

Ordinance No 3*
of the BNB
of 18 April 2018
on the Terms and Procedure for Opening Payment
Accounts, Executing Payment Transactions and Using
Payment Instruments

(Published in the Darjaven Vestnik, issue 37 of 4 May 2018;
amended; Darjaven Vestnik, issue 50 of 2019;
amended; Darjaven Vestnik, issue 38 of 2020)

Chapter One

SUBJECT

Article 1. This Ordinance shall govern:

1. opening and keeping payment accounts;
2. requirements to the execution of payment transactions and corrective transfers;
3. requirements to the execution of payment transactions through payment and prepaid cards;
4. calculation and application of reasonable fees charged for services on payment accounts with basic features;
5. the list of the most representative services linked to a payment account, the operation of the fee comparison websites, the form and content of the fee information document and the statement of fees;
6. requirements to managing operational and security risks in providing payment services;
7. reporting requirements to payment service providers and electronic money issuers;
8. (new; Darjaven Vestnik, issue 50 of 2019) the procedure for exemption of an account servicing payment service provider from the obligations to maintain a contingency mechanism and implement a strong customer authentication.

Chapter Two

PAYMENT ACCOUNTS

General Provisions

Article 2. (1) A payment account shall mean an account held in the name of one or more payment service users, which is used for the execution of payment transactions.

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(2) Payments from payment accounts may be made only by order of, or with the prior consent of the holder, up to the amount and under the terms and conditions specified by the account holder.

(3) Paragraph 2 shall not apply in cases of forced collection under the procedure set by law.

(4) Payment accounts shall be opened after signing a framework contract for providing payment services between the payment service provider and the payment service user in compliance with the requirements of Chapter Four, Section III of the Law on Payment Services and Payment Systems.

(5) (new; Darjaven Vestnik, issue 50 of 2019) Upon conclusion of a framework contract for providing payment services or execution of a single payment transaction, which is not subject to a framework contract, at the place of the payment service provider or through an electronic statement, electronic document or electronic signature, or another form without the presence of the payment service user, the payment service provider shall implement due diligence measures to the payment service user in compliance with the requirements of Chapter Two of the Law on Measures Against Money Laundering and its implementing rules.

(6) (previous paragraph 5; Darjaven Vestnik, issue 50 of 2019) The payment service provider may refuse to conclude the contract under paragraph 4 without stating the reasons for the refusal, except for the cases under Article 119, paragraph 5 of the Law on Payment Services and Payment Systems.

Providing Information before Signing a Contract

Article 3. (1) Before signing the contract under Article 2, paragraph 4, the payment service provider shall provide the payment service user with preliminary information under Article 60 of the Law on Payment Services and Payment Systems.

(2) The preliminary information under paragraph 1 shall be provided in the form of general terms and conditions or a draft framework contract.

(3) Providing preliminary information shall not give rise to an obligation to conclude a contract between the payment service provider and the person to whom the information has been provided.

Unique Identifier of a Payment Account

Article 4. (amended; Darjaven Vestnik, issue 50 of 2019, effective as of 1 January 2020) (1) Payment service providers shall assign an International Bank Account Number (IBAN) to payment accounts held by them in accordance with the requirements laid down by an ordinance of the BNB, where these accounts may be used for the execution of credit transfer transactions or direct debit transactions to and from a payment account with another payment service provider.

(2) Payment accounts held by a payment service provider shall not be assigned an International Bank Account Number (IBAN) containing a BAE code of another payment service provider.

Opening of a Payment Account

Article 5. (amended; Darjaven Vestnik, issue 50 of 2019) (1) A legal entity willing to open a payment account shall provide the payment service provider with the following documents and information:

1. a unique identification code or a BULSTAT code;
2. a statement of the Articles of Association of the person opening the account which shall establish the powers to dispose with his property;
3. (amended; Darjaven Vestnik, issue 50 of 2019) a current certificate of registration of the person who opens the account, which certifies the persons managing and representing the holder, and their personal data according to the official identity documents;
4. (amended; Darjaven Vestnik, issue 50 of 2019) a letter of attorney, if any, by which the person/persons managing and representing the holder authorize another person/persons to dispose of the funds on the account on behalf of the holder; the signature of the authorizer shall be affixed in the presence of a person authorized by the payment service provider or shall be notary legalized;
5. (amended; Darjaven Vestnik, issue 50 of 2019) personal data according to an official identity document and specimens of the signatures of the persons authorized to dispose of the money on the account; the signatures shall be affixed in the presence of a person authorized by the payment service provider or shall be notary legalized.

(2) A natural person willing to open a payment account shall provide the payment service provider with the following documents and information:

1. (amended; Darjaven Vestnik, issue 50 of 2019) personal data of the account holder according to an official identity document;
2. a letter of attorney, if any, by which the holder authorizes another person/persons to dispose of the money available on the account on behalf of the holder; the signature of the authorizer shall be affixed in the presence of the person authorized by the payment service provider or shall be notary legalized;
3. (amended, Darjaven Vestnik, issue 50 of 2019) personal data according to an official identity document and specimens of the signatures of the persons authorized to dispose of the money on the account; the signatures shall be affixed in the presence of a person authorized by the payment service provider or shall be notary legalized.

(3) Changes in the documents under paragraphs 1 and 2 shall have effect in relation to the payment service provider holding the account only from the moment he was notified thereof in writing by the authorized person.

(4) The documents under paragraph 1, items 2 and 3 and the documents of any changes thereto may not be provided by the persons who are registered in the commercial register, unless otherwise agreed with the payment service provider in the framework contract.

(5) The payment service provider may also require other documents for opening and keeping the payment account, of which it shall notify in advance the person who opens the account.

(6) The payment service provider with which the account is opened shall negotiate with the person to whom an account is opened the manner in which the account balance information will be provided.

(7) (new; Darjaven Vestnik, issue 50 of 2019) Upon conclusion of a framework contract for executing remote payment transactions and drawing up a power of attorney under paragraph 1, item 4 and paragraph 2, item 2, where the payment account is accessible only for electronic payment transactions, a qualified electronic signature may be used in line with the Law on Electronic Document and Electronic Certification Services and Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, and a specimen of the signature of the account holder may not be required. If the title holder chooses his account to be administered at the place, he shall submit the documents and information under paragraph 1 or paragraph 2.

Accounts Held by Banks

Article 6. (1) Payment accounts held by banks shall be used for the execution of payment transactions and money storage.

(2) Banks may maintain other types of money storage accounts which are serviced under the terms and conditions set forth by contract.

(3) A requirement for maintaining minimum availability on the accounts under paragraphs 1 and 2 may be negotiated.

(4) The requirements of Chapter Four, Section III of the Law on Payment Services and Payment Systems shall not apply where the contract for opening an account held by a bank does not provide for the funds kept on the account to be used for executing payment transactions, or these transactions are related only to the opening and closing of the account. The requirements of Chapter Four, Section II of the Law on Payment Services and Payment Systems shall apply to these transactions.

(5) Payment accounts held by banks may be:

1. current accounts: for keeping money payable on sight, without any notice from the account holder to the bank and for executing payment transactions related to placing, transferring or withdrawing funds;

2. payment accounts with basic features: for keeping money in levs and providing services under Article 118 of the Law on Payment Services and Payment Systems;

3. electronic money accounts: for keeping electronic money, to which remote access is provided by the issuer for executing payment transactions;

4. other types of payment accounts which are serviced under the terms and conditions set forth by contract and the effective legislation.

(6) The procedure and manner for opening, keeping and closing accounts of budget organisations, including the limits and conditions under which budget organisations may hold payment accounts, as well as the cases of *ex officio* opening and closing of budget organisations' accounts shall be determined by the relevant instructions under Article 151, paragraphs 1 and 4 and Article 154, paragraph 20 of the Law on Public Finance.

Closing of a Payment Account

Article 7. (1) A payment account shall be closed in case of termination of the framework contract on the grounds of which it was opened, while complying with the requirements of Article 63 of the Law on Payment Services and Payment Systems. A payment account with basic features shall be closed in compliance with the requirements of Article 121 of the Law on Payment Services and Payment Systems.

(2) Upon closing of a payment account, the payment service provider shall reimburse to the holder the remaining funds in the account or those not used for payment transactions.

Chapter Three

PAYMENT TRANSACTIONS REQUIREMENTS

Section I

General Provisions

Payment Order

Article 8. (1) A payment order shall mean any instruction by a payer or payee to the payment service provider requesting the execution of a payment transaction.

(2) The payment order may be given in writing on a hard copy or electronically if agreed between the parties.

(3) (effective as of 14 September 2019) In authenticating the payer under Article 100 of the Law on Payment Services and Payment Systems, the payment service providers shall meet the requirements of Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication.

(4) Payment orders shall be executed in their entirety and in chronological order of their receipt at the payment service provider in accordance with the requirements of Chapter Five of the Law on Payment Services and Payment Systems.

(5) The Deputy Governor heading the Banking Department of the BNB shall, in an instruction, specify sample model forms of the documents by which an order or a consent is given for the execution of payment transactions.

Execution of Payment Orders

Article 9. (1) In executing a payment order, payment service providers shall use technical means to ensure compliance with the Law on Payment Services and Payment Systems.

(2) When submitting a message to a payment system for executing a payment order, the payment service provider shall enter all details of the payment order in accordance with the rules of the relevant payment system.

(3) When the payer and the payee have opened payment accounts with one and the same payment service provider, the value date of crediting the payee's payment account shall be the same business day.

(4) A currency of a payment transaction shall be the currency in which a payer has ordered or has given consent for executing this payment transaction.

(5) All payment transactions and notifications under Article 75, item 2 of the Law on Payment Services and Payment Systems shall be registered in a chronological order by the payment service provider in a manner that ensures safe storage and accurate reproduction of information and precludes any subsequent changes and shall be stored for a term provided for in Article 24, paragraph 3 of the Law on Payment Services and Payment Systems.

(6) Where the payee's payment account as specified in the order of payment is closed or non-existent, payee's payment service provider shall refund the amount of the non-executed payment transaction until the end of the business day following the day on which the amount was received. For the purpose of refunding this amount, payee's payment service provider may charge a fee corresponding to its actual costs.

(7) The payment service provider may refuse to execute a payment transaction in case of restrictions under the effective legislation, applicable rules for execution of the relevant payment transaction and contractual terms under which the account is held.

(8) Payment service users, electronic money holders and other interested parties may file complaints with the BNB concerning alleged violations by payment service providers or electronic money issuers, as referred to in Article 167, paragraph 2 of the Law on Payment Services and Payment Systems. The Deputy Governor heading the BNB Banking Department shall determine in instructions the procedure for filing and handling of complaints.

Availability on the Account

Article 10. (1) The payment order may be executed only up to the amount of the availability on the bank account, up to the amount of the funds provided by the user for executing the payment transaction or up to the amount of the contracted loan, if any. No partial transfers shall be allowed on individual payment orders.

(2) If the conditions under paragraph 1 are not met, the payment service provider shall refuse to execute the payment order, and Article 84 of the Law on Payment Services and Payment Systems shall apply.

Section II
Corrective Transfers
General Provisions

Article 11. (1) Within the time limits under Article 96 of the Law on Payment Services and Payment Systems, the payer's payment service provider may request from the payee's payment service provider, or the payee's payment service provider may, on its own initiative, make an *ex officio* corrective transfer in case of a defectively executed payment transaction where the payee's payment service provider has credited an account with a unique identifier other than that specified by the payer in the payment order, or has credited the payee's account with an amount other than that specified by the payer in the payment order, or where the payer's payment service provider has debited the payer's account with an amount other than that specified by the payer in the payment order, or in case of a duplicate execution of an authorized payment transaction.

(2) The *ex-officio* corrective transfer shall be in an amount by which the payment account restores its state in which it would be without the defectively executed transaction, but no more than the funds that are available or will be credited to the account within the term set out in Article 96, paragraph 3 of the Law on Payment Services and Payment Systems.

(3) The *ex-officio* corrective transfer may be executed irrespective of the restrictions in the effective legislation or in the payment service contract as far as funds received as a result of the defectively executed payment order do not belong to the account holder.

(4) In executing an *ex-officio* corrective transfer, no fees and commissions shall be collected from the customers.

Liability of the Payer's Payment Service Provider for a Non-executed or Defectively Executed Payment Transaction

Article 12. (1) Where the payer's payment service provider has not executed or has defectively executed a payment transaction, he shall without undue delay refund to the payer the amount of the non-executed or defectively executed payment transaction and, where applicable, restore the payer's payment account to the state in which it would have been without the defectively executed transaction.

(2) Where the payer's payment service provider has defectively executed a payment transaction with the funds incorrectly credited to an account with a unique identifier other than that specified in the payment order or where the payee's account is credited with an amount other than that specified in the payment order or in case of duplicate execution of an authorized payment transaction, the payer's payment service provider shall have the right to require the payee's payment service provider to make an *ex-officio* corrective transfer within five business days from the date on which the amount

under paragraph 1 was refunded, but not later than one month after he has been notified by the payer or in any other manner about the defectively executed transaction.

(3) Where the payment initiation service provider is liable in the cases under paragraph 2, he may make a request for an *ex-officio* corrective transfer to the payee's payment service provider directly or through the account servicing payment service provider within the term specified in paragraph 1.

(4) In case the payee's payment service provider refuses to make an *ex-officio* corrective transfer, he shall notify the payer's payment service provider thereof stating the reasons for the refusal. Where the payee's payment service provider doubts the lawfulness of the request for an *ex-officio* corrective transfer, he may require a copy of the payment order, that is the basis of the payment transaction, and in case of a direct debit a copy of the direct debit authorization.

(5) The payee's payment service provider who has approved the request referred to in paragraph 2, shall make an *ex-officio* corrective transfer within five days from receipt of the request.

(6) In case the funds in payee's account are insufficient to be debited with the amount of the defectively executed payment transaction or the said account has been closed, the payee's account servicing payment service provider shall notify the payer's payment service provider. The payee's payment service provider may debit payee's account, if there are funds, up to the amount to be corrected but not later than the time limit specified in paragraph 5. If the funds available in payee's account are not sufficient to refund the amount to be corrected by the last day of the time limit under paragraph 5, the payee's account servicing payment service provider shall make an *ex-officio* corrective transfer in an amount equal to the account balance at that time.

Liability of the Payee's Payment Service Provider for a Non-executed or Defectively Executed Payment Transaction

Article 13. (1) Where the payee's payment service provider has not executed or has defectively executed a payment transaction, he shall without undue delay credit the payee's account as specified in the payment order with the amount of the non-executed or defectively executed payment transaction or, in case of duplicate execution of an authorized payment transaction, restore the payee's payment account to the state in which it would have been without the defectively executed transaction.

(2) Where the payee's payment service provider has defectively executed a payment transaction by crediting an account with a unique identifier other than that specified in the payment order or has credited an account with an amount other than that specified in the payment order or in case of duplicate execution of an authorized payment transaction, the payer's payment service provider shall have the right to make an *ex-officio* corrective transfer within five days from the date on which the account was credited or the amount was refunded under paragraph 1.

(3) The payee's payment service provider may debit the payee's account, if there are funds in that account, up to the amount to be corrected but not later than the time

limit specified in paragraph 2. If the funds available in the payee's account are not sufficient to refund the amount to be corrected by the last day of the time limit under paragraph 2, the payee's account servicing payment service provider shall make an *ex-officio* corrective transfer in an amount equal to the account balance at that time.

Section III

Credit Transfer Transactions

Execution of a Credit Transfer in Levs

Article 14. (1) A credit transfer shall be a payment service for crediting a payee's payment account with a payment transaction or a series of payment transactions from a payer's payment account by the payment service provider which holds the payer's payment account, based on an instruction given by the payer. The payer and the payee may be one and the same person.

(2) The payer shall draw up a payment order for a credit transfer the content of which meets the requirements of Article 15, and shall be liable for the consequences resulting from its improper drawing up.

Content of the Payment Order for a Credit Transfer in Levs

Article 15. (1) (amended; Darjaven Vestnik, issue 50 of 2019) A payment order for a credit transfer in levs shall contain:

1. the name of the payment service provider to which the payment order is addressed;
2. the name (denomination) of the originator;
3. the International Bank Account Number (IBAN) of the originator;
4. the name (denomination) of the payee;
5. the International Bank Account Number (IBAN) of the payee;
6. the amount of the payment transaction;
7. the currency of the payment transaction;
8. the date of execution;
9. grounds (information about the beneficiary);
10. additional clarifications;
11. the date of submission of the payment order;
12. the signature of the originator.

(2) The payment order for a credit transfer may also contain other elements, including such that are necessary to meet the requirements under other legislative acts.

(3) (new; Darjaven Vestnik, issue 50 of 2019) In executing a credit transfer between payment accounts held by the same payment service provider, the payment order may contain a unique identifier other than IBAN.

Execution of a Credit Transfer in a Currency Other Than Levs

Article 16. (1) In executing a credit transfer in a currency other than lev, the payment order may contain data other than those set out in Article 15.

(2) Payment service providers shall designate as a separate payment service in their tariffs the credit transfer service in euro falling within the scope of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 with the execution value date applicable to them in the event that the payment service provider offers these services.

Section IV

Direct Debit Transactions

Execution of a Direct Debit in Levs

Article 17. (1) A direct debit shall be a payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of payer's consent.

(2) In direct debits in levs, the payer shall grant a preliminary consent to the payment service provider that holds his payment account, and a copy of his consent shall be sent to the payee.

(3) The payer shall draw up the consent for a direct debit, the content of which meets the requirements of Article 18, and shall be liable for the consequences resulting from the improper drawing up of the direct debit consent.

(4) For the purpose of initiating a direct debit, the payee shall draw up a payment order for a direct debit the content of which meets the requirements of Article 19, and shall be liable for the consequences resulting from its improper drawing up.

(5) The payee's payment service provider shall accept the direct debit order and submit it to the payer's payment service provider without checking the grounds for using a direct debit.

(6) Before executing a direct debit order, the payer's payment service provider shall verify whether:

1. there is a preliminary consent of the direct debit payer under paragraph 2;
2. there are sufficient available funds or a loan allowed on the payer's account for executing the direct debit;
3. the terms and conditions for executing the direct debit order have been met, including all the documents required for its execution have been received, if the submission of such documents have been agreed upon.

(7) The direct debit order shall be executed by the payer's payment service provider within the term set out in Article 87, paragraph 3 of the Law on Payment Services and Payment Systems, from the date on which the terms and conditions as referred to in paragraph 6 have been fulfilled.

(8) If within five business days from the receipt of the direct debit order the conditions for its execution under paragraph 6 are not met, the payer's payment service provider shall refuse to execute the direct debit order and notify the payee's payment service provider thereof.

Content of the Consent to a Direct Debit in Levs

Article 18. (1) The consent to a direct debit in levs shall contain:

1. the name and address of the payer's payment service provider to which the consent is deposited;
2. the date of submission of the document;
3. the name (denomination) of the payer;
4. the signature of the payer;
5. (amended; Darjaven Vestnik, issue 50 of 2019) the International Bank Account Number (IBAN) of the payer;
6. the name (denomination) of the payee;
7. the validity of the consent;
8. conditions under which the consent is given.

(2) The consent to a direct debit may also contain other elements if agreed upon between the payer and his payment service provider.

Content of the Payment Order for a Direct Debit in Levs

Article 19. (1) (amended; Darjaven Vestnik, issue 50 of 2019) The payment order for a direct debit in levs shall contain:

1. the name of the payment service provider to which the payment order is addressed;
2. the name (denomination) of the originator – beneficiary of the amount;
3. the International Bank Account Number (IBAN) of the originator – beneficiary of the amount;
4. the name (denomination) of the payer;
5. the International Bank Account Number (IBAN) of the payer;
6. the amount of the payment transaction;
7. the currency of the payment transaction;
8. the date of submission of the payment order;
9. grounds (information about the payer);
10. additional clarifications;
11. the date of execution;
12. the signature of the originator – beneficiary of the amount.

(2) The payment order for a direct debit may also contain other elements, including such that are necessary to meet the requirements under other legislative acts.

(3) (new; Darjaven Vestnik, issue 50 of 2019) In executing a direct debit between payment accounts held by the same payment service provider, the consent and the payment order may contain a unique identifier other than IBAN.

Execution of a Direct Debit in a Currency Other Than Lev

Article 20. (1) In executing a direct debit in a currency other than lev, the payment order and the consent for a direct debit may contain data other than those set out in Articles 18 and 19.

(2) In executing a direct debit in a currency other than lev, payment service providers may also follow a different order and procedures for providing the consent and executing the direct debit.

(3) Payment service providers shall designate as a separate payment service in their tariffs the direct debit service in euro falling within the scope of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 with the execution value date applicable to them in the event that the payment service provider offers these services.

Executing Payments with Preliminary Consent of the Account Holder

Article 21. In case the payment service provider and the payee are one and the same person, the payment service provider may collect on a payment account opened with it funds owed by the account holder based on his preliminary written consent. The payment service provider shall notify the account holder of the grounds, size and value date of the amount collected on its payment account.

Section V

Money Remittance Transactions

Money Remittance

Article 22. Money remittance shall be a payment service where funds are provided by a payer, without any payment accounts being opened in the name of the payer or the payee, for the sole purpose of transferring the corresponding amount to the payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

Content of the Payment Order for Money Remittance

Article 23. (1) The payment order for money remittance shall contain:

1. the name (denomination) of the payer;
2. the address of the payer, including the payer's country;
3. the unique identifier of the payer or his payment account;
4. the name (denomination) of the payee;
5. the unique identifier of the payer or his payment account;
6. the amount of the payment transaction;
7. the currency of the payment transaction;

8. grounds for remittance;
9. additional clarifications;
10. the date of submission of the payment order;
11. the payer's signature.

(2) The payment order for money remittance may also contain other elements, including such that are necessary to meet the requirements under other legislative acts.

(3) For the purpose of executing a money remittance provided for in Article 69, paragraph 3 of the Law on Payment Services and Payment Systems, the payer may provide only information that allows the payment service provider to unambiguously identify the payee and the relevant obligation of the payee's customer based on an agreement between the payment service provider and the payee.

Section VI

General Provisions

Compliance with the Legal Acts of the European Union

Article 24. In providing payment services and executing payment transactions, payment service providers shall comply with the requirements of:

1. Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;

2. Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001;

3. Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009;

4. Regulation (EU) No 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions;

5. the delegated regulations and the regulations for implementation of Directive (EU) 2015/2366 and Directive 2014/92/EU;

6. (amended; Darjaven Vestnik, issue 50 of 2019) Final Guidelines on the Security of Internet Payments of 19 December 2014 of the European Banking Authority (EBA);

7. (new; Darjaven Vestnik, issue 50 of 2019) EBA Guidelines (EBA/GL/2015/18) on product oversight and governance arrangements for retail banking products;

8. (new; Darjaven Vestnik, issue 50 of 2019) Joint Committee Guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors (Guidelines JC/2018/35);

9. (new; Darjaven Vestnik, issue 50 of 2019) Joint guidelines under Article 25 of Regulation (EU) 2015/847 on the measures payment service providers should take to detect missing or incomplete information on the payer or the payee, and the pro-

cedures they should put in place to manage a transfer of funds lacking the required information (JC/GL/2017/16);

10. (new; Darjaven Vestnik, issue 50 of 2019) Joint Guidelines under Articles 17 and 18(4) of Directive (EU) 2015/849 on simplified and enhanced customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions (JC/2017/37).

Chapter Four

PAYMENT TRANSACTIONS WITH PAYMENT AND PREPAID CARDS

Section I

General Provisions

Payment Cards

Article 25. (1) (amended; Darjaven Vestnik, issue 50 of 2019) A payment card is a type of a personalized payment instrument (debit or credit card), which is used repeatedly for identification of the authorized user of payment services and for remote access to a payment account and/or to a preliminary set credit limit, to be used for executing payment transactions and performing reference services.

(2) The payment card shall be owned by the payment service provider, issuer of the card.

(3) The payment card shall be used only by the authorized payment service user himself.

(4) The payment service provider, issuer of the payment card shall ensure that any card issued by him, has an embedded integrated circuit (chip) used for the authentication of the card when performing payment transactions on ATM and POS terminals.

(5) (amended; Darjaven Vestnik, issue 50 of 2019) The payment card shall be issued for a fixed term. The name of the authorized holder shall be printed on the obverse of the card. The card's number and the expiry date may be printed on the card or provided in any other manner by the issuer to the authorized user of payment services. The payment service provider that is the card issuer shall bear the responsibility for personalization of the card.

(6) The payment service provider that is the payment card issuer shall ensure that any card issued by him meets the requirements of Article 10, paragraph 5 of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on the interchange fees for card-based payment transactions.

(7) The payment service provider that is the payment card issuer shall provide it to the authorized user of payment services within a period not exceeding ten days from the conclusion of the payment card framework contract.

(8) A payment card shall be issued after the conclusion of a payment service framework contract between the payment service provider and the payment service user, subject to the requirements of Chapter Four, Section III of the Law on Payment Services and Payment Systems.

Personalized Security Credentials

Article 26. (1) The Personal Identification Number (hereinafter referred to as 'PIN') of each authorized payment service user, related to his card, shall be provided by the card issuer. The issuer shall assign a PIN to every authorized payment service user and ensure that it is kept in secrecy.

(2) The personal identification number is a personalized security credential and is at least a four-digit number.

(3) If the authorized payment service user forgets his PIN, the issuer shall issue a new payment card with a new PIN within the term under Article 25, paragraph 7 or he shall generate a new PIN within the same term.

(4) The card issuer shall provide an opportunity for every authorized payment service user to change his PIN, through an ATM terminal on the territory of Bulgaria, to a new digital combination, of which only he is aware.

(5) For the purpose of executing remote payment transactions through payment cards, the payment service provider that is the payment card issuer shall provide to the authorized payment service user personalized security credentials other than PIN, which meet the requirements of Article 100 of the Law on Payment Services and Payment Systems.

Transactions through a Payment Card

Article 27. (1) (new; Darjaven Vestnik, issue 50 of 2019) A card-based payment transaction shall mean a service based on the infrastructure and business rules of a payment card scheme for executing payment transactions by means of any card, terminal, telecommunication, digital or IT devices or software.

(2) (previous paragraph 1, amended; Darjaven Vestnik, issue 50 of 2019) Reference and non-payment operations may also be executed through a payment card.

(3) (previous paragraph 2; Darjaven Vestnik, issue 50 of 2019) Payments may be accepted and payment transactions through a payment card may be executed also by a payment service provider other than the payment card issuer.

Registration and Safekeeping

Article 28. All transactions executed through a payment card, as well as notifications under Article 75, item 2 of the Law on Payment Services and Payment Systems shall be registered and kept by the issuers in accordance with Article 9, paragraph 5.

Section II

Card-based Transactions through ATM and POS Terminals at Merchant Locations

Contractual Relations between the Payment Service Provider and the Merchant

Article 29. (1) Where the POS terminal is located at the merchant other than a payment service provider, relations between them concerning the service of accepting card-based payments shall be governed by a contract that provides for compliance with the Law on Payment Services and Payment Systems and its statutory instruments.

(2) The contract under paragraph 1 shall contain at least the following:

1. types of payment cards through which payment transactions may be executed with the merchant in accordance with Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions;

2. applicable procedures and obligations of the merchant in executing card-based payment transactions, including security procedures;

3. the term and manner of payments to the merchant by the payment service provider.

(3) The requirements of paragraphs 1 and 2 shall also apply to virtual Point of Sale (POS) terminals.

Refusal to Execute a Card-based Transaction

Article 30. (1) The merchant whose POS terminal is used to execute the payment may refuse a payment card to be used in case of:

1. invalidity of the payment card;

2. a discrepancy between the signature on the payment card and the signature on the receiving document or the identity document or a lack of signature on the payment card if such is required for its validity;

3. a refusal on the part of the holder to submit a document confirming his identity or if the merchant finds that an un authorized person uses the payment card;

4. inability to obtain confirmation for executing the transaction;

5. a suspicion of a false or fraudulent payment card;

6. information provided by the merchant in advance that he does not accept the relevant payment card in accordance with Article 10, paragraph 4 of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions;

7. other grounds which do not contradict the effective legislation.

(2) The merchant may retain a payment card on behalf of the issuer in the cases referred to in paragraph 1, items 1, 2, 3 and 5 under the procedure specified in the contract under Article 29.

Section III

Requirements for Processing of Card-based Transactions***Acceptance of Payment Cards and Authorization of Card-based Transactions***

Article 31. (1) Payment service providers licensed by the BNB and branches of payment service providers operating on the territory of Bulgaria shall ensure that each ATM and POS financially serviced by them is technically equipped to execute transactions with all payment cards issued by payment service providers and branches of payment service providers operating on the territory of Bulgaria.

(2) (amended; Darjaven Vestnik, issue 50 of 2019) Card-based transactions shall be authorized (approved) or refused after a check of the data, parameters and characteristics related to the card, the authorized payment service user and the transaction, as the card expiry date and status, PIN or other personalized security credentials (if required), available balance, limits, *etc.*

(3) In the event of on-line authorization, the verification referred to in paragraph 2 shall be performed immediately by the card issuer's authorization system or the servicing processing entity, to which the ATM is connected through a telecommunications medium where the payment transaction is executed.

(4) In the event of off-line authorization, the verification referred to in paragraph 2 shall be immediately made by the ATM without a check by the card issuer's authorization system or the servicing processing entity.

(5) The authorization systems maintained by banks licensed by the BNB shall be provided with a direct on-line connection with a system operator of a settlement finality system processing card-based payment transactions, which carries out net settlement at a designated time in RINGS.

(6) The system operator of a settlement finality system processing card-based payment transactions, which carries out net settlement in a designated time in RINGSC shall reroute authorization messages of payment card-based transactions between the relevant banks licensed by the BNB and bank branches operating on the territory of Bulgaria.

(7) ATMs and POS terminals on the territory of Bulgaria financially serviced by banks licensed by the BNB, and bank branches operating on the territory of Bulgaria shall be provided with a direct or indirect on-line connection with a system operator of a settlement finality system processing card-based payment transactions, which carries out net settlement in a designated time in RINGS.

(8) Payment service providers licensed by the BNB and branches of payment service providers operating on the territory of Bulgaria shall ensure that each ATM and POS financially serviced by them is technically equipped to execute card-based transactions by means of an integrated circuit (chip).

Settlement Agency and Value Date

Article 32. (1) Card-based payment transactions in levs, the issuers of which are banks licensed by the BNB and bank branches operating on the territory of Bulgaria and the point of sale or ATM is located on the territory of the Republic of Bulgaria shall be cleared and settled by a system operator of a settlement finality system processing card-based payment transactions, which carries out net settlement in a designated time in RINGS. The point of sale shall be determined within the meaning of Article 2(29) of Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions.

(2) The value date of debiting the payer's payment account or preliminary set credit limit on payment transactions under paragraph 1 shall be the RINGS business day on which the issuing bank's settlement account has been debited by a settlement request of the system operator.

(3) The value date of crediting the payee's payment account on payment transactions under paragraph 1 shall be not later than the RINGS business day on which the settlement account of a bank accepting card-based payments has been credited by a settlement request of the system operator.

Section IV

Execution of Prepaid Card Transactions

Prepaid Cards

Article 33. (1) A prepaid card shall be a category of personalized payment instrument on which electronic money is stored or which provides remote access to electronic money accounts, and by which payment transactions are executed.

(2) A prepaid card shall be issued, including in the cases where the name of the authorized user is not printed on the obverse, after signing a contract provided for in Article 35, paragraph 3 of the Law on Payment Services and Payment Systems, subject to the operational limits of the relevant payment card scheme within which the card is issued and in accordance with the requirements of the Law on the Measures against Money Laundering.

(3) The prepaid card shall have a personal identification number (PIN), and the provisions of Article 26, paragraphs 1–3 shall apply accordingly. The card issuer shall provide an opportunity for any authorized user to change his PIN by a new digital combination, of which only he is aware.

(4) (amended; Darjaven Vestnik, issue 50 of 2019) A prepaid card, which may be used only in a virtual POS terminal for executing payment transactions may not have a personal identification number (PIN) under paragraph 3.

(5) Article 25, paragraphs 2–7, Articles 27–29, Article 30, paragraph 1, items 1, 4, 5, 6 and 7 and paragraph 2, Articles 31 and 32 shall apply to prepaid cards accordingly. Article 30, paragraph 1, items 2 and 3 shall also apply to transactions with a prepaid card on the obverse of which the name of the authorized user is printed accordingly.

Chapter Five

PAYMENT ACCOUNT WITH BASIC FEATURES

General Provisions

Article 34. A payment account with basic features shall be a payment account held in Bulgarian lev through which the services under Article 118 of the Law on Payment Services and Payment Systems are provided to consumers. Services on a payment account with basic features listed in Appendix No 1 shall be offered to consumers free of charge or for a reasonable fee irrespective of the number of payment transactions on the account.

Calculation of an Average Amount of Fees

Article 35. (1) Banks licensed by the BNB and bank branches conducting operations on the territory of Bulgaria that offer payment services to consumers shall submit to the BNB by 31 January of the current year information on the amount of fees charged to consumers as of 31 December of the previous calendar year, for each of the services on current accounts listed in Appendix No 1. Where a bank charges different fees for a service included in Appendix No 1, it shall submit to the BNB the average amount of these fees.

(2) On the basis of submitted information, the Bulgarian National Bank shall, by the end of February each year, calculate and publish on its website the average amount of fees charged by banks to consumers for the services provided on current accounts listed in Appendix No 1.

(3) The average amount of fees under paragraph 2 shall be calculated as an average amount of the fees under paragraph 1 for each of the services listed in Appendix No 1. Where ten or more banks offer any of the services listed in Appendix No 1 on consumer payment accounts with no fee, this service shall be set as free of charge in the average amount of fees published by the BNB. Where any of the services listed in Appendix No 1 is offered by ten or more banks on consumer payment accounts with no fee up to a fixed threshold, this service shall be set as free of charge in the average amount of fees published by the BNB up to the calculated average amount of this threshold.

Fees on Payment Accounts with Basic Features

Article 36. (1) Banks shall offer the services listed in Appendix No 1 free of charge or for a reasonable fee no later than 1 June of the current year.

(2) The reasonable fee amount shall be lower than both the average amount published by the BNB under Article 35, paragraph 2 for any of the services listed in Appendix No 1 and the lowest amount of fees charged under a tariff for the relevant services on payment accounts.

(3) In case of a change in the amount of fees for services on payment accounts with basic features, as listed in Appendix No 1, banks shall notify consumers under the

procedure and time limits provided for in Article 62 of the Law on Payment Services and Payment Systems.

(4) Banks shall offer the services on a payment account with basic features listed in Appendix No 1, where they offer them to consumers on payment accounts other than accounts with basic features.

(5) Services other than those listed in Appendix No 1 may also be provided on a payment account with basic features, and this Article shall not apply to them.

Information on a Payment Account with Basic Features

Article 37. (1) Banks providing payment accounts with basic features shall take adequate measures to raise awareness among the public about the availability of payment accounts with basic features.

(2) Measures under paragraph 1 shall include at least provision of an information leaflet on payment account with basic features and applicable fees for services thereon available at all times, the content of which is in compliance with Appendix No 2.

(3) The information leaflet shall be provided on paper at banks' premises accessible to consumers, and in electronic form *via* banks' websites.

(4) Banks may also include in the information leaflet information on services on payment accounts with basic features other than those listed in Appendix No 1, if this does not affect the clear and accurate presentation of the information.

Chapter Six

FEE COMPARISON WEBSITES, FEE INFORMATION DOCUMENT AND STATEMENT OF FEES

List of the most Representative Services Linked to a Payment Account

Article 38. (1) The Bulgarian National Bank shall adopt and publish a national list of the most representative services linked to a payment account, according to Appendix No 3, which shall contain national and, where applicable, standardised Union-level terms pursuant to Commission Delegated Regulation (EU) 2018/32 of 28 September 2017 supplementing Directive 2014/92/EU of the European Parliament and of the Council with regard to regulatory technical standards for the Union standardised terminology for most representative services linked to a payment account.

(2) The list referred to in paragraph 1 shall be reviewed and, where necessary, updated not earlier than four years after its publication.

Fee Information Document and Glossary

Article 39. (1) In good time before the consumer is bound by a contract for a payment account, payment service providers shall provide the consumer with a fee information document on paper or another durable medium in accordance with Article 103 of the Law on Payment Services and Payment Systems.

(2) The fee information document referred to in paragraph 1 shall contain the fees for the services provided according to the list under Article 38, paragraph 1, meet the requirements of Article 103, paragraphs 2 and 3 of the Law on Payment Services and Payment Systems and shall be compiled in accordance with Commission Implementing Regulation (EU) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council.

(3) Where a payment service provider charges different fees for a service depending on the channel through which the service is requested, used or provided, and in different fee-charging instances of the provision of the service or depending on whether a specific condition for the same service is met, the payment service provider shall provide information on each fee-charging instance, channel or condition in accordance with Article 7, paragraphs 4 and 5 of Commission Implementing Regulation (EU) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council.

(4) Within the term set out in paragraph 1 and on request, payment service providers shall provide the consumers with a glossary, which shall contain at least the standardised terms from the list referred to in Article 38, paragraph 1 and their definitions.

(5) The BNB Deputy Governor heading the Banking Department shall issue an instruction on the compilation of the fee information document referred to in paragraph 1 in connection with the application of Commission Implementing Regulation (EU) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council.

Statement of Fees

Article 40. (1) Payment service providers shall provide the consumer on request, at least once a year and free of charge, with a statement of fees as provided for in Article 106 of the Law on Payment Services and Payment Systems.

(2) The statement of fees shall contain the information and meet the requirements of Article 107, paragraphs 1 and 2 of the Law on Payment Services and Payment Systems and shall be compiled in accordance with Commission Implementing Regulation (EU) 2018/33 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the statement of fees and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council. Where applicable, the payment service providers shall use in the statement of fees the standardised terms set out in the list under Article 38, paragraph 1.

The Fee Comparison Website Maintained by the BNB

Article 41. (1) The Bulgarian National Bank shall maintain a website comparing the fees charged by the payment service providers for the provision of the services included in the list under Article 38, paragraph 1, of all payment service providers licensed by the BNB, and branches of payment service providers operating on the territory of Bulgaria and offering payment services to consumers.

(2) The access to the website under paragraph 1 shall be free of charge.

(3) The website under paragraph 1 shall display information on service fees (offers) included in the list provided for in Article 38, paragraph 1, in accordance with the payment service providers' applicable tariffs on fees and commissions.

Content of the Fee Comparison Website Maintained by the BNB

Article 42. The website under Article 41, paragraph 1 shall meet the requirements of Article 109, paragraph 2 of the Law on Payment Services and Payment Systems and make available to the consumers at least the following information:

1. the name of the payment service provider;
2. information on the price of each of the services included in the list under Article 38, paragraph 1, offered by the payment service provider, including by using brand names, provided such brand names are used in addition to the services included in the list under Article 38, paragraph 1 as a secondary designation of these services;
3. the currency for each of the services included in the list under Article 38, paragraph 1, offered by the payment service provider;
4. the date of the last update of the website under Article 41, paragraph 1.

Submission of Information by Payment Service Providers

Article 43. (1) For the purposes of the website under Article 41, paragraph 1, the payment service providers shall submit to the BNB the information on the price of each of the services included in the list referred to in Article 38, paragraph 1, which they offer to the consumers.

(2) The information under paragraph 1 shall be provided upon any change in the fees, commissions and interest rates for the services referred to in Article 38, paragraph 1 not earlier than seven business days and not later than two business days before the change becomes effective.

(3) The Bulgarian National Bank shall update the information on the website under Article 41, paragraph 1 on the day of entry into force of the relevant change with the payment service provider indicating the time of the last update.

(4) Payment service providers shall ensure that the information under paragraph 1 is consistent with the information in the payment service providers' tariffs on fees and commissions for the same services.

(5) Payment service providers shall be liable for the accurate, complete and duly submitted information under paragraph 1 and correct any identified inaccuracies.

(6) In case of inaccurate information published on the website under Article 41, paragraph 1, the relevant payment service provider shall, within two days, submit to the BNB the corrected information.

(7) Consumers may notify the BNB of any inaccurate information published on the website under Article 41, paragraph 1.

(8) The BNB Deputy Governor heading the Banking Department shall issue an instruction to determine the content of the information submitted by the payment service providers for the purposes of the website under Article 41, paragraph 1.

Other Fee Comparison Websites

Article 44. (1) The Bulgarian National Bank shall provide information on its website on the availability of other fee comparison websites that comply with the requirements set out in Article 109, paragraphs 1 and 2 of the Law on Payment Services and Payment Systems.

(2) A person willing to maintain the website under paragraph 1 shall notify in writing the BNB thereof, by providing information on the person's name, registered office and head office addresses and documents and information certifying the compliance with Article 109, paragraphs 1 and 2 of the Law on Payment Services and Payment Systems.

(3) (new; Darjaven Vestnik, issue 50 of 2019) The persons under paragraph 2 shall provide for self-collection of information about the fees charged by payment service providers for providing the services included in the list under Article 38, paragraph 1, as well as any other applicable information.

(4) (previous paragraph 3; Darjaven Vestnik, issue 50 of 2019) The Bulgarian National Bank shall conduct a study of compliance of the information and documents provided under paragraph 2 with the requirements set out in Article 109, paragraphs 1 and 2 of the Law on Payment Services and Payment Systems.

(5) (previous paragraph 4; Darjaven Vestnik, issue 50 of 2019) The BNB may, for the purpose of ascertaining compliance with the requirements set out in Article 109, paragraphs 1 and 2 of the Law on Payment Services and Payment Systems, require the person to provide additional information and documents.

Chapter Seven

REQUIREMENTS TO PAYMENT SERVICE PROVIDERS CONCERNING MANAGEMENT OF OPERATIONAL AND SECURITY RISKS

Section I

Management of Operational and Security Risks

Security Measures for Operational and Security Risks

Article 45. (1) Payment service providers shall establish appropriate measures for operational and security risks that are proportionate to the nature, scale and complexity of the payment services they provide or intend to provide.

(2) With respect to the measures referred to in paragraph 1, payment service providers shall apply EBA/GL/2017/17 Guidelines on security measures for operational and security risks relating to payment services under Directive (EU) 2015/2366.

Assessment of Operational and Security Risks

Article 46. Payment service providers shall conduct and provide to the BNB on an annual basis and by 31 March an updated and comprehensive assessment of the operational and security risks relating to the payment services they provide and on the adequacy of the limiting measures and control mechanisms implemented by them in response to these risks.

Section II

Notification of Major Operational or Security Incidents

Classification of Incidents

Article 47. (1) An operational or security incident shall be a singular event or a series of linked events unplanned by the payment service provider which has or will probably have an adverse impact on the integrity, availability, confidentiality, authenticity and/or continuity of payment-related services.

(2) Integrity, availability, confidentiality, authenticity and continuity under paragraph 1 shall have the meaning set out in EBA/GL/2017/10 Guidelines on major incident reporting under Directive (EU) 2015/2366 (hereinafter referred to as EBA/GL/2017/10 Guidelines).

(3) Payment service providers shall classify as major the operational or security incidents by applying the criteria and methodology set out in Guideline 1 of EBA/GL/2017/10 Guidelines.

Notification Process

Article 48. (1) In case of a major operational or security incident, a payment service provider, licensed by the BNB, shall, without delay, notify the BNB thereof.

(2) The payment service provider shall follow the notification process by providing to the BNB an initial, intermediate and final report on the incident according to Guideline 2 of EBA/GL/2017/10 Guidelines.

(3) The payment service provider shall fill out the reports referred to in paragraph 2 using the templates and instructions provided for in Annex 1 to EBA/GL/2017/10 Guidelines.

(4) The payment service provider shall submit to the BNB any relevant information on the reported incident by appending additional documents and information to the reports under paragraph 2.

(5) Reports referred to in paragraph 2 shall be submitted electronically.

Delegated and Consolidated Reporting

Article 49. (1) Payment service providers may delegate their incident-reporting obligations set out in Article 48, paragraph 1 to a third party.

(2) Where a payment service provider wishes to delegate his incident-reporting obligations to a third party, he shall inform in advance the BNB thereof and submit documents and information certifying the fulfilment of the delegation requirements provided for in Guideline 3.1 of EBA/GL/2017/10 Guidelines.

(3) The payment service provider shall withdraw the delegation if the BNB deems that the outsourcing agreement does not meet the requirements set out in Guideline 3.1, point 'b' of EBA/GL/2017/10 Guidelines.

(4) Payment service providers shall inform in advance the BNB where they wish to delegate to a third party the reporting obligations in a consolidated, *i.e.* by presenting one single report referred to several payment service providers affected by the same major operational or security incident.

(5) In the cases under paragraph 4, payment service providers shall ensure that the consolidated reporting requirements provided for in Guideline 3.2 of EBA/GL/2017/10 Guidelines are met.

(6) A payment service provider wishing to withdraw the delegation of his reporting obligations shall inform the BNB thereof within 30 days before the withdrawal.

(7) Payment service providers shall inform without undue delay the BNB of any material circumstance related to the third party delegated with reporting obligations, and its ability to fulfil the reporting obligations.

(8) Payment service providers shall perform their reporting obligations whenever the third party delegated with reporting obligations fails to inform the BNB of a major operational or security incident in accordance with Article 99 of the Law on Payment Services and Payment Systems, this Ordinance and EBA/GL/2017/10 Guidelines.

(9) Payment service providers shall take the necessary measures to ensure that an incident is not reported twice.

Operational and Security Policy

Article 50. Payment service providers shall ensure that their operational and security policy clearly defines all the responsibilities for incident reporting in accordance with the Law on Payment Services and Payment Systems, this Ordinance and EBA/GL/2017/10 Guidelines.

Chapter Eight

REPORTING REQUIREMENTS TO PAYMENT SERVICE PROVIDERS AND ELECTRONIC MONEY ISSUERS

Reporting of Payment Service Providers and Electronic Money Issuers

Article 51. (1) Payment service providers shall, for the purposes of the payment supervision, submit a report to the BNB on the payment services provided by them for each quarter of the calendar year. This report shall be submitted to the BNB Banking Department by the end of the month following the reporting quarterly period.

(2) Electronic money issuers shall, for the purposes of the payment supervision, submit a report to the BNB on the electronic money issued, distributed and redeemed by them for each quarter of the calendar year. This report shall be submitted to the BNB Banking Department by the end of the month following the reporting quarterly period. Electronic money issuers who provide also payment services shall submit to the BNB the report under paragraph 1 concerning these services.

(3) Payment service providers shall, on an annual basis, submit to the BNB a report on the payment services provided by them in line with the requirements of Regulation (EU) No 1409/2013 of the European Central Bank of 28 November 2013 on payments statistics. This report shall be submitted to the BNB Banking Department by the end of the second month following the reporting annual period.

(4) The BNB Deputy Governor heading the Banking Department shall issue an instruction to determine the form and content of the reports referred to in paragraphs 1–3.

Provision of Statistical Data on Fraud Relating to Payments

(new; Darjaven Vestnik, issue 50 of 2019)

Article 52. (new; Darjaven Vestnik, issue 50 of 2019) (1) (amended; Darjaven Vestnik, issue 38 of 2020) Payment service providers licensed by the BNB and payment service providers licensed in other EU Member States and conducting transactions on the territory of the Republic of Bulgaria through a branch shall provide to the BNB statistical data on fraud relating to payments in line with the requirements of EBA/GL/2018/05 Guidelines on fraud reporting under Article 96(6) of PSD2 and EBA/

GL/2020/01 Guidelines amending EBA/GL/2018/05 Guidelines on fraud reporting under the Payment Services Directive (PSD2).

(2) Data under paragraph 1 shall be submitted to the BNB Banking Department for each six-month period of the calendar year by the end of the second calendar month following the reporting six-month period.

Chapter Nine

COMMON AND SECURE OPEN STANDARDS OF COMMUNICATION. STRONG PAYER AUTHENTICATION

(new; Darjaven Vestnik, issue 50 of 2019)

General Obligations to Access Interfaces

Article 53. (new; Darjaven Vestnik, issue 50 of 2019) (1) Each account servicing payment service provider with payment accounts that are accessible online shall offer at least one access interface which complies with the requirements of Article 30 of Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication (Regulation (EU) 2018/389).

(2) Account servicing payment service providers shall meet the requirement under paragraph 1 by offering a dedicated interface or enabling payment service providers referred to in Article 30(1) of Regulation (EU) 2018/389 to use the interfaces intended to establish customer authentication and for communication with payment service users, which are provided by the account servicing payment service provider.

Requirements to the Dedicated Interface

Article 54. (new; Darjaven Vestnik, issue 50 of 2019) (1) The dedicated interface launched by account servicing payment service providers shall meet the requirements under Article 30 and Article 32 of Regulation (EU) 2018/389.

(2) Account servicing payment service providers that have launched a dedicated interface shall also develop and implement a strategy and plans for contingency measures, including maintenance of a contingency mechanism, for the event that the interface does not perform in compliance with Article 32 of Regulation (EU) 2018/389.

(3) Account servicing payment service providers that have launched a dedicated interface shall ensure that the contingency mechanism under paragraph 2 allows the payment service providers referred to in Article 30(1) of Regulation (EU) 2018/389 to use the interfaces available to payment service users for establishing customer authentication and communication with their account servicing payment service provider until the dedicated interface is restored to the level of availability and performance provided for in Article 32 of Regulation (EU) 2018/389.

Exemption from the Obligation to Set Up the Contingency Mechanism

Article 55. (new; Darjaven Vestnik, issue 50 of 2019) (1) The Bulgarian National Bank, after consulting EBA, may exempt an account servicing payment service provider that have opted for a dedicated interface from the obligation to set up the contingency mechanism described under Article 54 where the dedicated interface meets the requirements under Article 33(6) of Regulation (EU) 2018/389.

(2) For the exemption under paragraph 1, the account servicing payment service provider shall file a written application to the BNB, enclosing documents and information pursuant to guidelines 2–8 of EBA/GL/2018/07 on the conditions to benefit from an exemption from the contingency mechanism under Article 33(6) of Regulation (EU) 2018/389 (EBA/GL/2018/07).

(3) If the payment service provider under paragraph 2 belongs to a group of subsidiaries in different Member States and intends to use a common group interface, it shall explicitly states these circumstances in the application along with the remaining members of the group that intend to use the same interface.

(4) Within two months of receipt of an application under paragraph 2, the BNB shall carry out a study to assess compliance of all submitted documents and information with exemption requirements.

(5) Where during the study under paragraph 4 the BNB establishes that the application is incomplete, the BNB shall require the applicant to provide all necessary documents and information within a term not longer than a month.

(6) Within two months of receipt of all necessary documents and information, the BNB shall initiate a consultation with EBA under the procedure of guideline 9.1 of EBA/ GL/2018/07 in the cases where the BNB intends to exempt the applicant from or refuses to exempt the applicant from the obligation to set up a contingency mechanism.

(7) The Bulgarian National Bank shall exempt the applicant from the obligation to set up a contingency mechanism within a month of receipt of EBA comments but no later than two months of the date on which the consultation with EBA under paragraph 6 is initiated.

(8) The Bulgarian National Bank shall exempt a BNB-licensed account servicing payment service provider that have opted for a dedicated interface from the obligation to set up a contingency mechanism where the applicant has submitted all required information and documents in line with EBA/GL/2018/07 and if, at the BNB discretion, the dedicated interface set up by the applicant meets the requirements of Article 33(6) of Regulation (EU) 2018/389.

(9) The Bulgarian National Bank shall refuse to exempt a BNB-licensed account servicing payment service provider that have opted for a dedicated interface from the obligation to set up a contingency mechanism where:

1. the applicant has not submitted all required information and documents in compliance with EBA/GL/2018/07;

2. presented documents contain incomplete, confusing or false information, or
3. at the BNB discretion, the applicant does not meet the conditions under Article 33(6) of Regulation (EU) No 2018/389.

(10) The Bulgarian National Bank shall notify EBA of any refusal to exempt a BNB-licensed account servicing payment service provider that have opted for a dedicated interface from the obligation to set up a contingency mechanism under the procedure of guideline 9.3 of EBA/GL/2018/07.

(11) The Bulgarian National Bank shall revoke the exemption in the cases under Article 33(7) of Regulation (EU) No 2018/389.

Strong Customer Authentication

Article 56. (new; Darjaven Vestnik, issue 50 of 2019) (1) Payment service providers shall apply the strong payer authentication in the cases under Article 100 of the Law on Payment Services and Payment Systems (LPSPS) while complying with the requirements of Chapter Two of Regulation (EU) 2018/389.

(2) Payment service providers may not apply the strong payer authentication in the cases and under the conditions set out in Articles 10–20 of Regulation (EU) 2018/389.

(3) Payment service providers under paragraph 2 shall notify in writing the BNB before starting implementation of any of the exemptions under Articles 10–20 of Regulation (EU) 2018/389, specifying to which payment services the exemption relates. Payment service providers shall notify the BNB in writing of any change in applying the exemptions under Articles 10–20 of Regulation (EU) 2018/389.

(4) In the cases under Article 17 of Regulation (EU) 2018/389, payment service providers shall submit to the BNB a report of an audit carried out by auditors qualified in the area of information technology and payments security to verify that special processes or payment protocols ensure such levels of security that are at least equivalent to those in applying strong customer authentication under Article 100 of the LPSPS.

(5) The Bulgarian National Bank shall require the payment service providers to carry out monitoring and present its results in accordance with Article 21 of Regulation (EU) 2018/389.

(6) The Bulgarian National Bank may oblige a payment service provider to cease an exemption used by it under paragraph 2 if the payment service provider does not comply with the requirements under Regulation (EU) 2018/389.

ADDITIONAL PROVISION

§ 1. Within the meaning of this Ordinance:

1. 'budget organizations' shall be legal entities under § 1, item 5 of the Additional Provisions of the Law on Public Finance;

2. 'virtual POS terminal' shall be a logically defined POS terminal used to execute transfers of funds on payment accounts, payment for goods and services, receipt of statements and execution of other payment and non-payment transactions *via* Inter-

net, ATM terminals or digital telephones by using payment or prepaid cards operating in on-line regime;

3. 'ATM (Automated Teller Machine) terminal' shall be a machine which allows cash withdrawal and/or deposit of cash, payment for services, transfers of funds between payment accounts, receipt of statements and execution of other payment and non-payment operations;

4. 'POS terminal' shall mean a device allowing for the use of payment cards or prepaid cards to pay for the purchase of goods and services or receive statements and execute other payment or non-payment operations;

5. 'processing entity' shall mean any person providing services and actions required for the execution of payments by means of payment and prepaid cards between the acquiring institution and the issuer;

6. 'payment card scheme' shall mean a single set of rules, practices, standards and/or implementation guidelines for the execution of card-based payment transactions and which is separated from any infrastructure or payment system that supports its operation, and includes any specific decision-making body, organisation or entity accountable for the functioning of the scheme.

§ 1a. (new; Darjaven Vestnik, issue 50 of 2019) The information and reports under Articles 46, 48, 51 and 52 shall be submitted electronically.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. This Ordinance is issued on the grounds of Article 67, paragraph 5, Article 96, paragraph 5, Article 99, paragraph 6, Article 102, paragraph 1, Article 109, paragraph 7, Article 121, paragraph 6 and Article 155 of the Law on Payment Services and Payment Systems (published in the Darjaven Vestnik, issue 20 of 2018, effective as of 6 March 2018), adopted by Resolution No 105 of 18 April 2018 of the Governing Council of the Bulgarian National Bank and shall enter into force three days after its publication in the Darjaven Vestnik, except for:

- 1, Article 25, paragraph 4 which shall enter into force on 1 October 2018;
2. Articles 39–42 and Article 44 which shall enter into force on 31 October 2018;
- 3, Article 8, paragraph 3 which shall enter into force on 14 September 2019.

§ 3. This Ordinance repeals Ordinance No 3 of the BNB of 2009 on the Terms and Procedure for the Execution of Payment Transactions and Use of Payment Instruments (published in the Darjaven Vestnik, issue 62 of 2009; amended; issue 48 of 2011; issue 57 of 2012; issue 69 of 2016; issue 30 of 2017 and issue 32 of 2018).

§ 4. The instructions issued by the BNB Deputy Governor heading the Banking Department on the enactment of BNB Ordinance No 3 of 16 July 2009 on the Terms and Procedure for the Execution of Payment Transactions and Use of Payment Instruments shall remain in force insofar they do not contradict this Ordinance and the Law on Payment Services and Payment Systems.

§ 5. Upon the entry into force of this Ordinance, the Bulgarian National Bank shall publish on its website the average amount of fees referred to in Article 35, paragraph 2

based on the information collected by the banks as of 31 December 2017. Banks shall implement Article 36, paragraph 1 by 1 August 2018 at the latest.

§ 6. Payment service providers shall submit the initial information referred to in Article 43, paragraph 1 by 15 October 2018.

§ 7. Reports referred to in Article 51, paragraphs 1 and 2 for 2018 and 2019 shall be submitted to the BNB Banking Department semi-annually by the end of the month following the reporting six-month period. Reports referred to in Article 51, paragraphs 1 and 2 for the first six months of 2018 shall be submitted by 31 July 2018 at the latest.

§ 8. Reports referred to in Article 51, paragraph 3 for 2018 shall be submitted to the BNB Banking Department by 28 February 2019.

§ 9. Payment service providers shall conduct the first comprehensive assessment of the operational and security risks relating to the payment services they provide, and on the adequacy of the limiting measures and control mechanisms implemented in response to these risks, and submit it to the BNB by 31 July 2018.

§ 10. (new; Darjaven Vestnik, issue 38 of 2020) Reports under Article 51, paragraphs 1 and 2 for the first half of 2020 shall be submitted to the Banking Department of the BNB on a six-month basis until 31 August 2020.

Appendix No 1
to Article 34

**Services Linked to a Payment Account with Basic Features,
Which Are Provided to Consumers Free of Charge or for a
Reasonable Fee**

Article of the LPSPS*	Service in BGN provided on the territory of Bulgaria	Fee
Article 118, paragraph 1, item 1	Opening of an account	
	• Opening of an account at a bank office	
	• Opening of an account at a bank office and issuance of a debit card to the account	
Article 118, paragraph 1, item 1	Servicing of an account	
	• Servicing of an account at a bank office	
	• Servicing of an account at a bank office with an issued debit card to the account	
Article 118, paragraph 1, item 1	Closing of an account	
	• Closing of an account at a bank office, opened within six months prior to the date of closing	
Article 118, paragraph 1, item 2	Placing of funds into an account	
	• Placing of funds into an account at a bank office	
Article 118, paragraph 1, item 3	Withdrawing of cash from an account	
	• At a teller desk in a bank office: up to BGN 1000	
	• With a debit card at an ATM serviced by the same bank	
	• With a debit card at an ATM serviced by another bank in Bulgaria	
Article 118, paragraph 1, item 4, letter 'a'	Payment by direct debit	
	• To an account with the same bank	
	• To an account with another bank	
Article 118, paragraph 1, item 4, letter 'b'	Payment transactions with a payment card, including <i>via</i> Internet	
	• Payment with a debit card at a POS terminal serviced by the same bank	
	• Payment with a debit card at a POS terminal serviced by another bank	

* Law on Payment Services and Payment Systems.

Article 118, paragraph 1, item 4, letter 'c';	Credit transfer	
	• Paper-based transfer to a payment account with the same bank	
	• By on-line banking to a payment account with the same bank	
	• Paper-based transfer through BISERA to a payment account with another bank	
	• By on-line banking through BISERA to a payment account with another bank	
	• Paper-based transfer to a payment account of the state budget with the same bank	
	• By on-line banking to a payment account of the state budget with the same bank	
	• Paper-based transfer through BISERA to a payment account of the state budget with another bank	
	• By on-line banking through BISERA to a payment account of the state budget with another bank	
	Standing order	
	• Execution of a paper-based standing order to a payment account with the same bank	
	• Execution of an on-line banking standing order to a payment account with the same bank	
	• Execution of a paper-based standing order <i>via</i> BISERA to a payment account with another bank	
	• Execution of an on-line banking standing order <i>via</i> BISERA to a payment account with another bank	

Appendix No 2
to Article 37, paragraph 2

Template of an Information Leaflet on a Payment Account with Basic Features

[Name of the payment service provider]
[Presentation format to be chosen by the payment service provider]

Payment Account with Basic Features

Intended use

The payment account with basic features is offered in Bulgarian levs and intended to resident and non-resident natural persons residing legally in the European Union for execution of payment transactions on the territory of Bulgaria free of charge or for reasonable fees.

An unlimited number of payment transactions may be executed on a payment account with basic features.

The access to a payment account with basic features is not bound by the purchase of additional services.

The bank may refuse to open a bank account with basic features where the customer already holds another payment account with basic features or holds more than one payment account allowing the execution of payment transactions with the same or another bank on the territory of Bulgaria.

The payment account with basic features is opened within ten days of receipt of all documents required by the bank for its opening and the conclusion of the contract.

Fees

[Name of the payment service provider] charges fees for the services on a payment account with basic features, as follows:

[The services on a payment account with basic features and the applicable fees to any of them are listed.]

[Additional services provided on a payment account with basic features, if any, and applicable fees to any of them are listed]

Appendix No 3
to Article 38, paragraph 1

List of the Most Representative Services Linked to a Payment Account

Service	Definition
Opening of a current account	The payment service provider opens a payment account to a customer for execution of payment transactions without any notice from the account holder for using the funds.
Maintaining the account <i>* current account</i>	The payment service provider operates a payment account which is used by the customer for execution of payment transactions without any notice from the account holder for using the funds.
Closing of a current account	Closing of a payment account which is used by the customer for execution of payment transactions without any notice from the account holder for using the funds.
Debit card servicing in national currency	The payment service provider operates a debit card linked to the customer's account in national currency. The amount of each transaction made using the card is taken directly and in full from the customer's account.
Credit card servicing in national currency	The payment service provider operates a credit card linked to the customer's account in national currency. The total amount of the transactions made using the card during an agreed period is taken either in full or in part from the customer's payment account on an agreed date. A credit agreement between the provider and the customer determines whether interest will be charged to the customer for the borrowing.
Cash withdrawal <i>* on the territory of Bulgaria</i>	The customer takes cash out of the customer's account on the territory of Bulgaria either at a teller desk, or <i>via</i> POS or ATM terminals.
Cash withdrawal <i>* with a debit card at an ATM terminal abroad</i>	The customer takes cash out of the customer's account using his debit card at an ATM terminal abroad.
Payment with a debit card	The customer pays for the purchase of goods and services at the point of sale or <i>via</i> Internet with a debit card.
Payment with a credit card	The customer pays for the purchase of goods and services at the point of sale or <i>via</i> Internet with a credit card.
Statement of a payment account balance <i>via</i> an ATM terminal	The customer receives a statement from an ATM terminal in Bulgaria on the payment account balance to which his debit card is linked.

Credit transfer <i>* in national currency to a payment account with another payment service provider</i>	The payment service provider transfers money, on the instruction of the customer, from the customer's account to another account with another payment service provider in national currency.
Credit transfer <i>* in national currency to a payment account with the same payment service provider</i>	The payment service provider transfers money, on the instruction of the customer, from the customer's account to another account with the same payment service provider in national currency.
Credit transfer <i>* in national currency to a payment account of the state budget with another payment service provider</i>	The payment service provider transfers money, on the instruction of the customer, from the customer's account to a payment account of the state budget with another payment service provider, initiated by a payment order to the budget in national currency.
Utilities payment	The payment service provider transfers money, on the instruction of the customer, from the customer's account to a payment account with the same or another payment service provider, allowing payment of utility bills (electricity, water, gas, telephone, etc.).
Credit transfer <i>* in foreign currency to a payment account with another payment service provider</i>	The payment service provider transfers money, on the instruction of the customer, from the customer's account to another account with another payment service provider in foreign currency.
Credit transfer <i>* in foreign currency to a payment account with the same payment service provider</i>	The payment service provider transfers money, on the instruction of the customer, from the customer's account to another account with the same payment service provider in foreign currency.
Incoming credit transfer <i>* in foreign currency</i>	The customer's account with a payment service provider is credited with amounts from money transfers in foreign currency.
Overdraft	The payment service provider and the customer agree in advance that the customer may borrow money when there is no money left in his account. The agreement determines a maximum amount that can be borrowed, and whether fees and interest will be charged to the customer.

ORDINANCE
on Amendment of Ordinance No 3 of 2018 on the Terms and
Procedure for Opening Payment Accounts, Executing Payment
Transactions and Using Payment Instruments

(published in the Darjaven Vestnik, issue 50 of 2019)

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Transitional and Final Provisions

§ 17. By 31 December 2019 the BNB may exempt payment service providers from the obligation to set up a contingency mechanism under the procedure of guideline 9.2 of EBA/GL/2018/07.

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§ 19. This Ordinance is issued on the grounds of Article 67, paragraph 5, Article 96, paragraph 5, Article 99, paragraph 6, Article 102, paragraph 1, Article 109, paragraph 7, Article 121, paragraph 6 and Article 155 of the Law on Payment Services and Payment Systems and adopted by Resolution No 209 of 13 June 2019 of the BNB Governing Council.

ORDINANCE
on Amendment of Ordinance No 3 of 2018 on the Terms and
Procedure for Opening Payment Accounts, Executing Payment
Transactions and Using Payment Instruments

(published in the Darjaven Vestnik, issue 38 of 24 April 2020)

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Final Provision

§ 3. This Ordinance is issued on the grounds of Article 99, paragraph 6 and Article 155 of the Law on Payment Services and Payment Systems and adopted by Resolution No 130 of the Governing Council of the BNB of 7 April 2020.

