns 7 and 8 respectively. Column 10 remains blank.

Numeric code 3 - Other financial institutions (outside the ones under numeric code 2), companies, government budget-supported entities, money exchange bureaux, foundations and other resident legal persons, Bulgarian embassies and other such – within the meaning of §1, item 2 (b) (c) and (d) of the Additional Provision of the Foreign Exchange Law. Where code 3 is specified in column 9, columns 7 and 8 should contain respectively the BULSTAT / UEC and the name of the customer in Cyrillic or Roman letters. Code 3 is used only in the case of a deal concluded with a resident legal person the individual amount of which is or exceeds the lev equivalent of BGN 100,000. Column 10 remains blank.

Numeric code 4 - Resident natural persons – within the meaning of §1, item 2 (a) (d) (e) and (f) of the Additional Provision of the Foreign Exchange Law. Where code 4 is specified in column 9, NO PERSONAL INFORMATION ABOUT NATURAL PERSONS – i.e., name, URN and country code - is entered in columns 7, 8 and 10.

Numeric code 5 - Nonresidents - natural and legal persons within the meaning of §1, item 3 of the Additional Provision of the Foreign Exchange Law – commercial banks, financial institutions, companies, foundations registered abroad, foreign country embassies and other such. Where code 5 is specified in column 9, column 8 should contain the customer’s name in Roman letters, and column 10 – the letter code of the country where the customer is registered, as per ISO Standard 3166. No data is entered in column 7.

Numeric code 9 or a blank - aggregated deals with resident legal persons and(or) with nonresidents, that should be specified in accordance with the above, are stated as a sum total on a separate line. For such deals, columns 7, 8 and 10 are always blank.

Column 10. – Country Code - letter code of the country according to ISO Standard 3166. Data are entered only if a deal amounting to or exceeding the lev equivalent of BGN 20,000 is concluded with a nonresident.

SUBMISSION OF INFORMATION TO THE BNB:

Information reporting entities prepare and submit an aggregated report according to Form 51 for their whole system on the territory of the country. The aggregated information should not contain internal turnover (branch-to-head office and branch-to-branch of the same head office on the territory of the Republic of Bulgaria).

Information about deals in foreign exchange for each business day is submitted to the BNB not later than 11.00 h. on the following business day. Provided the information reporting entity has concluded no deals in foreign exchange against levs on a particular day, only a message to this effect is sent to the BNB. Information reporting entities that have concluded deals in foreign exchange against levs on a weekend day or holiday add these deals to the information for the last business day immediately before the relevant weekend days or holidays, also with a value date the last business day before the weekend days or holidays.

Daily information about deals in foreign exchange against levs and messages are sent to the Bulgarian National Bank, Banking Department, Bank Policy Directorate via the Virtual Private Network (VPN) or by e-mail. (Addresses are provided in Appendix 4 to these Guidelines.)

These Guidelines are issued pursuant to Art. 4 of the Law on the BNB and Art. 69 of the Law on Credit Institutions (LCI), as well as under Art. 15, para. 2 of BNB Ordinance No. 26 on Financial Institutions issued pursuant to Art. 3a, para. 3 and §13 of LCI. These Guidelines come into effect on 3 August 2010 and repeal the Guidelines issued by Letters No.300-

011377/22.03.99, No.320-11377/01.07.99. and No.1900/1130/24.03.2000. The software sent together with the above letters remains in use.

APPENDICES:

1. Form 51.
2. How to fill in Form 51 (Sample)
3. Bank Codes.
4. Addresses for Sending Information.
5. Lists, Registers and Publications.