

Ordinance No. 17
of 22 February 2001
on Establishing the Amount of Bank Investment
under Article 47 of the Law on Credit Institutions
(title amended; Darjaven Vestnik, issue 106 of 2006)

(Issued by the Bulgarian National Bank on 15 February 2001; published in the Darjaven Vestnik, issue 19 of 2 March 2001; amended; Darjaven Vestnik, issue 62 of 2005, issue 106 of 2006, effective as of 1 January 2007)

Subject

Article 1. (1) (amended; Darjaven Vestnik, issue 106 of 2006) This Ordinance shall determine the scope, the procedure for establishing and reporting bank investment under Article 47 of the Law on Credit Institutions in relation to a bank's own funds (capital base), and the measures to remove violations thereof.

(2) The main purpose of this Ordinance is to limit bank investment in less liquid, non-profitable assets.

Scope of Bank Investment

Article 2. (1) (amended; Darjaven Vestnik; issue 62 of 2005; issue 106 of 2006) Investment within the meaning of Article 47, paragraph 1 of the Law on Credit Institutions is investment in:

1. real estate and other tangible fixed assets;
2. shares and/or equity participation in companies other than banks, investment intermediaries and insurance companies save for the shares and/or equity participation by which the bank's own funds (capital base) are reduced pursuant to Article 6, paragraph 1 of Ordinance No. 8 on the Capital Adequacy of Credit Institutions.

(2) To establish the amount of investment the value of the assets shall be calculated according to their balance sheet value.

(3) (repealed; Darjaven Vestnik, issue 106 of 2006).

(4) (repealed; Darjaven Vestnik, issue 106 of 2006).

Report on Establishing the Amount of Bank Investment

Article 3. (amended; Darjaven Vestnik, issue 106 of 2006) (1) By the 15th day of the month following the reporting quarter banks shall draw up and submit to the Bulgarian National Bank a report on establishing the amount of bank investment under Article 47 of the Law on Credit Institutions, prepared on the basis of the balance sheet and according to a sample form approved by the Deputy Governor heading the Banking Supervision Department.

(2) Banks shall draw up and submit to the Bulgarian National Bank an annual report on establishing the amount of bank investment under Article 47 of the Law on Credit Institutions as an integral part of their annual report.

Consolidated Report on the Investment of a Bank Group

Article 4. (amended; Darjaven Vestnik, issue 106 of 2006) Any bank, whose subsidiaries are other banks and/or non-bank financial institutions, shall furthermore prepare a consolidated report establishing the amount of a bank's investment under Article 47 of the Law on Credit Institutions for a bank group in accordance with a sample form approved by the BNB Deputy Governor heading the Banking Supervision Department.

Instructions

Article 5. The Deputy Governor heading the Banking Supervision Department shall give mandatory instructions on the manner of preparing and presenting the reports under Articles 3 and 4.

Additional Information

Article 6. The Deputy Governor heading the Banking Supervision Department may require additional information from banks on each item of the report, including any single item of reporting.

Control over Veracity of Data

Article 7. (amended; Darjaven Vestnik, issue 106 of 2006) (1) Banking supervision authorities at the Bulgarian National Bank shall examine the veracity of preparing the reports under Article 47, including on-site examinations and comparison of reported data and that of accounting and operative accountancy of banks.

(2) Examiners under Article 76, paragraph 1 of the Law on Credit Institutions shall examine and draw up a conclusion on the compliance of the prepared report by the bank under Article 47 with the provisions of the Law on Credit Institutions, Law on Accountancy and this Ordinance.

Measures and Sanctions

Article 8. (amended; Darjaven Vestnik, issue 106 of 2006) In case of violation of the provisions of this Ordinance the Deputy Governor heading the Banking Supervision Department shall impose administrative enforcement supervisory measures and sanctions provided for by Article 103, paragraph 1 and Article 152 of the Law on Credit Institutions.

Additional Provision

§ 1. Within the meaning of this Ordinance:

1. (amended; Darjaven Vestnik, issue 62 of 2005; issue 106 of 2006) ‘own funds’ (capital base) is the capital within the meaning of Ordinance No. 8 on the Capital Adequacy of Credit Institutions.

2. (amended; Darjaven Vestnik, issue 106 of 2006) ‘tangible fixed assets’ are assets within the meaning of IAS 16 “Property, plant and equipment”.

Transitional and Final Provisions

§ 2. This Ordinance is issued pursuant to Article 30 on the grounds of § 19 of the Transitional and Final Provisions of the Law on Banks and is adopted by Resolution No. 13 of 15 February 2001 of the Governing Council of the Bulgarian National Bank.

§ 3. This Ordinance repeals Ordinance No. 17 of 1995 on the enactment of Article 29 of the Law on Banks and Credit Activity (Darjaven Vestnik, issue 102 of 1995).

**Ordinance on the Amendment
of Ordinance No. 17 of 2001 on Establishing the Amount of Bank
Investment under Article 30 of the Law on Banks**

(Published in the Darjaven Vestnik, issue 62 of 29 July 2005)

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Final Provision

§ 2. This Ordinance is adopted by Resolution No. 87 of the Governing Council of the BNB dated 15 July 2005 and shall come into force on 1 July 2005.

**Ordinance on the Amendment
of Ordinance No. 17 of 2001 on Establishing the Amount of Bank
Investment under Article 30 of the Law on Banks**

(Published in the Darjaven Vestnik, issue 106 of 27 December 2006,
effective as of 1 January 2007)

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Additional Provision

§ 9. This Ordinance is issued on the grounds of § 13 of the Transitional and Final Provisions of the Law on Credit Institutions, and is adopted by Resolution No. 151 of 30 November 2006 of the Governing Council of the Bulgarian National Bank and comes into force as from the effective date of the Law on Credit Institutions.