

The Association of Global Custodians - Questionnaire 2025 - 2026

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Welcome to the Depository-Information Gathering Project.

Before beginning, we suggest that you print the entire document for review on paper and review the [Glossary of Terms](#). Each will assist you with answering the questions. For help, contact: [Robin D. Truesdale, Baker & McKenzie LLP \(202\) 835-1664](#); e-mail:

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Note

- * When reviewing/updating your prior year's responses in the questionnaire, please ensure that the sub-questions are reviewed/updated as well.
- * Please deselect/uncheck any responses in the sub-questions where those responses are no longer applicable.
- * Please note: Any text in the "other" and/or "please explain/describe" questions should be deleted before deselecting the response. In this regard, note that deselecting a response with written text does not delete the information, it only hides the information from view.* Any responses that appear in open text boxes should be deleted if the information is no longer applicable.

SCOPE, STRUCTURE, OWNERSHIP, CAPITAL, REGULATION AND AUDIT

The purpose of this section is to understand the ownership structure and financial strength of your institution, as well as the level of regulatory and operational supervision to which it is subject.

Response Necessary/Eligibility Question

1. Rule 17f-7, by reference to Rule 17f-4, requires that, for a depository to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the depository must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

- Yes
 No (please answer 1a)
 Other (please answer 1a)

1a. Please explain:

Response Necessary/Eligibility Question

2. Rule 17f-7 also requires that an Eligible Securities Depository "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution: (Choose all that apply.)

- Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated? (please answer 2b)
- Act as or operate a transnational system for the central handling of securities or equivalent book-entries? (please answer 2b)
- Act in another capacity with respect to the handling of securities or equivalent book-entries? (please answer 2a)
- Not applicable (please answer 2a)
- Other (please answer 2a)

2b. Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

Government Securities

3. What type of legal entity is the institution? (Choose all that apply.)

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- Other (please answer 3a)

4. Is the institution operated as a "for profit" or a "not for profit" organization?

- For profit
- Not for profit
- Other (please answer 4a)

5. Please provide the names of the owners and their ownership interest percentages.

State ownership

6. Please answer the following:

6a. What is the date of establishment of the depository? 01/05/1991

6b. What is the date that the depository's operations began? 03/02/1992

7. Under what regulation or statute is the depository established and governed?

1. Law on the Bulgarian National Bank (BNB); 2. Law on the Government Debt; 3. Ordinance No.5 on the Terms and Procedure for Acquisition, Registration, Redemption and Trade in Government Securities; 4. Ordinance No. 15 on the Control over Transactions in Government Securities; 5. Ordinance No. 31 on Government Securities Settlement; 6. Agency Agreement between the MoF and the BNB on government debts.

7a. Is the regulation or statute electronically available?

- Yes (please answer 7b)
- No

7b. If regulation or statute is electronically available, please supply web address(es) here or upload document(s) in question 7c.

<http://www.bnb.bg/>
<http://www.minfin.bg/>

7c. Please supply document(s) here:

7d. Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the depository.

What are the qualifications to become a board member?

Law on the BNB specifies the structure and composition of the Governing Council, required qualifications to become a member of the Governing Council, election procedures, responsibilities, etc.

7e. What are the election procedures?

See Law on the BNB

7f. What is the maximum length of time a board member can serve?

See Law on the BNB

7g. How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

See Law on the BNB

7h. Who is responsible for regulating the board members?

See Law on the BNB

Response Necessary/Eligibility Question

8. Rule 17f-7 requires that an Eligible Securities Depository “is regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act”, with section 2(a)(50) establishing that “foreign financial regulatory authority’ means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above.”

Who regulates the activities of the depository? (Choose all that apply.)

- A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- A membership organization which regulates the participation of its members in securities matters or other financial activities.
- Other (please answer 8a)

8a. Please explain:

The Government Securities Depository is not a separate legal entity. It operates under the structure of the BNB.

9. Please provide the name of regulatory authority(ies) identified in question 8:

Ministry of Finance; Bulgarian National Bank

Response Necessary/Eligibility Question

10. Rule 17f-7 requires that an Eligible Securities Depository “is subject to periodic examination by regulatory authorities or independent accountants.”

Is the depository subject to periodic examination by: (Choose all that apply.)

- Regulatory authorities?
- Independent accountants?
- Other (please answer 10a)

10a. Please explain:

National Audit Office

11. What enforcement actions are available to the regulatory authority(ies) for breach of applicable statute or regulatory requirements? (Choose all that apply.)

Name of Authority #1 (please answer 11a):

Ministry of Finance and Bulgarian National Bank

11a.

- Fines
- Restrictions on depository activities.
- Suspension of depository activities.
- Termination of depository activities.
- Other (please answer 11b)

11b. Please explain:

The relations between the issuer (MoF) and the agent (BNB-Depository for government securities) are stipulated in the Agency Agreement between the MoF and the BNB on government debts.

Name of Authority #2 (please answer 11c):

11c.

- Fines
- Restrictions on depository activities.
- Suspension of depository activities.
- Termination of depository activities.
- Other (please answer 11d)

12. Has there been any use of such enforcement actions in the last three years?

- Yes (please answer 12a)

- No
 Other (please answer 12a)

Capital

13. Are annual financial statements publicly disclosed?

- Yes (please answer 13a)
 No (please answer 13e)
 Other (please answer 13h)

13a. If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

- Yes (please answer 13b)
No (if no, please send a copy of the annual report to the Washington office of Baker & McKenzie, 815 Connecticut Ave., NW, Washington, DC
 20006, Attn: Robin Truesdale)

13b. If yes, please upload the document(s) here or insert web link(s) in question 13d:

13c. If more than one document for 13b, please upload the additional document here:

13d. Please insert web link(s) for 13b here:

<http://www.bnb.bg/>

Internal Audit

14. Is an internal audit undertaken in your depository?

- Yes (please answer 14a)
 No (please proceed to 15)

14a. If yes, what areas does the audit cover (financials, operations, etc.) and which department in your depository handles it?

The audits cover the main functions of the depository in accordance with the art. 43 on BNB law as an agent on government debts or government guaranteed debts. As a risk-based approach method, the Internal Audit on the BNB performs the financial, operational, IT, integrated, compliance or governance audits. The latest reports are applied on:

- October, 2024: Audit engagement on "Consolidated Financial Statements of the BNB to 30 June 2024";
- November, 2023: Audit engagement on "Consolidated Financial Statements of the BNB to 30 June 2023";
- November, 2022: Audit engagement on "Consolidated Financial Statements of the BNB to 30 June 2022".

14b. Please list the date of your last internal audit: 18/10/2024

Please list the period that the audit covered: 01/01/2024 to 30/06/2024

14c. How frequently does the internal audit occur? (Choose one.)

- Two or more times a year (please answer 14e)
 Annually (please answer 14e)
 Less than annually (please answer 14d)

14d. If less than annually, please explain:

In accordance with the annual audit plan, prepared based on the annual risk assessment.

14e. Are the results of the internal audit publicly available? If Yes provide a link or Share.

- Yes
- No

14f. Please select the statement that most accurately characterizes the results of the last internal audit: (Choose one.)

- No material exceptions found.
- Minor exceptions found. (please answer 14g)
- Material exceptions found. (please answer 14g)

15. Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

- Yes (please answer 15a)
- No (please proceed to 16)

15a. If yes, please state the name(s) of the entity(ies) who perform the financial audit.

Ernst & Young Audit OOD
Bulgarian National Audit Office

15b. Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

17/04/2025

15c. Please list the period that the audit covered:

01/01/2024 to 31/12/2024

15d. How frequently does the financial audit occur? (Choose one.)

- Two or more times a year (please answer 15f)
- Annually (please answer 15f)
- Less than annually (please answer 15e)

15f. Are the results of the financial audit publicly available? If yes, provide link or share.

- Yes **Link:** [anual_report_2024_en.pdf \(bnb.bg\)](#)
- No

15g. Please select the statement that most accurately characterizes the results of the last financial audit: (Choose one.)

- No material exceptions found.
- Minor exceptions found. (please answer 15h)
- Material exceptions found. (please answer 15h)

16. Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

- Yes (please answer 16a)
- No (please proceed to 17)

PARTICIPANTS AND PARTICIPATION

The purpose of this section is to understand issues relating to participation in the depository, including eligibility requirements, conditions of participation, and supervision of participants.

17. What types of entities are eligible to become participants and how many of each type are there currently? (Choose all that apply.)

- Banks (please answer 17a)
- Brokers (please answer 17e)
- Individuals (please answer 17i)
- Foreign Institutions (please answer 17m)
- Other entities (please answer 17q)
- Not applicable

17a. How many Bank participants are there currently? (then please answer 17b)

18 (including 2 branches of foreign banks)

17b. Please select the features included in the eligibility requirements for Banks. (Choose all that apply.)

- Financial Thresholds (please answer 17c)
- Regulatory Oversight (please answer 17c)
- Market Experience (please answer 17c)
- Other (please answer 17d)

17c. Where can a description of the specific eligibility requirements for Bank participants be found?

Law on credit institutions (LCI); Ordinance No. 5 of the MoF and the BNB on the terms and procedure for acquisition, registration, redemption and trade in government securities; Ordinance No. 15 of the MoF and the BNB on the control over transactions in government securities

17d. Please explain:

With the amendments of 2007 in the regulations governing GS market, Banks - domestic and foreign (from EU Member States) are eligible to become participants only when they are licensed to perform investment services and activities pursuant to the LCI. Ordinance No. 5 also specifies a set of organizational, operational and technological requirements for participants.

17e. How many Broker participants are there currently? (then please answer 17f)

Currently there aren't any brokers participating in the depository.

17f. Please select the features included in the eligibility requirements for Brokers. (Choose all that apply.)

- Financial Thresholds (please answer 17g)
- Regulatory Oversight (please answer 17g)
- Market Experience (please answer 17g)
- Other (please answer 17h)

17g. Where can a description of the specific eligibility requirements for Broker participants be found?

Law on markets in financial instruments (LMFI); Ordinance No. 5 of the MoF and the BNB on the terms and procedure for acquisition, registration, redemption and trade in government securities; Ordinance No. 15 of the MoF and the BNB on the control over transactions in government securities

17h. If other, please explain:

Investment intermediaries - domestic and foreign (from EU member states) whose license covers investment services and activities stipulated in the LMFI. They should

also meet the specific organizational, operational and technological requirements for participation.

17m. How many Foreign Institution participants are there currently?

3 (2 branches of foreign banks and 1 ICSD)

17n. Please select the features included in the eligibility requirements for Foreign Institution participants. (Choose all that apply.)

- Financial Thresholds (please answer 17o)
- Regulatory Oversight (please answer 17o)
- Market Experience (please answer 17o)
- Other (please answer 17p)

17o. Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

Law on credit institutions (LCI); Law on markets in financial instruments (LMFI); Ordinance No. 5 of the MoF and the BNB on the terms and procedure for acquisition, registration, redemption and trade in government securities; Ordinance No. 15 of the MoF and the BNB on the control over transactions in government securities

17p. If other, please explain:

The amendments mentioned above envisage broadening the scope of eligible participants, introducing the single European passport in the field of GS market.

17q. If you have selected "Other entities" above, please explain:

Pursuant to Art. 3 of Ordinance No. 5, apart from banks and investment firms, other entities which could also participate are: CBs - ESCB members, member states' CSDs, the Ministry of Finance (MoF), other entities approved by the Minister of Finance and the BNB Governor.

17r. Indicate how many "Other entities" are currently participants?

3

17s. Please select the features included in the eligibility requirements for the participants referred to above as "Other entities". (Choose all that apply.)

- Financial Thresholds (please answer 17t)
- Regulatory Oversight (please answer 17t)
- Market Experience (please answer 17t)
- Other (please answer 17u)

17u. If other, please explain:

For the time being the MoF and Clearstream Banking S.A., Luxembourg (CBL) as an ICSD and Central Depository AD- Bulgaria are the entities included in 'Other entities'.

18. Are participants required to contribute capital to the depository that would result in ownership of the depository?

- Yes (please answer 18a)
- No
- Not applicable

Other (please answer 18b)

19. Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

- Yes
 No
 Not applicable
 Other (please answer 19a)

Conditions of Participation

20. What governs the relationship between the depository and the participants? (Choose all that apply.)

- Relevant law and regulation
 Standard participation contract
 Established terms and conditions of participation
 By-laws of the depository
 Rules of the depository
 Other (please answer 20a)
 Not applicable

20b. Please provide a link to the rulebook.

au_lf_bnbgsss_en.pdf

Response Necessary/Eligibility Question

21. Rule 17f-7 requires that an Eligible Securities Depository “holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants.”

Please confirm that assets of foreign investors held by custodians as participants in the depository are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

- Yes (please answer 21b)
 No (please answer 21a)
 Not applicable (please answer 21a)
 Other (please answer 21a)

21b. Please confirm the basis for the arrangements in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants. (Choose all that apply.)

- Relevant Law and Regulation (please answer 21d)
 Standard participation contract (please answer 21d)
 Established terms and conditions of participation (please answer 21d)
 By-laws of the depository (please answer 21d)
 Rules of the depository (please answer 21d)
 Other (please answer 21c)

21d. For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or depository rule(s), participation condition(s), or participant contract provision(s), as applicable.

Please see Law on the government debt - Art.35 (4),(5) and Ordinance No. 5 - Art.24 (1).

22. How does the depository notify participants of material changes to the conditions of participation? (Choose all that apply.)

- By e-mail
 By telephone

- By public announcement
- By press release
- Other (please answer 22a)
- Not applicable

22a. Please explain:

by letters, web site

Governance of Participants

23. Who enforces compliance with the depository's conditions of participation? (Choose all that apply.)

- The depository
- The exchange
- The depository's regulator
- Other (please answer 23a)
- Not applicable

23a. Please explain:

The Central bank together with the Ministry of Finance enforce compliance with the depository's conditions of participation.

24. What enforcement actions are available to the enforcement authority? (Choose all that apply.)

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Other (please answer 24a)
- Not applicable

25. Has there been any such enforcement actions in the last three years?

- Yes (please answer 25a)
- No
- Not applicable
- Other (please answer 25b)

25a. If yes, please explain, including information relative to any suspensions of depository participants:

25b. If other, please explain:

Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution.

26. For which of the following security types do you serve as a depository or clearing system? (Choose all that apply.)

- Government securities
- Equities
- Corporate bonds
- Corporate money market instruments
- Others (please answer 26a)
- Not applicable

27-1. For all instrument types eligible for settlement in your depository, please confirm if settlement is compulsory by law or compulsory by market practice, or both? (Choose all that apply.)

- Yes by law for all instrument types (please answer 27-1a)
- Yes by market practice for all instrument types (please answer 27-1b)
- Yes by law and by market practice, for all instrument types (please answer 27-1b)
- Varies by instrument, please specify (please answer 27-1c)

**27-1a. Please list the instrument types for which it is not compulsory by law to:
(i) settle in your depository**

Equities, corporate bonds, corporate money market instruments, etc. are not permitted to settle in our depository.

(ii) safekeep in your depository:

Equities, corporate bonds, corporate money market instruments, etc. are not permitted to safekeep in our depository.

27-2. For all instrument types eligible for safekeeping in your depository, please confirm if safekeeping is compulsory by law or compulsory by market practice, or both? (Choose all that apply.)

- Yes by law for all instrument types (please answer 27-2a)
- Yes by market practice for all instrument types (please answer 27-2b)
- Yes by law and by market practice, for all instrument types (please answer 27-2b)
- Varies by instrument, please specify (please answer 27-2c)

**27-2a. Please list the instrument types for which it is not compulsory by law to:
(i) settle in your depository**

Equities, corporate bonds, corporate money market instruments, etc. are not permitted to settle in our depository.

(ii) safekeep in your depository:

Equities, corporate bonds, corporate money market instruments, etc. are not permitted to safekeep in our depository.

28. Settlement and Safekeeping Percentages

28a. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your depository, exclusive of your links with third parties. (e.g. 60% of all bonds in the total market is settled within your depository, whereas 40% is settled outside of your depository.)

Bulgarian government securities - 100%

The Government Securities Depository's activities are limited to government securities issued on the domestic market.

28b. Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) safekept within your depository, exclusive of your links with third parties. (e.g. 60% of all bonds in the total market is safekept within your depository, whereas 40% is safekept outside of your depository.)

Bulgarian government securities - 100%

29. Are there any settlement/operational activities performed by a third party on behalf of the depository for the depository participants?

Yes (please answer 29a)

No

29i. If other, please explain:

30. Has any participant suffered any losses in the past three years due to the depository's performance?

Yes (please answer 30a)

No

Not applicable

Other (please answer 30m)

30c. Corporate Action. Please specify total loss in USD:

30e. Settlement Process - Securities. Please specify total loss in USD:

30g. Settlement Process - Cash. Please specify total loss in USD:

30i. System Outage. Please specify total loss in USD:

30k. For Other, please specify number of instances:

30l. For Other, please specify total loss in USD:

30m. If other, please explain:

Other Services

31. Who accepts cash deposits (or makes payment credit accommodations) for depository transactions? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 31a)
- Neither/others (e.g. credit lines used please answer 31b)
- Not applicable

32. Who processes cash clearing (or draws on credit lines, if applicable) for depository transactions? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 32a)
- Neither/others (please answer 32b)
- Not applicable

33. Who manages the movement of cash for cash deposits (or draws on credit lines, if applicable)? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository (please answer 33a)
- Neither/others (Please answer 33b)
- Not applicable

34. Who manages the movement of cash for cash clearing (or for draws on credit lines, if applicable)? (Choose all that apply.)

- Depository
- Central Bank
- Banks appointed by depository. (please answer 34a)
- Neither/others (please answer 34b)
- Not applicable

35. Please indicate services you provide. (Choose all that apply.)

- Information in advance on corporate (annual or special) meetings in order that owners can vote.
- Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- In order to avoid fails, an automatic securities lending facility - if requested - is provided for. (please answer 35a)
-
- Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc. Please provide details. (please answer 35c)
- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Other (please answer 35d)
- Not applicable

35c. Collateral Handling: please provide details:

See Chapter Three and Chapter Four of Ordinance No.5; Art. 19 of Ordinance No. 31

35d. If other services, please explain:

'Government Securities Market' (quarterly data); Actual information about the volume and prices of GS transactions in the interbank market, published daily on the website of the BNB.

36. What procedures are in place for the processing of corporate action entitlements? (Choose all that apply.)

- Credited to the securities account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 36a)
- Credited to the securities account upon actual receipt by the depository.
- Corporate action entitlements are handled by an entity separate from the depository. (please answer 36c)
- Not applicable
- Other (please answer 36d)

37. What procedures are in place for the processing of interest and dividends?(Choose all that apply.)

- Credited to the cash account on the day indicated below regardless of whether actually collected by the depository on the scheduled date. (please answer 37a)
- Credited to the cash account upon actual receipt by the depository.
- Income and dividend collection is handled by an entity separate from the depository. (please answer 37c)
- Not applicable
- Other (please answer 37d)

37a. Credited to the cash account: (Choose all that apply.)

- On pay date.
- On pay date +1.
- On pay date +2.
- Other (please answer 37b)

Linkages With Other Central Securities Depositories (CSD) or International Central Securities Depositories (ICSD)

38. Please list all depositories or settlement systems to which you have an electronic link (note: this excludes institutions where you only hold accounts without further system linkage).

At present we have an electronic link with an ICSD (Clearstream Banking S.A., Luxembourg (CBL)) and with a CSD (Central Depository AD (CDAD) - Bulgaria).

39. Are procedures and controls in place to avoid systemic collapse or contamination if one of the depositories and settlement systems should experience business interruptions for whatever reason?

- Yes (please answer 39a)
- No (please answer 39a)
- Other (please answer 39a)
- Not applicable

39a. Please explain:

Electronic links with above mentioned entities are established via dedicated connections. Connections are secured and separated by firewalls.

40. Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

- Yes No (please answer 40a)
 Other (please answer 40a) Not applicable

ACCOUNT STRUCTURES AND RECORDKEEPING

The purpose of this section is to identify the nature of accounts; the naming convention is employed, the level of segregation achieved, accessibility in the event of bankruptcy and the frequency of reporting generated from them.

41. Are participants permitted to maintain more than one account at the depository?

- Yes (please answer 41a)
 No
 Not applicable
 Other (please answer 41d)

41a. If yes, please indicate number: (Choose one.)

- An unlimited number of accounts.
 More than one account (please answer 41b and indicate how many)
 Other (e.g. subaccounts) (please answer 41c)

41c. If other, please explain:

The BNBGSSS government securities settlement accounts are as follows:

- government securities owned by the BNBGSSS participants' account,
- government securities owned by clients of BNBGSSS participants' omnibus account,
- encumbered government securities owned by BNBGSSS participants' account within which there are sub-accounts, identifying through specific codes particular assets by number of issue, tenor, currency, type of pledge, etc.

42. Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

- Yes (please answer 42a)
 No
 Not applicable
 Other (please answer 42d)

42a. If yes, is segregation required or simply permitted?

- Required (please answer 42b)
 Permitted (please answer 42b)
 Other (please answer 42e)

42b. How does segregation occur? (Choose all that apply.)

- Segregated (By separately designated beneficial owner accounts.)
 Omnibus (By separately designated participant accounts)
 Omnibus with sub-account (By sub-accounts within a single participant account.)
 Other - e.g. share registration (please answer 42c)

43-1. Is the nominee account concept being recognised in your market?

- Yes
 No

43-2. If yes, does the depository permit its participants to open accounts in the participant's own nominee name(s)?

- Yes (please answer 43a)
- No
- Other (please answer 43b)
- Not applicable

44. In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible:

44a. By the participant's clients?

- Yes (please answer 44b)
- No
- Other (please answer 44c)

44b. If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

A procedure of transferring clients' portfolio to another participant is followed pursuant to Art. 36 of Ordinance No. 5.

44d. By the intervening authorities controlling insolvency or other proceedings?

- Yes (please answer 44e)
- No
- Other (please answer 44f)

44g. By the participant's creditors?

- Yes (please answer 44h)
- No
- Other (please answer 44i)

44j. By the depository's creditors?

- Yes (please answer 44k)
- No
- Other (please answer 44l)

44l. If other, please explain:

Not applicable.
The Government Securities Depository is not a separate legal entity. It operates under the structure of the BNB pursuant to the Law on the BNB and the Law on the Government Debt.

45. In what form does the depository maintain records identifying the assets of each participant? (Choose all that apply. Please "hover" over the below multi-select responses for clarification.)

- Computer file (please answer 45b)
- Hard copy (please answer 45b)
- Other (please answer 45a)

45b. In which format is the source data maintained?

Oracle Data Base

Response Necessary/Eligibility Question

46. Rule 17f-7 requires that an Eligible Securities Depository “provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account.”

Does the depository make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

- Yes (please answer 46b)
 No (please answer 46a and then proceed to 48)
 Other (please answer 46a)

46b. If yes, please indicate the scheduled frequency.

- Real time Quarterly
 Daily Annually
 Weekly Upon request
 Monthly Other (please answer 46c)

47. What is your document and record retention policy for documents and records described above in this section? (Choose one.)

- 6 months or less 7 years
 1 year 10 Years
 3 years Other (please answer 47a)
 5 years

47a. If other, please explain:

The records are retained for an unlimited amount of time, the documents are retained for 10 years.

SETTLEMENTS

The purpose of this section is to identify the model of settlement employed, the relationship between cash and securities, and the basis on which participants meet their obligations.

48. The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble (Please refer to details on the models within the "Help" section located below this question): (Choose all that apply.)

- Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. (please answer 48a) Not applicable
 Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. (please answer 48a) Other (please answer 48b)
 Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. (please answer 48a)

48a. Please briefly describe your settlement process, including how your settlement procedures may vary from the model chosen above (and as described below in the Help section)?

Securities and funds transfers are settled on a gross basis (trade by trade) in real time applying STP.

Question 48 Help:

Model 1 - Gross, Simultaneous Settlements of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds simultaneously on a trade-by-trade (gross) basis, with final (irrevocable and unconditional) transfer of securities from the seller to the buyer (delivery) occurring at the same time as final transfer of funds from the buyer to the seller (payment). The securities settlement system maintains securities accounts and funds accounts for participants. Transfer of securities and cash are made by bookentry.

Model 2 - Gross Settlements of Securities Transfers Followed by Net Settlement of Funds Transfers. These systems settle securities transfer instructions on a trade-for-trade (gross) basis, with final transfer of securities from the seller to the buyer (delivery) occurring throughout the processing cycle, but settle funds transfer instruction on a net basis, with final transfer of funds from the buyer to the seller (payment) occurring at the end of the processing cycle.

The securities settlement system maintains securities accounts for participants, but funds accounts are usually held by another entity (often a commercial bank or the central bank). Securities are transferred by book-entry, such transfer being final at the instant the entries are made on the securities settlement system's books. The corresponding funds transfers are irrevocable, but not final. During the processing cycle, the system calculates running balances of funds debits and credits, the balance being settled at the end of the processing cycle when the net debit and net credit positions are posted on the books of the commercial bank or central bank that maintains the funds accounts. Settlement of funds accounts may occur once a day or several times a day.

Model 3 - Simultaneous Net Settlement of Securities and Funds Transfers. These systems settle transfer instructions for both securities and funds on a net basis, with final transfer of both occurring at the end of the processing cycle. Settlement may occur once a day or several times a day. The securities settlement system maintains securities accounts for participants. Funds accounts may be maintained by another entity, either a commercial bank or the central bank.

During a processing cycle, running balances of debits and credits to funds and securities accounts are calculated. All funds and securities transfers are provisional until the end of the processing cycle, at which time book-entry transfer of securities take place. If and only if all participants have sufficient balances of funds and securities, final transfers of the net securities balances and net funds balances are executed.

49. Are the cash and security movements simultaneous (i.e. immediately with no time gap)?

- Yes Not applicable
 No (please answer 49a) Other (please answer 49c)

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OWNERSHIP OF SECURITIES

The purpose of this section is to determine how ownership of securities is represented, the ways the depository maintains ownership or control of securities held in the depository, and the extent to which ownership of assets held by the depository is separated from the proprietary assets of the depository.

50. How are depository eligible securities held by the depository?

- Securities in the depository are held in dematerialized form.
- Securities in the depository are held in certificated form.
- Other (please answer 50a)

51. If depository eligible securities are certificated, can depository eligible securities be held outside of the depository?

- All eligible securities must be held in the depository. (please answer 51b)
- Securities may move freely into and out of the depository. (please answer 51h)
- Once entered into the depository, eligible securities must remain in the depository. (please answer 51b)
- Certain designated securities may be held outside the depository. (please answer 51a)
- Not applicable
- Other (please answer 51k)

52. If securities are dematerialized:

May dematerialized security positions be re-certificated and held outside the depository?

- Yes (please answer 52a)
- No (please answer 52a)
- Not applicable
- Other (please answer 52j)

52a. Are the securities held: (Choose all that apply.)

- Through book-entry at the depository
- Through book-entry at a registrar or issuer (please answer 52b)
- Other (please answer 52k)

52d. If the securities held by the depository are recorded by book entry at the registrar, are the securities registered only to the depository, with the depository providing the function of recording ownership on a centralized basis for the market? (Choose all that apply.)

- Yes (please answer 52e)
- No (please answer 52g)
- Other (please answer 52l)

52e. If yes, how are securities held at the registrar for the account of the depository? (Choose one.)

- In the name of the depository
- In the name of a separate nominee of the depository
- Other (please answer 52f)

52f. Please describe:

In the name of the depository's participant.

52i. If the securities held with the depository are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the depository (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

A daily reconciliation procedure is in place. See also Ordinance No. 5 - Art.16(2), Art. 18, Art. 21(3,4), Art. 23, Art. 24, Art. 33(4), Art. 35(4) and Rules and Procedures for the Use of the Government Securities Registration and Settlement System at the BNB – BNBGSSS.

52k. If other, please explain:

The Bulgarian National Bank's Government Securities Settlement System (BNBGSSS) is an integrated system, which comprises an Electronic System for Registration and Servicing of Trade in Government Securities (ESROT) and a System of Government Securities Settlement Accounts (GSSS) connected through a direct interface for automated data exchange. Cash transfer in relation to GS transactions in BGN and EUR is carried out through the Bulgarian RTGS system (RINGS) and TARGET2-Securities (T2S) in TARGET respectively.

Response Necessary/Eligibility Question

53. Rule 17f-7 requires that an Eligible Securities Depository “maintains records that identify the assets of each participant and segregate the system's own assets from the assets of participants.”

Does the depository maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

- Yes
- No
- Not applicable (please answer 53a)
- Other (please answer 53a)

53a. If not applicable or other, please explain:

The government securities depository maintains records that identify the assets of each participant but it does not possess its own assets.

54. Does the law protect participant assets from claims and liabilities of the depository?

- Yes
- No
- Not applicable
- Other (please answer 54a)

55. Can the depository assess a lien on participant accounts? (A lien would entitle the depository to take and hold or sell the securities of the participant in payment of a debt.) (Choose all that apply.)

- Yes, for proprietary accounts (please answer 55a)
- Yes, for client designated accounts (Please answer 55b)
- No, liens are not applied

55c. Please describe highlighting any difference in approach between proprietary and client designated accounts.

55d. Please indicate the limits of this lien as indicated below: (Choose all that apply.)

- Liens are limited to securities in the course of purchase and sale transactions, but do not extend to settled positions.
- Clients fully settled positions are protected from placement of Liens other than where there is a court order.
- Other (please answer 55g)

55e. If a lien is placed on a participant's account which has been designated for its clients, will the depository select certain securities to be subject to the lien?

- Yes (please answer 55f)
- No (please answer 55h)
- Other (please answer 55n)

55g. Please explain:

55i. If other, please describe:

55j. For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

- Yes (please answer 55k)
- No
- Other (please answer 55m)

55l. Please explain:

55m. If other, please explain:

n/a
Liens are not applied.

56. Transfer of Legal Ownership

Does the depository have legal authority to transfer title to securities?

- Yes (please answer 56a)
- No
- Not applicable
- Other (please answer 56e)

56a. When does title or entitlement to depository securities pass between participants? (Choose one.)

- At the end of the business day on which the transfer occurs. (please answer 56c)

- When corresponding money or other consideration is transferred. (please answer 56c)
- When the transaction is processed on an intra-day basis. (please answer 56c)
- Other (please answer 56b)

56c. Where does title or entitlement to depository securities pass between participants? (Choose one.)

- On the depository books
- On the registrars books
- Other (please answer 56d)

56e. If other, please explain:

HANDLING OF SECURITIES OUTSIDE THE DEPOSITORY ENVIRONMENT

The purpose of this section is to consider the process (and any risk inherent within such a process) that involves the safekeeping of client assets while they are being removed from a depository and being lodged into a depository.

57. How are eligible securities lodged (that is, placed) in the depository system? (Choose all that apply.)

- A registered certificate in the name of the depository is delivered to the depository.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the depository which then effects registration.
- A registrar re-registers the security in the name of the depository.
- Other (please answer 57a)
- Not applicable

58. When are securities lodged into the depository reflected in a participant's depository account? (Choose all that apply.)

- Securities are reflected in the participant depository account immediately upon delivery to the depository.
- Securities are re-registered prior to being reflected in the participant's depository account.
- Other (please answer 58a)
- Not applicable

59. How long does it usually take to lodge securities with the depository? (Choose one.)

- 1 to 2 days
- 3 days to 1 week
- 2 to 4 weeks
- More than 4 weeks (please answer 59a)
- Not applicable
- Other (please answer 59b)

60. During the process of lodging securities into the depository, can the securities: Be traded?

- Yes
- No (please answer 60c)
- Not applicable
- Other (please answer 60c)

60a. During the process of lodging securities into the depository, can the securities: Be settled?

- Yes
- No (please answer 60d)
- Not applicable

Other (please answer 60d)

60b. During the process of lodging securities into the depository, can the securities: Have ownership transferred?

Yes

No (please answer 60e)

Not applicable

Other (please answer 60e)

61. Are securities immediately available for delivery upon transfer to the depository?

Yes

No (please answer 61a)

Not applicable

Other (please answer 61d)

62. Please describe briefly the arrangements/procedures/facilities you maintain to ensure that eligible securities held at the depository are handled at least as efficiently as compared to securities held outside the depository, particularly in relation to income, corporate actions and proxy services.

63. What transfer process steps are involved when eligible securities are withdrawn from the depository for safekeeping? (Choose one.)

Securities are re-registered into the name of the beneficial owner or a nominee.

Securities are re-certificated and re-registered into the name of the beneficial owner or a nominee.

Securities are re-certificated and delivered as bearer instruments.

Securities are transferred as is any physical delivery in the market.

Other (please answer 63a)

Not applicable.

64. How long does it usually take to remove securities from the depository? (Choose one.)

1 to 2 days

3 days to 1 week

2 to 4 weeks

More than 4 weeks (please answer 64a)

Not applicable

Other (please answer 64b)

65. While the securities are being removed from the depository, can they:

65a. Be traded? (Choose one)

No (please answer 65b)

Not applicable

Yes

Other (please answer 65b)

65c. Be settled?

No (please answer 65d)

- Not applicable
- Yes
- Other (please answer 65d)

65e. Have ownership transferred?

- No (please answer 65f)
- Not applicable
- Yes
- Other (please answer 65f)

STANDARD OF CARE

The purpose of this section is to understand the responsibility and liability that the depository has in providing services to its participants/members in the settlement and clearing of securities and/or cash, and to understand what type of protections exist for participants in the event of a participant failure/default.

Depository Liability

66. Does the depository accept liability (independent of any insurance coverage) for the following:

66a. Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

- No
- Not applicable
- Yes (please answer 66b)
- Other (please answer 66d)

66b. If yes, please check all of the following that apply:

- Financial limits are imposed on the amount of liability assumed by the depository
- The depository assumes liability for direct losses
- The depository assumes liability for indirect or consequential losses
- Other (please answer 66c)

66e. Theft of securities (either physical certificate or electronically from accounts at the depository) from the depository that result in direct damages or losses to participants?

- No
- Yes (please answer 66f)
- Not applicable
- Other (please answer 66h)

66f. If yes, please check all of the following that apply:

- Financial limits are imposed on the amount of liability assumed by the depository
- The depository assumes liability for direct losses
- The depository assumes liability for indirect or consequential losses
- Other (please answer 66g)

66i. Failure of the depository's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

- No
- Yes (please answer 66j)
- Not applicable
- Other (please answer 66l)

66j. If yes, please check all of the following that apply:

- Financial limits are imposed on the amount of liability assumed by the depository
- The depository assumes liability for direct losses
- The depository assumes liability for indirect or consequential losses
- Other (please answer 66k)

66m. Any direct damages or losses to participants caused by the depository due to its errors, omissions or fraud?

- No
- Yes (please answer 66n)
- Not applicable
- Other (please answer 66p)

66n. If yes, please check all of the following that apply:

- Financial limits are imposed on the amount of liability assumed by the depository
- The depository assumes liability for direct losses
- The depository assumes liability for indirect or consequential losses
- Other (please answer 66o)

66q. Any direct damages or losses to participants caused by the depository in its capacity as a central counterparty?

- No
- Not applicable
- Yes (please answer 66r)
- Other (please answer 66t)

66u. Does the depository guaranty settlement?

- No
- Yes (please answer 66v)
- Not applicable
- Other (please answer 66w)

66x. Any direct damages or losses to participants caused by the depository as a result of force majeure events, acts of God, or political events, etc.?

- No
- Yes (please answer 66y)
- Not applicable
- Other (please answer 66-1)

66-2. In all cases where the depository assumes responsibility for direct or indirect or consequential losses, is the depository's liability limited by a standard of care determination?

- No
- Yes (please answer 66*)
- Not applicable
- Other (please answer 66!)

66*. Please define the standard of care applied:

In accordance with the general principles of the Bulgarian civil law; see also Art. 24 of Ordinance No. 31.

67. Do the depository's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the depository in the form of?

67a. Indemnification

- Yes (please answer 67b)
- No
- Other (please answer 67b)
- Not applicable

67d. Insurance

- Yes (please answer 67e)
- No
- Other (please answer 67e)
- Not applicable

67g. Acknowledgement of liability for losses caused by depository's own actions.

- Yes (please answer 67h)
- No
- Other (please answer 67h)
- Not applicable

67h. Please explain (then please answer 67i):

In accordance with the general principles of the Bulgarian civil law.

67i. Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

67j. Other

- Yes (please answer 67k)
- No

68. Is the depository immune from legal action in its own jurisdiction?

- Yes
- No
- Other (please answer 68a)

Security Control

69. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts? (Choose all that apply.)

- By direct electronic link
- By receipt of physical account holding statements
- Other (please answer 69a)
- Not applicable

69a. Please explain:

Participants are able to monitor the status of their transactions during the day and to receive reports for settlement status and statements of their holdings via web interface and SWIFT messages.

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70. Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

- Yes (please answer 70a)
- No
- Other (please answer 70d)
- Not applicable

71. Regarding data security:

71a. Are passwords used by participants to access their accounts?

- Yes
- No
- Not applicable
- Other (please answer 71b)

71b. If other, please explain:

Participants use qualified digital certificates, as provided by the relevant law, for access to their accounts.

71c. Does each user have a unique user ID?

- Yes
- No
- Not applicable
- Other (please answer 71d)

71e. Are passwords regularly changed?

- Yes (please answer 71f)
- No
- Not applicable
- Other (please answer 71g)

71h. Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

- Yes (please answer 71i)
- No
- Not applicable
- Other (please answer 71j)

71i. How many? 3

72. Does the depository communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

- Yes (please answer 72a)

- No (please proceed to 74)
- Not applicable (please proceed to 74)
- Other (please answer 72a)

72a. Please explain:

The depository communicates with:

- the Bulgarian Real-Time Gross Settlement System,
- TARGET2-Securities for settlement of EUR-denominated Bulgarian government securities,
- Multilateral Trading System E-Bond Bulgaria Operated by BLOOMBERG TRADING FACILITY B. V.,
- Bulgarian Stock Exchange (BSE).

73. How does the depository communicate with other market entities?

73a. Stock Exchanges (Choose all that apply.)

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper/other
- Not applicable

73b. Payment Systems (Choose all that apply.)

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper/other
- Not applicable

73c. Clearing Houses (Choose all that apply.)

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper/other
- Not applicable

73d. Registrars (Choose all that apply.)

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper/other
- Not applicable

74. How is access to the physical building controlled? (Choose all that apply.)

- By guards
- By electronic keys/personal ID card
- By alarm system
- Other (please answer 74a)

74a. Please explain:

by video surveillance system; by system for automatic registration of the visitors; by physical barriers

75. What are the vault security procedures for the safekeeping of physical paper? (Choose all that apply.)

- Not applicable no vault is maintained
- Electronic keys/combinations
- Dual access control
- Visitor logs
- Vault counts (please answer 75a)
- Intrusion alarms
- Fire alarms
- Guards
- Other (please answer 75b)

75b. Please explain:

video surveillance system; physical protection

Participant Default Protections Resulting from a Participant Failure

76. If a participant defaults, how and by whom is the loss covered? (Choose all that apply?)

- CCP covers the loss
- Depository insurance covers the loss (please answer 76a)
- The depository guaranty fund covers the loss
- Loss is shared among participants (please answer 76b)
- Other/Not applicable (please answer 76d)

76d. Please explain:

Refer to art. 6 of Ordinance N°5 on the terms and procedure for acquisition, registration, redemption and trade in government securities.

77. During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

- Yes (please answer 77a)
- No
- Not applicable
- Other (please answer 77a)

78. Does the depository have a guaranty fund independent of stock exchange or other market guarantees?

- Yes (please answer 78a)
- No (please proceed to 79)
- Not applicable (please proceed to 79)
- Other (please answer 78l)

78d. How is the fund financed? (Choose one.)

- Contributions from owner (please answer 78e)
- Contributions from participants (please answer 78f)
- Funding from retained earnings
- Other (please answer 78g)

78h. Who is covered by the fund? (Choose all that apply.)

- Direct depository participants only
- The beneficial owner also
- Other (please answer 78i)

78j. When is the guaranty fund used? (Choose all that apply.)

- When a broker defaults
- When a direct participant defaults
- Other (please answer 78k)

79. Does the depository have forms of oversight management for assessing and monitoring of the following? (Choose all that apply.)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Participant eligibility requirements | <input checked="" type="checkbox"/> Settlement controls that minimize or eliminate the risk of default by a participant (please answer 79d) |
| <input checked="" type="checkbox"/> Participant volumes | <input checked="" type="checkbox"/> Blocking of securities movement before receipt of payment |
| <input checked="" type="checkbox"/> Participant financial strength | <input type="checkbox"/> Blocking payment until securities are moved |
| <input type="checkbox"/> | <input type="checkbox"/> |
| Other loss or default protections the depository maintains (please answer 79a) | Other forms of risk management used for assessing and monitoring participant exposures (please answer 79i) |
| <input type="checkbox"/> Collateral requirements for participants (please answer 79b) | <input type="checkbox"/> Not applicable (please answer follow up question) |
| <input type="checkbox"/> Debit caps for participants (please answer 79c) | |

79-2: Please provide the risk management framework (attachment, link etc.)

The BNB, as Government Securities Depository's operator, applies adequate policies, rules and procedures to ensure the effective management of the risks inherent in the BNBGSSS and its participants. All types of risks that might affect BNBGSSS are thoroughly examined and are reviewed regularly.

URL Link:

79d. What type or types of settlement controls (Choose all that apply.)

- Blocking or freezing of securities positions (please answer 79e)
- Controlling DVP settlement (please answer 79f)
- Simultaneous DVP (please answer 79g)
- Other (please answer 79h)

79e. Please explain:

Securities positions are blocked before receipt of payment.

79f. Please explain:

See Ordinance No. 5 - Art. 15(3,4), Art. 18, Art. 21, Art. 35 (4), Art. 43, Art. 51; See also Ordinance No. 31 - Chapters 3, 4 and 5.

79g. Please explain:

DvP - model 1

80. Does the stock exchange have default protections that extend to the depository, such as the following? (Choose all that apply.)

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- Other (please answer 80a)
- No
- Not applicable

BUSINESS RECOVERY PLAN

This section is intended to identify key aspects of the depository's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP.

81. Do you have a formal business recovery plan?

- Yes (please answer 81a)
- No
- Other (please 81g)

81a. Does your Business Recovery Plan include: (Choose all that apply.)

- Back-up of all computer files
- Off-site operations facility
- Digital/electronic signing of documentation
- Off-site data storage
- Remote working ability
- Other (please answer 81h)
- Back-up files stored and locked

81b-1. Please identify the frequency of testing for the following third party:

- Depository participants/members

Annually

81b-2. Please identify the last date of testing for the following third party:

- Depository participants/members

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81c-1. Please identify the frequency of testing for the following third party:

- Stock exchange

Annually

81c-2. Please identify the last date of testing for the following third party:

- Stock exchange

81d-1. Please identify the frequency of testing for the following third party:

- Central bank

Annually

81d-2. Please identify the last date of testing for the following third party:

- Central bank

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81e-1. Please identify the frequency of testing for the following third party:

- Local brokers

Not applicable

81e-2. Please identify the last date of testing for the following third party:

- Local brokers

Not applicable

81f-1. Please identify the frequency of testing for the following third party:

- Any other third party

Not applicable

81f-2. Please identify the last date of testing for the following third party:

- Any other third party

Not applicable

82. How quickly can the main system be reactivated in the event of an outage? (Choose one.)

- 1 - 4 hours Longer than 24 hours
 4 - 8 hours Not applicable
 8 - 24 hours Other (please answer 82a)

83. If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing? (Choose one.)

- 1 - 4 hours Longer than 24 hours
 4 - 8 hours Not applicable
 8 - 24 hours Other (please answer 83a)

84. Will the depository publicly announce any system interruption?

- Yes (please answer 84a)
 No (please proceed to 85)
 Not applicable
 Other (please answer 84g)

84a. To whom will the depository disclose any system interruptions? (Choose all that apply.)

- To the depository regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet (please answer 84b)
- In the press (please answer 84c)
- Other (please answer 84d)

84e. How will the depository disclose any system interruptions? (Choose all that apply.)

- By e-mail
- By telephone
- Public announcement
- Press release
- Other (please answer 84f)

84f. Please explain:

by SWIFT

85. In the past three years, has it been necessary to activate the recovery plan in a live situation?

- Yes (please answer 85a)
- No
- Not applicable
- Other (please answer 85e)

85c. What was the impact to the market? (Choose all that apply.)

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- Other (please answer 85d)

PERFORMANCE, INSURANCE, AND LOSS

This section is intended to identify the level of insurance maintained by the depository, and the extent to which coverage would extend to financial loss incurred by participants and their clients, including but not limited to losses resulting from operating performance, security breaches, and employee negligence or misconduct.

86. Has there been any material loss by the depository during the past three years?

- Yes (please answer 86a)
- No
- Other (please answer 86b)
- Not applicable

87. Has the depository been subject to any litigation involving a participant during the past three years?

- Yes (please answer 87a)
- No
- Other (please answer 87b)
- Not applicable

88. Has the depository realized revenues sufficient to cover expenses during the past three years? (Choose one.)

- Yes for all three years
- Yes for two of the last three years
- Yes for one of the last three years
- None of the last three years
- Not applicable
- Other (please answer 88a)

89. Does the depository maintain a reserve for operating losses?

- Yes (please answer 89a)
- No
- Not applicable
- Other (please answer 89b)

89a. Please describe and indicate reserve amount:

As far as the GS Depository is an integral part of the Central bank.

90. Has the regulatory body with oversight responsibility for the depository issued public notice that the depository is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

- Yes (please answer 90a)
- No
- Not applicable
- Other (please answer 90f)

90b. In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the depository?

- Yes (please answer 90c)
- No (please answer 90d)
- Other (please answer 90e)

91. Please confirm whether you maintain insurance policies to cover any liabilities and indemnities that you may incur in connection to the services you provide.

- No insurance
- Insurance to cover losses in the event of Default on settlement commitments by the depository or a participant (please answer 91a)
-

Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty) (please answer 91b)

Insurance for Operational Errors and Error & Omissions (please answer 91c)

Insurance for the Premises (please answer 91d)

Other type of insurance (please answer 91e)

91d. What is the amount of the coverage and the amount of deductible? Please also indicate the currency.

75 077 264.86 BGN (for the period July 2025 - July 2026)

The amount of the coverage is for the whole Central bank.

The insured will have no participation in this insurance as self-indemnification.

92. This question was deleted during the 2025-2026 Project.

92a - 92c. These questions were deleted during the 2025-2026 Project.

93. This question was deleted during the 2025-2026 Project.

93a - 93c. These questions were deleted during the 2025-2026 Project.

94. This question was deleted during the 2025-2026 Project.

94a - 94c. These questions were deleted during the 2025-2026 Project.

95. This question was deleted during the 2025-2026 Project.

95a - 95c. These questions were deleted during the 2025-2026 Project.

96. This question was deleted during the 2025-2026 Project.

96a - 96d. These questions were deleted during the 2025-2026 Project.

97. Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

INSURANCE SOLE OWNER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD

97a. Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

n/a

97b. What is the term of the policy?

1 year coverage

97c. Who does the insurance cover? (Choose all that apply.)

- Depository
- Direct depository participants
- Final investors
- Other (please answer 97d)
- Not applicable

97d. If other, please identify:

Central bank

98. If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

98a. Upload document here:

PUBLIC AVAILABILITY

99. The AGC encourages respondents/depositories to make their answers to this questionnaire publicly available. Will you be making your response publicly available? (Please "hover"over the below multi-select responses for additional guidance.)

Yes (please answer 99a)

No

99a. If yes, how will you be making it publicly available: (Choose all that apply.)

Web site (please answer 99b)

By individual request with depository (please answer 99c)

Other (please answer 99i)

99b. Please provide web site address of publicly available questionnaire:

<http://www.bnb.bg/>

99d. How would they prefer to be contacted? (Choose all that apply.)

Telephone (please answer 99e)

Facsimile (please answer 99f)

By mail/air courier (please answer 99g)

By e-mail (please answer 99h)

99h. What is the preferred e-mail address for such requests:

koleva.v@bnbank.org

100. Association members from time to time receive requests from their direct investor-clients for an informational copy of a depository's completed questionnaire. Such requests typically lead to interactions between personnel at the depository in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories.

Do you approve of Association members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

Yes

No

CYBER SECURITY

101. Does your organization have a documented cybersecurity policy in place? If so, please provide a copy or overview.

Yes

No

Comments:

Policies are in place on the security and protection of information systems and information assets, on network security, as well as policies designed to enhance the employees' qualification and awareness about network and IT security. There is monitoring over information system security, and analysis of and response to cyber threats. Procedures are implemented for managing vulnerabilities and patching in information assets.

102. Please confirm that your staff receive relevant training about this policy:

Yes

No

Comments:

Every year all employees receive information security training and take a test.

103. Please confirm what topics are covered by your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

- IT Asset & Inventory Management IT Protective Security Technology Cyber Event Detection
 Architecture Management Access Management Incident Response and Recovery
 Change Management Logging, Monitoring, and Alerting Other (Please add comments)
 Security Awareness & Training

Comments:

104. In the last 12 months have there been any changes to the policy? If yes, please detail.

Yes

No

Comments:

105. Please advise how often you review the policy.

Semi-Annually

Annually

Other

Comments:

106. Please provide (as an attachment) a diagram showing where your cybersecurity function resides and who it reports to.

Comments:

Head of the BNB Information Security Division - > Director of the Bank Security and Protection of Classified Information Directorate -> Governor

107. How does your organization identify cyber risks to business functions?

- Enterprise Risk Management Framework
- Risk and Control Assessments
- External Reviews
- Other (Please add comments)

Comments:

108. Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches? If yes, please provide details and indicate frequency.

- Yes
- No

Comments / frequency:

Every 6 months the communication infrastructure is reviewed and the critical applications are tested with specialised scanners.

109. What technological controls and protections are in place for your systems and networks?

- Encryption of data at rest
- Intrusion detection systems
- Patch Management
- Encryption of data in transit
- Intrusion prevention systems
- User Access Controls
- Anti-virus software
- Firewalls
- Other (Please add comments)
- Aniti-malwear software

Comments:

110. Does your organization use multi-factor authentication?

- Yes
- No

Comments:

It is used only for specific critical systems.

111. Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

- Yes
- No
- Not applicable as no outsourcing

112. What measures does your organization have to ensure early detection of a cyber attack?

- Incident Response Plan
- Searching for user login patterns
- Logging of IT systems
- Other (please answer 112a)
- Searching for network traffic patterns

113. What is the agreed resumption time for critical operations following a cyber attack?

- 1 - 4 hours
- 8 - 24 hours
- Other (please answer 113a)
- 4 - 8 hours
- Longer than 24 hours

114. How would you advise clients of a successful cyber attack against your organization?

- By e-mail
- Public announcement
- Other (please answer 114a)
- By telephone
- Press release

114a. Other

Not applicable for the Central bank.

(If a cyber-incident occurs, the State e-Government Agency is informed in accordance with the Cybersecurity Act.)

115. In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

- Yes
- No

Comments:

116a. Are the following elements of your cybersecurity framework tested pre deployment of changes?

- Vulnerability
- Scenario based penetration tests
- Testing of incident response process and technical/business/operations (e.g. table-top exercise)

116b. Are the following elements of your cybersecurity framework tested post deployment of changes?

- Vulnerability
- Scenario based penetration tests
- Testing of incident response process and technical/business/operations (e.g. table-top exercise)

117. For cloud technology and associated cybersecurity risks, please confirm:

(i) that you have procedures and controls in place to protect our information from mishandling or theft;

(ii) how these procedures and controls tie back to your record retention policy

- Yes
- No
- Not applicable as cloud not used

118. Does your organisation have a cyber threat intelligence programme to understand and protect against a potential threat actor's motives, targets, and attack behaviors?

Yes

No

Comments:

119. Is your organization aware of SWIFT's Customer Security Program (CSP)?

Yes

No

Comments:

120. Does your organization ensure compliance with SWIFT's CSP controls?

Yes

No

Comments:

You have reached the end of the questionnaire. Please be sure your contact details are updated. Your contact information is located in the first section of Part One of the questionnaire.