

# Ordinance No 20\*

of the BNB

of 24 April 2019

## on Issuance of Approvals to Members of the Management Board (Board of Directors) and Supervisory Board of a Credit Institution and Performance Requirements for Their Duties

(Published in the Darjaven Vestnik, issue 40 of 17 May 2019)

### Subject

**Article 1.** This Ordinance shall establish:

1. the terms and procedure for issuing or refusing an approval under Article 11, paragraph 3 of the Law on Credit Institutions, as well as the necessary information and documents for issuance of an approval;
2. the criteria for ascertaining the availability of knowledge, skills and professional experience required for bank management;
3. the content of the policy for selection and assessment of suitability of members of the management board (board of directors) and supervisory board;
4. the requirements to the nomination committee under Article 73c (nomination committee) of the Law on Credit Institutions;
5. the requirements to the induction and training of members of the management board (board of directors) and supervisory board;
6. other requirements to the members of the management board (board of directors) and supervisory board in performing their duties;
7. the provision of information to the Bulgarian National Bank (BNB) on changes in the composition of management and controlling bodies;
8. the documents to be submitted in order to certify compliance with requirements to key function holders.

### Assessment of the Suitability of Members of the Management Board (Board of Directors) and Supervisory Board by Banks

**Article 2.** (1) Banks shall assess the individual suitability of nominees for members of the management body (board of directors) and supervisory board, taking into account whether they:

1. are of good repute;

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2. possess knowledge, skills and experience required for the respective position;
3. are able to perform their functions with honesty, integrity and independence;
4. are able to commit sufficient time to perform their functions.

(2) Banks shall assess the collective suitability of the management board (board of directors) and the supervisory board taking into account the possession of sufficient knowledge, skills and experience to ensure the risk management in bank's activities in view of its sound governance.

### **Terms of Issuance of an Approval to a Member of a Management Board or a Board of Directors of a Bank**

**Article 3.** The persons for whom such an approval is required in order to be elected members of the management board or the board of directors of a bank shall meet the requirements set out in Article 11, paragraph 1, item 1 and items 3–9 of the Law on Credit Institutions, as well as any of the following requirements:

1. they have held a management position in a banking or financial sector entity, or in an institution comparable to a bank for at least five years, while if the applicant has higher education in economics or law, an experience of at least three years on a management position is required;
2. they have held a management position for at least ten years in the financial management of non-financial sector entities whose assets are comparable to the value assets of the bank, and if they have higher education in economics or law, an experience of at least five years on a management position is required;
3. they have held a management position for at least ten years in the financial management of state institutions, and if they have higher education in economics or law, an experience of at least five years on a management position is required;
4. they have an academic rank (lecturer, research scholar) in the field of economics or law.

### **Terms of Issuance of an Approval to a Person under Article 10, Paragraph 1 of the Law on Credit Institutions**

**Article 4.** (1) The persons for whom such an approval is required in order to manage and represent a bank shall meet the requirements set out in Article 11, paragraph 1, item 1 and items 3–9 of the Law on Credit Institutions, as well as any of the following requirements:

1. for persons having higher education in law or economics: to have an experience of at least five years on a management position in an entity of the banking sector or in a company or institution comparable to a bank;
2. for persons not having higher education in law or economics: to have a professional experience of at least ten years in entities of the banking sector or in a company or institution comparable to a bank, and an experience of at least five years on a management position.

(2) The requirements under paragraph 1 shall also apply in issuing an approval to a procurator or a manager of a bank branch having its registered office in a third country.

### **Terms of Issuance of an Approval to a Member of a Supervisory Board of a Bank**

**Article 5.** (1) The persons for whom an approval is required in order to be elected members of a supervisory board of a bank shall cover fitness and propriety requirements necessary to hold the position, including qualifications and knowledge for effective performance of duties by participating in the structures established by the bank in connection with the requirements of Articles 73, 73b and 73c of the Law on Credit Institutions, and shall meet the requirements set out in Article 11, paragraph 1, items 3–8 of the Law on Credit Institutions, as well as any of the following requirements:

1. they have held a management position in a banking or financial sector entity, or in an institution comparable to a bank for at least three years;

2. they have held a management position for at least five years in the financial management of non-financial sector entities whose assets are comparable to the value assets of the bank, and if they have higher education in economics or law, an experience of at least three years on a management position is required;

3. they have held a position of a member of a management and/or controlling body for at least three years in non-financial sector entities whose assets are comparable to the value assets of the bank, in case the activities of such persons are connected with the business plan of the bank;

4. they have held a management position for at least five years in the financial management of state institutions, and if they have higher education in economics or law, an experience of at least three years on a management position is required;

5. they have an academic rank (lecturer, research scholar) in the field of economics or law.

(2) If a member of a supervisory board is a legal entity, the requirements under paragraph 1 shall apply to the individuals representing the entity in the supervisory body.

### **Other Requirements for Issuance of an Approval**

**Article 6.** (1) In order to receive an approval under Articles 3, 4 and 5, the person shall not hold at the same time more than one of the following combinations of positions:

1. one position of an executive member or a procurator or a manager and two positions of a member of a management board (board of directors), who is not an executive member, or a supervisory body member, or

2. four positions of a member of a management board (board of directors), who is not an executive member, or a supervisory body member.

(2) The positions under paragraph 1 held within entities of one and the same group under § 1, item 13 of the Additional Provisions of the Law on Supplementary Supervision on Financial Conglomerates shall count as one position. This shall also apply to positions in entities in which the bank holds a qualifying holding.

(3) Positions held in the management bodies of non-profit legal entities shall not count for the purposes of paragraph 1.

(4) When calculating the number of the positions held, items 49–57 of the Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2017/12), issued by the European Banking Authority and the European Securities and Markets Authority (hereinafter referred to as the EBA Guidelines) shall apply.

### **Application for Issuance of an Approval**

**Article 7.** (1) An approval shall be issued by the BNB upon submission of an application by:

1. the chairperson of the supervisory board of the bank: in the case of election of members of the management board;

2. the chairperson of the respective board or the shareholders when the proposal for election of members of management and/or controlling bodies is put on the agenda of the shareholders' general meeting: in the case of election of members of the board of directors and the supervisory board;

3. the chairperson of the competent management body: in case of authorisation of a procurator and assignment of bank's management and representation.

(2) The application shall be filed:

1. in the cases under paragraph 1, item 1: not later than 60 days prior to the meeting of the supervisory board;

2. in the cases under paragraph 1, item 2: not later than 60 days prior to the shareholders' general meeting;

3. in the cases under paragraph 1, item 3: not later than 60 days prior to the meeting of the respective body.

(3) The bodies (persons) under paragraph 1 shall carry out prior consultations on the application for issuance of an approval with the Deputy Governor heading the Banking Supervision Department.

(4) An application for issuance of an approval referred to in paragraph 1 may also be filed by a person who has applied for an approval to acquire directly or indirectly more than 50 per cent of the voting shares in a bank. The BNB shall take a decision on the application for issuance of an approval within the time limit for deciding on the application for acquisition; in this case, the time limit under Article 9, paragraph 1 shall not apply.

## Documents Required for Issuance of an Approval

**Article 8.** (1) The following documents shall be enclosed to the application for the approval of the persons under Articles 3 and 4:

1. a certified copy of the diploma for completed higher education with at least master's qualification degree;

2. an application for issuance of an approval signed by the respective person and a curriculum vitae, in which the person shall specify in detail his/her education, qualifications and professional experience, including the main functions related to the positions held;

3. documents certifying that the person has held a management position, including *inter alia*: a record of service, a document of the organisational structure of the entity or institution, a certificate issued by the Commercial Register or other similar bodies;

4. documents certifying the circumstances under Article 11, paragraph 1, items 3–8 of the Law on Credit Institutions;

5. a completed fit and proper question form in accordance with the appendix to this Ordinance;

6. a document showing the results of the individual suitability assessment of the person;

7. a document showing the results of the collective suitability assessment of the respective board, including the specific functions of board members and a definition of the role in the board of the person for whom an approval is sought;

8. a record on a paid supervision charge under Article 14;

9. other documents required under Article 9, paragraph 2.

(2) Persons graduated from higher schools abroad shall submit a certified transcript of the diploma of completed higher education with at least master's qualification degree in a foreign higher school recognised by the competent government body in the corresponding country as part of its secular higher education. The Deputy Governor heading the Banking Supervision Department may request a certificate of recognition of higher education issued under the Ordinance on state requirements for recognition of higher education and completed courses of education in foreign higher schools (Darjaven Vestnik, issue 69 of 2000).

(3) The documents under paragraph 1, items 2–9 shall be enclosed to the application for issuance of an approval for persons under Article 5 and if legal persons are elected supervisory board members, a certificate issued by the respective court concerning the entry in the Commercial Register, and an extract copy of the resolution of the competent body for determining the individual who will represent the legal entity in the supervisory board of the bank.

(4) Banks shall perform an assessment of the collective suitability of the management board (board of directors) and supervisory board by using either the matrix template included in Annex 1 to the EBA Guidelines or their own methodology in line with the criteria set out in these Guidelines.

(5) In the cases where the bank has used its own methodology to perform the collective suitability assessment, it shall also provide information on this methodology.

### **Issuance of an Approval**

**Article 9.** (1) The Bulgarian National Bank shall issue or shall refuse an approval within 60 days after all required documents under Article 8 have been submitted.

(2) The Deputy Governor heading the Banking Supervision Department and/or persons authorised by him/her may interview the applicant or require additional documents (including references) to be provided within a time limit set by them, where they consider that the submitted documents do not contain sufficient information on the qualifications and professional experience in banking, or on the fitness and propriety of the person.

(3) In conducting the fit and proper assessment, the information from the Register of administrative sanctions kept by the European Banking Authority (EBA) shall be taken into account.

(4) The approvals issued under this Ordinance shall grant the right of holding the relevant position in the bank specified in the approval and shall be effective from the date of entry in the Commercial Register or the register of non-profit legal entities of the person until the date of his dismissal from the position by the competent body of the entity or under the rules stipulated in Article 103 of the Law on Credit Institutions.

### **Re-election**

**Article 10.** Where the persons referred to in Articles 3 – 5 are re-elected for another term, a new approval shall not be issued, except where a change in the position held requires a new suitability assessment of the relevant person to be conducted.

### **A Refusal on Issuance of an Approval**

**Article 11.** (1) The Bulgarian National Bank shall refuse to issue an approval where the person does not meet the requirements set out in the Law on Credit institutions and this Ordinance or has not provided the required information and documents, or the submitted documents contain incomplete, contradictory or inaccurate information. A certified copy of the refusal shall be sent to the bank in which the position is applied for.

(2) The bodies (persons) under Article 7, paragraph 1 may renew the application for the issuance of an approval to the same person no earlier than a year after the entry into force of the act of refusal.

## **Provision of Information**

**Article 12.** (1) Within seven days after the date of enacting the decision, a person who has obtained an approval shall inform the BNB of the decision on entry, respectively on refusal of the entry of the person in the Commercial Register or the Register of non-profit legal entities.

(2) Persons who have obtained approvals shall notify in writing the BNB on any change in circumstances impeding the performance of their functions as specified in the approval.

(3) The notification under paragraph 2 shall be sent within seven days following the change in circumstances.

## **Register**

**Article 13.** Any issuance of an approval under this Ordinance shall be entered in a special public register kept by the Banking Supervision Department at the BNB.

## **Supervisory Fee for Consideration of Documents**

**Article 14.** (1) For considering the documents filed for issuing an approval under this Ordinance, a supervisory fee of BGN 1000 shall be collected and for assessing the suitability of a key function holder, a fee of BGN 500.

(2) The supervisory fee under paragraph 1 shall be paid by the bank applying for the issuance of an approval, respectively the appointment of a key function holder, and it shall not be subject to refund in case of a refusal to issue an approval.

## **Policy of Selection and Assessment of Suitability of Members of the Management Board (Board of Directors) and Supervisory Board**

**Article 15.** (1) The management body of the bank shall adopt and implement a policy of selection and assessment of the suitability of members of the management board (board of directors) and supervisory board, taking into account bank's size and internal organisation as well as the nature, scale and complexity of its activities.

(2) The policy shall include:

1. principles for the selection and assessment of suitability of members of the management board (board of directors) and supervisory board, including:

a) the process of selection and election of members of the management board (board of directors) and supervisory board, as well as internal procedures for assessing their suitability;

b) selection criteria for candidate members of the management board (board of directors) and supervisory board;

c) the manner in which principles and rules of promoting diversity in the management board (board of directors) and supervisory board in selecting candidates are taken into account;

d) documentation of the process of selection and election of each member of the management board (board of directors) and supervisory board;

e) provision of information to the BNB on changes in the management board (board of directors) and supervisory board;

2. principles and rules for promoting diversity in the management board (board of directors) and supervisory board which shall as a minimum contain:

a) criteria of diversity;

b) the target level of under-represented sex participation in the management board (board of directors) and supervisory board and the timeframe for its achievement.

(3) The policy under paragraph 1 shall also include selection and appointment of key function holders, including the posts which are key for governance, according to the bank.

(4) Principles and rules for promoting diversity under paragraph 2, item 2 shall take into account results of the comparative analyses published by the BNB, the EBA or other international bodies and organisations.

(5) The BNB Governing Council shall, at least on an annual basis, review and assess the policy under paragraph 1, and in case of established incompleteness or need for improvements, adopt relevant amendments, including in cases where the nomination committee or the internal audit unit have addressed recommendations for changes.

(6) Banks, financial holding companies, mixed financial holding companies and mixed-activity holding companies, subject to consolidated supervision by the BNB, shall also implement a policy for selecting and assessing the suitability of members of the management board (board of directors) and supervisory board in their subsidiaries, including those which are not covered by the Law on Credit Institutions.

### Nomination Committee

**Article 16.** (1) The nomination committee shall be composed of at least three persons who meet the requirements under Article 73c, paragraph 1 of the Law on Credit Institutions. As regards significant banks under § 1, item 8, letter 'a', the majority of the committee members shall be independent within the meaning of Article 10a, paragraph 2 of the Law on Credit Institutions.

(2) The nomination committee shall:

1. identify and recommend for selection by the supervisory board, and in a one-tier system of governance and in selecting members of the supervisory board by the general shareholder meeting, candidates for members of the management board (board of directors) and supervisory board, taking into account the balance of professional skills and knowledge, various qualifications and professional experience of the board members necessary for the bank management;



2. prepare a description of functions and requirements to candidates and set the time commitment expected in the work of the board of directors, the management and supervisory boards, respectively;

3. set up a target level of under-represented sex participation in the management board (board of directors) and supervisory board and develop a policy for increasing the number of under-represented persons to achieve the target; the level, policy and its implementation shall be disclosed in accordance with Article 435, paragraph 2, letter 'c' of Regulation (EU) No 575/2013;

4. periodically analyse, but at least once a year, the structure, composition, number of the members, and performance of the management board (board of directors) and supervisory board and make recommendations with regard to any changes;

5. periodically analyse, but at least once a year, the knowledge, skills and experience of the management board (board of directors) and supervisory board as a whole and of their individual members and report this to each of them;

6. periodically review the policy of the management board (board of directors) for selection and appointment of senior management and make recommendations to it.

(3) The functions of the nomination committee under paragraph 2 of banks which are not significant and have not established such a committee shall be performed by the members of the supervisory board, the members of the board of directors, respectively, who are not executive members.

(4) In performing its duties, the nomination committee shall periodically take into account the need to ensure that the management board's (board of directors') and supervisory board's decision-making process is not influenced by an individual person or a small group of persons in a manner which is detrimental to the bank's interests.

(5) The nomination committee may use all necessary resources it deems appropriate, including external advice, and shall receive appropriate funding to this effect.

(6) The nomination committee shall have a right of access to all relevant information it needs to perform its functions.

(7) The nomination committee shall use a wide range of knowledge and skills in selection of candidate members of the management board (board of directors) and supervisory board.

(8) The nomination committee shall prepare a provisional agenda of its meetings and draw up a protocol of its approved decisions.

(9) The Bulgarian National Bank shall analyse the information disclosed under Article 435, paragraph 2, letter 'c' of Regulation (EU) No 575/2013 and use it to compare practices with regard to diversity. The Bulgarian National Bank shall provide this information to the EBA.

## **Requirements to the Members of the Management Board (Board of Directors) and Supervisory Board in Performing Their Functions**

**Article 17.** (1) Members of the management board (board of directors) and supervisory board shall perform their functions with honesty, integrity and independence of mind to effectively challenge the decisions of the senior management and exercise effective control and oversight of management decision-making.

(2) Members of the management board (board of directors) and supervisory board shall allocate sufficient time to perform their functions in managing the bank.

## **Organisation of Management and Controlling Bodies**

**Article 18.** (1) Responsibilities and specific functions of the members of management and controlling bodies of the bank shall be clearly specified and distributed between individual members and committees established by the bank.

(2) Responsibilities of the members of the board of directors shall be divided into duties related to management (executive) functions and duties related to supervisory functions.

(3) Members of management and controlling bodies shall interact with each other effectively in performing their management and supervisory functions.

(4) Decision-making of a management or controlling body shall not be dominated by one person or a small group of members within the body.

## **Induction and Training of the Members of the Management Board (Board of Directors) and Supervisory Board**

**Article 19.** (1) The bank shall ensure adequate human and financial resources to the induction and training of members of the management board (board of directors) and the supervisory board.

(2) The management body of the bank shall adopt a policy on induction and training of members of the management board (board of directors) and supervisory board.

(3) The policy shall include at least:

1. the objectives of induction and training;
2. responsibilities in developing a training programme;
3. financial and human resources for training;
4. the procedure under which members of the management board (board of directors) and supervisory board can require induction and training.

(4) The management body of the bank shall review at least annually and update, where necessary, the induction and training policy, taking into account changes in the management of the bank and its activities, as well as the applicable legislation and financial market developments.

(5) The bank is obliged to provide the new members of the management board (board of directors) and supervisory board with detailed information on the struc-

ture, business model and risk profile of the bank, as well as adopted management policies and internal rules not later than one month after their election.

(6) The bank shall develop and adopt a procedure for assessing the areas where training is required for individual members of the management board (board of directors) and supervisory board, as well as the boards as a whole.

### **Provision of Information to the BNB**

**Article 20.** (1) Banks shall present to the BNB the policies under Article 15 and Article 19, paragraph 2 within ten days from their adoption, or their amendment, respectively.

(2) Banks shall notify the BNB within ten days of decision-making or occurrence of the respective circumstance of:

1. re-election of a member of the management board (board of directors) and supervisory board in the cases under Article 10;
2. appointment of key function holders;
3. dismissal of members of the management board (board of directors), supervisory board and of a key positions;
4. changes in independent members.

(3) The bank shall enclose to the notification under paragraph 2, item 2 the following documents:

1. a certified copy of the diploma for completed higher education with at least master's qualification degree;
2. a curriculum vitae, in which the said person shall specify in detail his/her education, qualifications and professional experience, including the main functions related to the positions held;
3. documents certifying the circumstances under Article 11, paragraph 1, items 3–8 of the Law on Credit Institutions;
4. a document on results of the individual suitability assessment of the person;
5. a document on a paid supervision fee under Article 14;
6. other documents certifying suitability of the person for the post.

### **Additional Provisions**

§ 1. Within the meaning of this Ordinance:

1. 'persons holding a management position' shall be:
  - a) members of management, executive or controlling bodies of a legal entity specified in a law, Articles of Association or other statutory act;
  - b) procurators;
  - c) positions which according to the internal structure of an institution or other entity include management and controlling functions in structural units related directly to the implementation of the major activity and functions of the institution or to the major subject of activity of the company or entity;
2. 'banking sector entities' shall be: central banks, domestic and foreign banks;

3. 'financial sector entities' shall be:

- a) regulated markets, the Central Depository, investment intermediaries, investment, management companies and financial vehicle corporations;
- b) insurance and reinsurance undertakings, health insurance corporations;
- c) companies carrying out activities related to supplementary social insurance;
- d) specialised auditing enterprises with a registered office in Bulgaria qualified as banks' auditors;
- e) financial institutions, entered into the Register under Article 3, paragraph 2 of the Law on Credit Institutions or licensed or registered under another law;
- f) electronic money institutions;
- g) payment system operators;
- h) foreign persons having a legal status of entities under items 'a' to 'g' in accordance with the legislation of the respective country;

4. 'institutions comparable to a bank' shall be: government bodies or other public entities whose main functions include management of and control over government or international public financial assets, or management, control and investment of financial resources or financial supervision over the entities under item 3;

5. 'companies comparable to a bank' shall be enterprises in the financial sector whose activity is a subject of licensing and supervision;

6. 'enterprises in the non-financial sector' shall be entities other than those specified under items 2–5;

7. 'assets comparable to the value of bank assets' shall be the assets whose balance sheet value is not less than 60 per cent of the balance sheet value of assets of the banks for which an approval is required to participate in its management;

8. 'a significant bank' shall be a bank:

a) identified by the BNB as a systematically significant institution in line with the criteria under Ordinance No 8 on Banks' Capital Buffers (Darjaven Vestnik, issue 40 of 2014);

b) another bank designated by the BNB as significant based on an assessment of its size, internal organisation and having regard to the nature, scale and complexity of its business in line with the criteria under item 23 of the EBA Guidelines; the Bulgarian National Bank shall announce an updated list of these banks.

§ 2. All documents in a foreign language as submitted under the terms and procedure of this Ordinance shall be accompanied by a Bulgarian translation made by a person authorised to translate into the respective language, and submitted official documents shall be also legalised. The Deputy Governor heading the Banking Supervision Department may request copies of some private documents of essential significance for assessment of the qualification and professional experience of the person to be provided with notary verification of the signatures of the persons who issued them.

§ 3. Banks shall apply the EBA Guidelines, including with regard to:

1. the content of the concepts of the Law on Credit Institutions and this Ordinance;
2. the selection of candidate members of the management board (board of directors) and supervisory board, as well as assessments of their individual and collective suitability;
3. the appointment of key function holders.

### **Transitional and Final Provisions**

§ 4. (1) Banks shall adopt policies and rules under this Ordinance within three months after its enforcement.

(2) Within the term under paragraph 1, banks shall present to the BNB information about independent members of the supervisory board, the board of directors, respectively.

§ 5. Proceedings incumbent upon the entry into force of this Ordinance shall be completed under the previous procedure.

§ 6. Approvals of members of the management board (board of directors) and supervisory board which were issued prior to the entry into force of this Ordinance shall remain valid.

§ 7. This Ordinance is issued on the grounds of Article 10, paragraph 6, Article 11, paragraphs 2 and 3, Article 11a, paragraph 3, Article 73, paragraph 6 and Article 73c, paragraph 2 and §1, item 50 in relation to § 13 of the Transitional and Final Provisions of the Law on Credit Institutions and is adopted by Resolution No 148 of 24 April 2019 of the Governing Council of the Bulgarian National Bank.

§ 8. This Ordinance shall repeal Ordinance No 20 of 2009 on the Issuance of Approvals to the Members of the Management Board (Board of Directors) and Supervisory Board of a Credit Institution and Requirements for Performing Their Duties (published, *Darjaven Vestnik*, issue 36 of 2009; amended, issue, 10 of 2010 and issue 40 of 2014).



**3. Qualification Acquired/Certificates Received**

Organisation	Subject	Education period (from – to)

**4. Command of Foreign Languages**

Language	Proficiency/Skills Degree

**5. Job Experience**

Place of Job	Position	Period (from – to)

**6. Theoretical and Practical Experience in the Area of**

Area	Grade		
	High	Medium	Bad
1. financial markets			
2. accounting and audit			
3. regulatory frameworks and prudential requirements to banks			
4. strategical planning and business plans			

5 risk management			
6. corporate governance, including internal control			
7. financial information analysis			
8. information systems and technologies			

**7. Reputation**

7.1. Have any administrative sanctions or compulsory administrative measures been imposed for violation of primary and secondary legislation applicable to the activity of a bank or a financial sector enterprise, upon a company:

7.1.1. in which you have held a management position?

Yes      No

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(If 'yes', please indicate the name of the company, the registered office and head office address, the position held, legal provisions that have been violated, the date and number of the act imposing the penalty or measure and the authority that had issued it.)

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7.1.2. over which you have exercised control within the meaning of the Law on Credit Institutions?

Yes      No

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(If the answer is 'yes', please indicate the name of the company, the registered office and head office address, the manner of exercising control, legal provisions that have been violated, the date and number of the act imposing the penalty or measure and the authority that had issued it.)

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7.2. Do you know of any pending penal administrative proceedings pursuant to item 7.1?

Yes      No

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(If the answer is 'yes', please indicate the name of the company, the registered office and head office address, the position held, legal provisions that have been violated, the date of opening the proceedings.)

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7.3. Have you ever been dismissed on the grounds of applied compulsory administrative measures from the position as a member of a management or controlling body of a credit institution or an investment intermediary, or another financial sector entity whose activity is subject to licensing and surveillance/supervision?

Yes	No
<input type="text"/>	<input type="text"/>

(If the answer is 'yes', please indicate the name of the company, the registered office and head office address, the position held, grounds for dismissal, the date and number of the decision and the authority that had issued it.)

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7.4. Are you subject to pending criminal proceedings of indictable offences?

Yes	No
<input type="text"/>	<input type="text"/>

(If 'yes', please indicate the legal opinion of the crime, the date and place of opening the proceedings.)

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7.5. Have you ever been imposed disciplinary sanctions for violation of labour legislation provisions?

Yes	No
<input type="text"/>	<input type="text"/>

(If 'yes', please indicate the name of the employer, the grounds for imposition the penalty, a brief description of the violation, the date and number of the penalty act.)

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7.6. Have you been sentenced to pay a fine as a compensation for damages caused to a company as a result of your actions or disactions in your capacity as a member of that company’s management or controlling body, or as a procurator?

Yes	No

(If the answer is ‘yes’, please indicate the name of the company, the registered office and head office address, the position held, the date and number of the penalty act.)

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7.7. Indicate whether granting of a license for activities subject to a licensing procedure of the BNB, Financial Supervision Commission or similar authorities in other countries has been refused to a company:

7.7.1. in which you have held a position as a member of a management or controlling body or as a procurator?

Yes	No

(If the answer is ‘yes’, please indicate the subject of activity of the license, the authority competent to issue the license, the name of the company, the registered and head office address, the position held, grounds for the refusal, the number and date of the act whereby the license was refused.)

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7.7.2. in which you have held a qualified share or over which you have exercised control?

Yes	No

(If the answer is ‘yes’, please indicate the subject of activity of the license, the authority competent to issue the license, the name of the company, the registered and head office address, shares held, accordingly the manner of exercising control, grounds for the refusal, the number and date of the act whereby the license was refused.)

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7.8. Indicate whether the license of a company referred to in item 7.7 has been withdrawn:

7.8.1. in which you have held a position as a member of a management or controlling body or as a procurator?

Yes	No

(If the answer is 'yes', please indicate the subject of activity of the license, the authority competent to issue the license, the name of the company, the registered and head office address, the position held, legal grounds for withdrawal of the license, the number and date of the act whereby the license was withdrawn.)

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7.8.2. in which you have held a qualified share or over which you have exercised control?

Yes	No

(If the answer is 'yes', please indicate the subject of activity of the license, the authority competent to issue the license, the name of the company, the registered and head office address, shares held, and accordingly the manner of exercising control, legal grounds for withdrawal of the license, the number and date of the act whereby the license was withdrawn.)

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7.9. Indicate whether the entry into a register with the purpose of exercising activity subject to a registration regime by the Bulgarian National Bank, the Financial Supervision Commission or similar foreign authorities has been refused:

7.9.1. to you as a natural person?

Yes	No

(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, grounds for the refusal, the number and date of the act whereby the entry was refused.)

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7.9.2. to a company in which you have held a position as a member of a management or controlling body, or as a procurator?

Yes No

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(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, the name of the company, the registered and head office address, the position held, grounds for the refusal, the number and date of the act whereby the entry was refused.)

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7.9.3. to a company in which you have held a qualifying holding or over which you have exercised control?

Yes No

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(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, the name of the company, the registered and head office address, shares held, accordingly the manner of exercising control, grounds for the refusal, the number and date of the act whereby the entry was refused.)

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7.10. Indicate whether the entries referred to in item 7.9 has been deleted:

7.10.1. to you as a natural person?

Yes No

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(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, legal grounds for the deletion, the number and date of the act whereby the deletion was made.)

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7.10.2. to a company in which you have held a position as a member of a management or controlling body, or as a procurator?

Yes No

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(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, the name of the company, the registered and head office address, the position held, legal grounds for the deletion of the entry, the number and date of the act whereby the deletion was made.)

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7.10.3. to a company in which you have held a qualifying holding or over which you have exercised control?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If the answer is 'yes', please indicate the subject of registration, the authority competent to make the entry, the name of the company, the registered and head office address, shares held, accordingly the manner of exercising control, legal grounds for the deletion of the entry, the number and date of the act whereby the deletion was made.)

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7.11. Indicate whether your membership in a professional association has been revoked or whether any sanctions have been imposed by such an association in the Republic of Bulgaria or abroad:

7.11.1. to you as a natural person?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If the answer is 'yes', please indicate the name of the professional association, legal grounds for the revocation or for imposing a sanction, the number and date of the act for revocation or by which the sanction was imposed.)

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7.11.2. to a company in which you have held a position as a member of a management or controlling body?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If the answer is 'yes', please indicate the name of the professional association, the name of the company, the registered and head office address, the position held, legal grounds for the revocation or for imposing the sanction, the number and date of the act for revocation or by which the sanction was imposed.)

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7.12. Have you ever been a member of a management or controlling body, or an unlimited liability partner in a company terminated due to bankruptcy or are you such a member or a partner in a company that is currently under bankruptcy proceedings?

Yes      No  
     

(If the answer is 'yes', please indicate the name of the company, the registered and head office address, the position held, the number and date of the decision whereby the bankruptcy was declared, respectively the number and date of the decision whereby the bankruptcy proceedings were instituted.)

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7.13. Have you ever been a member of a management or controlling body of a company terminated due to a court decision in view of the fact that the company activity contradicts the law or the company pursues goals forbidden by the law?

Yes      No  
     

(If the answer is 'yes', please indicate the name of the company, its registered and head office address, the position held, the number and date of the decision whereby the activity of the company was terminated.)

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7.14. Have you ever been a defendant/debtor in substantive or enforcement proceedings on credit arrears or other liabilities over the last ten years?

7.14.1. in your capacity as a natural person?

Yes      No  
     

(If 'yes', please specify the amount of these liabilities, to whom they are (a country, a municipality, a bank, third parties) and the result of these proceedings.)

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7.14.2. in a company in which you have held a position as a member of a management or controlling body, or as a procurator?

Yes      No

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(If 'yes', please specify the type and amount of these liabilities, to whom they are (a country, a municipality, a bank, third parties) and the result of these proceedings.)

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**8. Conflict of Interests**

8.1. Declare all the companies in which you hold/ have held a managerial position in the last three years:

Name of the company	Subject of activities	Position	Period

8.2. Declare all the companies in which you or the members of your family hold/ have held ten and more than ten per cent of the company's equity in the last three years:

Name of the company	Subject of activities	Shareholding and the person who holds it

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8.3. Please indicate all non-profit legal persons in which you hold/ have held a position in their management bodies, or of which you are/have been a member in the last three years:

Name of the company	Subject of activities	Position	Period

8.4. Does any company referred to in items 8.1–8.3 maintain business relations with the bank in which you applied for a position, and if ‘yes’, describe these relations?

Yes                  No

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8.5. Do you have financial obligations to the bank where you wish to take a position?

Yes                  No

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(If the answer is ‘yes’, please indicate the category/type and the pay-off term of these obligations.)

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8.6. Please specify the companies in which you hold a position under Article 6, paragraph 1, as well as the position occupied, including whether as an executive member or not and which of them are covered by any of the exceptions under Article 6, paragraphs 2 and/or 3.

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8.7. Please indicate whether you will take part in the board of directors, supervisory board, respectively, as an independent member?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

9. Tax Information

9.1. Declare whether administrative penalties for violations of the tax legislation have been imposed:

9.1.1. on you as a natural person?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If 'yes', please indicate the legal provisions which have been violated, the type of sanction, the number and date of the act imposing the sanction and the authority that has issued it.)

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9.1.2. on a company in which you have held a position as a member of a management or controlling body, or as a procurator?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If 'yes', please indicate the legal provisions that have been violated, the type of the sanction, the name of the company, the registered and head office address, the position held, the number and date of the act imposing the sanction and the authority that has issued it.)

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9.1.3. on a company in which you have held a qualifying holding or over which you have exercised control?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

(If the answer is 'yes', please indicate the legal provisions that have been violated, the type of the sanction, the name of the company, the registered and head office address, shares held, accordingly the manner of exercising control, the number and date of the act imposing the sanction and the authority that has issued it.)

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9.2. Are you aware of any pending penal administrative proceedings initiated to date pursuant to item 9.1?

Yes No

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(If 'yes', please indicate the legal provisions that have been violated, the name of the company, the registered and head office address, the position held, shares held, accordingly the manner of exercising control, the date of opening the proceedings.)

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9.3. Please submit data/figures of the taxes you paid over the past five years:

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**10. Previous Fit and Proper Test Assessment**

10.1. Have you ever been approved by a financial regulatory authority in the Republic of Bulgaria or by such an authority in another country for a member of a management or controlling body or for qualified holding/equity stake acquisition?

Yes No

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(If 'yes', please indicate the subject of the approval, the name of the company, the registered and head office address, the number and date of the act whereby the approval has been granted, as well as the authority that has issued it.)

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10.2. Have you ever been refused an approval under item 10.1 ?

Yes No

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(If 'yes', please indicate the subject of the approval, the name of the company, the registered and head office address, grounds for refusal, the number and date of the act whereby the approval has been denied, as well as the authority that has issued it.)

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10.3. Have your fitness and probity together with your professional qualification and experience been assessed by another authority in the Republic of Bulgaria or abroad?

Yes	No

(If 'yes', please indicate the name of the authority that has made the assessment, as well as the result thereof.)

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11. Please give a brief summary of the main functions you will fulfill as a member of the management or controlling body, including participation in the committees the bank has established in connection with the requirements of Article 73, 73b and 73c of the Law on Credit Institutions and in an audit committee under the Law on Independent Financial Audit:

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12. Please give a brief summary of the short-term strategy for operation of the bank:

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13. Attachments:

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I hereby declare that I am aware of the penal liability in case of providing false or inaccurate information.

Date: .....

Signature: .....

