

Ordinance No. 23

on the Terms and Procedure for Payout of Insured Amounts on Deposits with Banks with Revoked Licenses

(title amended; Darjaven Vestnik, issue 63 of 2009)

(Issued by the Bulgarian National Bank on 4 February 1999; published
in the Darjaven Vestnik, issue 12 of 12 February 1999; corrected,
issue 15 of 1999; amended, issue 63 of 2009)

Subject

Article 1. (amended; Darjaven Vestnik, issue 63 of 2009) This Ordinance shall determine the terms and procedure for payout of insured amounts on deposits with banks whose licenses for making bank transactions have been revoked by the Bulgarian National Bank (BNB).

Size of Bank Liabilities to Depositors

Article 2. (1) The total amount of a bank's liability to a depositor shall be determined in Bulgarian leva pursuant to Article 6 of the Law on Bank Deposit Guarantee (LBDG).

(2) (amended; Darjaven Vestnik, issue 63 of 2009) In the cases under Article 6, paragraph 5 of the LBDG, insured deposit amounts of a depositor with each of the banks involved in a bank transformation through merger or takeover, shall be computed and repaid separately within a six-month term as set forth in Article 263j, paragraph 1 of the Law on Commerce.

Size of Insured Amount

Article 3. (corrected; Darjaven Vestnik, issue 15 of 1999, amended; Darjaven Vestnik, issue 63 of 2009) The insured amount on deposits shall be repaid in compliance with Article 4, paragraph 1 of the LBDG.

Information about Insured Deposits

Article 4. (1) (amended; Darjaven Vestnik, issue 63 of 2009) Within the term under Article 23, paragraph 3 of the LBDG, the appointed conservators, liquidators or assignees in bankruptcy, having determined a bank's liability to an individual depositor and the size of the insured amount, must submit to the Bank Deposit Insurance Fund (BDIF) the signed and sealed information on paper and in electronic form about any bank's depositor.

(2) The information under paragraph 1 shall contain data pertaining to:

1. (amended; Darjaven Vestnik, issue 63 of 2009) depositor individualization:

a) for natural persons – the full name, unified identity number or personal identification number, data according to the identity card or identity document of a foreign natural person;

b) for legal entities – the name, the registered office and head office address, legal representatives, UIC or BULSTAT code, data on entry in the commercial or other register;

2. funds held by one depositor;

a) legal reasons for the emergence of bank's liabilities to a depositor;

b) the number and type of the account reporting bank's liabilities on the deposit;

c) particulars concerning deposits in favour of a third person and in the event of a joint deposit;

d) the deposit amount with specified principal and interest;

e) (new; Darjaven Vestnik, issue 63 of 2009) information about interest rates on each of the deposits held by the respective depositor, specifying whether any preferential interest rates have been granted or whether any of the circumstances constituting exceptions under Article 5 of the LBDG exists;

f) (former 'e'; Darjaven Vestnik, issue 63 of 2009) liens, securities (distrains, collaterals, etc.) and modalities – the deed under which such liens, securities and modalities have been imposed, and the person in favour whereof they have been imposed;

g) (former 'f'; Darjaven Vestnik, issue 63 of 2009) the currency in which the deposit is maintained;

h) (former 'g'; Darjaven Vestnik, issue 63 of 2009) the lev equivalent at the BNB exchange rate on the date the BNB revoked the license of the bank;

h) (former 'h'; Darjaven Vestnik, issue 63 of 2009) in the cases under Article 6, paragraph 5 of the LBDG – the bank as transformed through merger or takeover, with the deposit being included in the bank's property under Article 263j, paragraph 1 of the Law on Commerce;

3. total amount of deposits of the respective depositor;

4. the insured deposit amount of the respective depositor who is not liable to the bank;

5. effected disposition of deposits within the meaning of Article 4, paragraph 3 of the LBDG.

(3) (amended; Darjaven Vestnik, issue 63 of 2009) Where the depositor has obligations to a bank with a revoked license, the information under paragraph 1 shall also contain data on:

1. the legal reason for the emergence of the respective obligation;

2. modalities;

3. the structure of obligations, specifying interest, principal and charges;
4. the total amount of obligations;
5. legal disputes related to the existence, collectibility and amount of obligations;
6. the currency in which the obligations are denominated;
7. (amended; Darjaven Vestnik, issue 63 of 2009) the lev equivalent at the BNB exchange rate on the date the BNB revoked the license of the bank;
8. in the cases under Article 6, paragraph 5 of the LBDG – the bank as transformed through merger or takeover, with the deposit being included in the bank’s property;
9. the insured deposit amount subject to payment after deduction of depositor’s obligations to the bank.

(4) The Managing Board of the BDIF may require additional information necessary for the repayment of the insured deposit amounts.

(5) Conservators, liquidators or assignees in bankruptcy shall establish the information under the preceding paragraphs, as well as under Article 5 of the LBDG using any methods provided by law.

(6) Conservators, liquidators or assignees in bankruptcy shall periodically inform the BDIF Managing Board:

1. upon receipt of new data or changes in submitted information;
2. (amended; Darjaven Vestnik, issue 63 of 2009) in the cases where court proceedings have been instituted against a bank with a revoked license by a person who claims to be a deposit-holder under §1, item 1 of the additional provisions of the LBDG.

Servicing Bank

Article 5. (1) Within the time limit under Article 23, paragraph 4 of the LBDG, the Managing Board of the BDIF shall select and specify the bank through which payments up to the insured deposit amounts shall be made.

(2) (amended; Darjaven Vestnik, issue 63 of 2009) In connection with the said selection of a bank, the Managing Board of the BDIF shall require from the BNB Banking Supervision Department information about the financial state of the banks as determined by the Managing Board of the BDIF.

(3) The Chairperson of the BDIF Managing Board, the servicing bank and appointed conservators, liquidators or assignees in bankruptcy shall conclude a contract stipulating the terms and procedures for payment of insured deposit amounts.

(4) (amended; Darjaven Vestnik, issue 63 of 2009) The servicing bank shall submit periodically and on demand by the BDIF Managing Board information on cash payments and account balance transformation of insured deposit amounts, and the BDIF Managing Board shall notify on demand the appointed conservators, liquidators or assignees in bankruptcy of the bank with the revoked license of the amount of deposits repaid to any depositor.

Initial Day for Payment of Insured Deposit Amounts

Article 6. (amended; Darjaven Vestnik, issue 63 of 2009) The Managing Board of the BDIF shall determine and make public the initial day for payment of insured deposit amounts in accordance with the provisions of Article 23, paragraphs 4, 5 and 6 of the LBDG.

Documents on Insured Deposits

Article 7. (amended; Darjaven Vestnik, issue 63 of 2009) (1) Prior to the initial day of payment, the appointed conservators, liquidators or assignees in bankruptcy or a third person explicitly authorized thereby shall prepare information on paper and in electronic form, stating the amount owed to a depositor according to the guaranteed amount on deposits of the respective depositor, individualizing data about the depositor and other data under the contract concluded with the servicing bank, as well as the total amount of insured deposits subject to payment.

(2) Any depositor shall have a right to obtain a written certificate on the amount subject to payment according to the information under paragraph 1.

(3) On the day preceding the initial day of payments on insured deposit amounts, the appointed conservators, liquidators or assignees in bankruptcy shall submit to the BDIF and the servicing bank the information under paragraph 1 in the form of a list signed and sealed by them, as well as in electronic form.

(4) On the same day, the BDIF shall examine compliance of the final insured amounts of deposits as determined under Article 7, paragraph 1 with Article 4, paragraph 2. Provided any errors or inconsistencies are established during the examination, the BDIF shall immediately inform the conservator, liquidator or assignee in bankruptcy. The inconsistency shall be removed on the same day preceding the initial day of payments in the presence of the conservators, liquidators or assignees in bankruptcy and BDIF representatives.

(5) The BDIF shall transfer the final amount as determined under paragraphs 1 – 4 to the servicing bank and order this bank to start paying out the insured amounts to depositors.

(6) In case of a change in the information on the amount subject to payment which has been submitted under paragraph 1, the appointed conservators, liquidators or assignees in bankruptcy shall in due time notify the BDIF thereof.

Submission of Documents on Insured Deposits

Article 8. (repealed; Darjaven Vestnik, issue 63 of 2009)

Information on Insured Deposit Amounts Subject to Repayment

Article 9. (repealed; Darjaven Vestnik, issue 63 of 2009)

Procedure for Repayment of Insured Deposit Amounts

Article 10. (amended; Darjaven Vestnik, issue 63 of 2009) (1) As from the initial day of payment, any depositor is entitled, under this Ordinance, to obtain payment of the insured deposit amount.

(2) Any person who claims to have a deposit within the meaning of § 1, item 1 of the additional provisions of the LBDG but has not been included in the list under Article 7, paragraph 3 or disputes the data contained in the said list, may within a year from the initial day of payout of insured deposit amounts lodge a claim in a written form supported by evidence of his rights before the conservators, liquidators or assignees in bankruptcy of the bank with the revoked license who shall pass judgment on the claim within seven days after its receipt. In the event of a refusal to include the depositor in the list or correct the data therein, the depositor may lay claims in accordance with the effective legal procedure. If the claims are accepted, the corrected information shall in due time be sent to the BDIF and the servicing bank.

(3) The Bank Deposit Insurance Fund shall repay insured deposit amounts through the servicing bank.

(4) Any depositor may obtain payment of insured deposit amounts upon submission to the servicing bank of a written declaration in two copies: a copy for the servicing bank and a copy for the bank with the revoked license, stating thereby that none of the circumstances under Article 5, paragraph 1, items 2 – 5 and paragraph 2 of the LBDG are available, and upon submission of the following documents:

1. for natural persons – the identity card or identity document of a foreign natural person;

2. for legal entities – the UIC or BULSTAT registration certificate, the actual certificate of the legal entity’s registration, certifying the persons authorized to manage and represent it, indicating their personal data according to the identity document.

(5) The insured amount shall be paid out to an authorized person only upon submission of a notary verified power of attorney submitted by the title holder of the insured deposit along with a notary verified declaration on the lack of the circumstances under Article 5, paragraph 1, items 2 – 5 and paragraph 2 of the LBDG.

(6) The servicing bank shall pay out to the respective depositor the amounts as determined in the list under Article 7, paragraph 3 upon carrying out depositor identity checks and upon submission of the documents under paragraphs 4 and 5.

(7) Provided the depositor has not fulfilled the conditions under paragraph 6, the servicing bank shall refuse to pay out the insured amounts and shall notify the BDIF and the conservators, liquidators or assignees in bankruptcy of the bank with a revoked license.

Transitional and Final Provisions

§ 1. This Ordinance is issued on the grounds of Article 23, paragraph 10 of the Law on Bank Deposit Guarantee, and is adopted by Resolution No. 6 of 4 February 1999 of the Governing Council of the BNB.

§ 2. The Managing Board of the BDIF shall give instructions on the enactment of this Ordinance.

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