

# Law

## on Restrictions on Cash Payments

(published, Darjaven Vestnik, issue 16 of 22 February 2011)

### *Chapter One*

#### **Subject and Exclusions from the Scope of Application**

**Article 1.** This Law shall provide for the restrictions on cash payments on the territory of the Republic of Bulgaria.

**Article 2.** This Law shall not apply to:

1. withdrawing and depositing cash from/to own payment accounts;
2. withdrawing and depositing cash from/to accounts of incapacitated and partially incapacitated persons, spouses and relatives of direct lineage;
3. cash transactions in foreign currency in the line of business;
4. operations in banknotes and coins in respect whereof the Bulgarian National Bank is party;
5. replacement of damaged Bulgarian banknotes and coins by banks;
6. payment of remunerations within the meaning of the Labour Code.

### *Chapter Two*

#### **Restrictions on Cash Payments**

**Article 3.** (1) Payments on the territory of Bulgaria shall be effected only *via* a transfer or a deposit in a payment account where they are:

1. in an amount equal to or exceeding BGN 15,000;
2. in an amount up to BGN 15,000 representing part of a cash consideration under a contract whose value is equal to or exceeding BGN 15,000.

(2) Paragraph 1 shall also apply in case of foreign currency payments where their lev equivalent is equal to or exceeds BGN 15,000. The equivalence in Bulgarian levs shall be calculated at the exchange rate of the Bulgarian National Bank on the day of payment.

**Article 4.** (1) Operations of budget entities in collecting revenue and other receipts *via* card payments shall be serviced by banks on the basis of contracts concluded between the Ministry of Finance and banks. Contracts shall include identical clauses and prices applicable to all banks.

(2) Programme and resource equipment of the card payments under paragraph 1 and related services and settlement shall be effected by BNB-licensed operators of settlement finality payment systems for servicing payments initiated by bank payment cards on the territory of Bulgaria on the basis of contracts concluded with the Ministry of Finance.

(3) The procedure and manner whereby budget entities shall start collecting revenue and other receipts *via* card payments and services under paragraphs 1 and 2 shall be defined by instructions of the Minister of Finance and the Governor of the BNB.

(4) The Minister of Finance shall set the term of the gradual transition to collection of revenue and other receipts *via* card payments and services under paragraphs 1 and 2.

(5) The amounts due by the Ministry of Finance under the contracts specified in paragraphs 1 and 2 shall be on the account of the central budget.

(6) Natural persons and legal entities shall not pay bank commissions and fees for the card payments to budget entities under paragraph 1.

### *Chapter Three*

#### **Administrative Penalty Provisions**

**Article 5.** (1) Whoever commits or allows commitment of a violation of Article 3 shall be imposed a fine in the amount of 25 per cent of the total amount of the payment in case of a natural person, or a property sanction in the amount of 50 per cent of the total amount of the payment in case of a legal entity.

(2) In case of a repeated violation under paragraph 1, the amount of the fine shall be 50 per cent of the amount of the payment and the property sanction shall be 100 per cent of the amount of the payment made.

**Article 6.** (1) The records establishing the violations referred to in this Law shall be drawn up by the bodies of the National Revenue Agency, and the penalty decrees shall be issued by the Executive Director of the National Revenue Agency or officials authorised by him.

(2) The drawing up of statements, issuance, appeal and execution of the penalty orders shall be performed under the procedure provided for in the Administrative Violations and Sanctions Law.

#### **Additional Provisions**

**§ 1.** ‘Repeated’ shall be the violation committed within a year of the enactment of the penalty order whereby the person has been penalized for the same type of violation.

#### **Transitional and Final Provisions**

**§ 2.** This Law shall also apply to the payments under Article 3 which have not been completed as of the day of its enactment.

**§ 3.** For 2011, the clauses and prices under Article 4, paragraph 1 may be negotiated by the Ministry of Finance within the framework of the contracts under § 22, paragraph 6 of the Transitional and Final Provisions of the State Budget Law of the Republic of Bulgaria for 2011.

§ 4. In Article 2, paragraph 1 of the Currency Law (published; Darjaven vestnik, issue 83 of 1999; amended, issue 45 of 2002, issue 60 of 2003, issue 36 of 2004, issue 105 of 2005, issues 43, 54 and 59 of 2006 and issue 24 of 2009), the words ‘in this Law’ shall be replaced by ‘by Law’.

§ 5. In Article 3 of the Law on the Measures against Money Laundering (published; Darjaven Vestnik, issue 85 of 1998; amended, issues 1 and 102 of 2001, issue 31 of 2003, issues 103 and 105 of 2005, issues 30, 54, 59, 82 and 108 of 2006, issues 52, 92 and 109 of 2007, issues 16, 36, 67 and 69 of 2008, issues 22, 23 and 93 of 2009 and issues 88 and 101 of 2010), the following amendments shall be made:

1. In paragraph 2, items 21 and 24 shall be repealed.
2. Paragraph 7 shall be repealed.

This Law was adopted by the 41st National Assembly on 9 February 2011, and the official seal of the National Assembly was affixed on it.

