

Law on the Measures against Money Laundering

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Chapter One

General Provisions

Article 1. (amended; Darjaven Vestnik, issue 54 of 2006) This Law shall determine the preventive measures against the use of the financial system for the purpose of money laundering, as well as the organization and control over their enforcement.

Article 2. (amended; Darjaven Vestnik, issue 1 of 2001; issue 54 of 2006)
(1) Within the meaning of this Law money laundering shall be:

1. any conversion or transfer of property derived from criminal activity or from an act of participation in such activity for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of this action;

2. the concealment or disguise of the true nature, source, location, disposition, movement or rights with respect to a property derived from criminal activity or from an act of participation in such activity;

3. the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity;

4. participation in whatever of the activities under items 1 – 3, association to commit, and attempts to commit such activities, as well as aiding, abetting and facilitating the commission of such activity or its disguise.

(2) Money laundering shall be regarded as such even where the activity which generated the property under paragraph 1 was carried out on the territory of a Member State of the European Union or on that of a third country which does not fall under the jurisdiction of the Republic of Bulgaria.

Article 3. (1) (amended; Darjaven Vestnik, issue 54 of 2006) Measures to prevent the use of the financial system for the purpose of money laundering shall be:

1. identification of customers and verification of their identity;
2. identification of the beneficial owner (legal entity) and taking adequate measures to verify his/her identity so that the person under paragraphs 2 and 3 is satisfied that the beneficial owner has been verified;
3. obtaining information from the customer on the purpose and nature of the established or intended relationship;
4. conducting ongoing monitoring of the established business or professional relationships, including scrutiny of transactions and operations effected throughout the course of that relationship to ensure that the transactions and operations are consistent with the information available for the customer, the business and risk profile, including, where necessary, the source of funds in the cases provided for by this Law;
5. disclosure of information about suspicious operations, transactions and customers.

(2) Measures under paragraph 1 shall be mandatory for:

1. (amended; Darjaven Vestnik, issue 1 of 2001, issue 31 of 2003; issue 59 of 2006, issue 16 of 2008, issue 23 of 2009, effective as of 1 November 2009; amended; Darjaven Vestnik, issue 101 of 2010, effective as of 30 April 2011) the Bulgarian National Bank, credit institutions which conduct activities on the territory of the Republic of Bulgaria, financial institutions, exchange bureaux, as well as other payment service providers;

2. (amended; Darjaven Vestnik, issue 31 of 2003; amended; issue 103 of 2005; issue 54 of 2006) insurers, reinsurers and insurance intermediaries with a registered office in the Republic of Bulgaria; insurers, reinsurers and insurance intermediaries from a Member State of the European Union or from a state – party to the Agreement on the European Economic Area which conduct activities on the territory of the Republic of Bulgaria; insurers and reinsurers with a registered office in countries, other than specified, having obtained a license by the Financial Supervision Commission to conduct activities in the Republic of Bulgaria through a branch; insurance intermediaries with a registered office in countries, other than specified, entered in a register of the Financial Supervision Commission ;

3. (amended; Darjaven Vestnik, issue 1 of 2001; amended; issue 54 of 2006) collective investment undertakings, investment intermediaries and management companies;

4. (new; Darjaven Vestnik, issue 1 of 2001; amended; issue 54 of 2006; issue 92 of 2007; amended, issue 60 of 2012, effective as of 7 August 2012) pension insurance companies;

5. (former item 4; amended, Darjaven Vestnik, issue 1 of 2001) privatization bodies;

6. (former item 5; amended, Darjaven Vestnik, issue 1 of 2001) persons organizing tenders for public procurement;

7. (former item 6; amended, Darjaven Vestnik, issue 1 of 2001) persons organizing and running games of chance;

8. (former item 7; amended, Darjaven Vestnik, issue 1 of 2001) legal entities with established mutual aid funds;

9. (former item 8; amended, Darjaven Vestnik, issue 1 of 2001) persons making money loans against collateral of movables;

10. (former item 9; amended, Darjaven Vestnik, issue 1 of 2001, amended, issue 57 of 2011) post operators licensed to effect postal funds transfers under the Postal Services Law;

11. (former item 10; amended, Darjaven Vestnik, issue 1 of 2001) notaries;

12. (former item 11; amended, Darjaven Vestnik, issue 1 of 2001; amended, issue 31 of 2003; amended, Darjaven Vestnik, issue 52 of 2007; effective as of 1 November 2007) market operator and/or regulated market;

13. (former item 12; amended, Darjaven Vestnik, issue 1 of 2001) leasing enterprises;

14. (former item 13; amended, Darjaven Vestnik, issue 1 of 2001) government and municipal bodies in charge of cession contracting;

15. (former item 14; amended, Darjaven Vestnik, issue 1 of 2001) political parties;

16. (former item 15; amended, Darjaven Vestnik, issue 1 of 2001) trade unions and professional organizations;

17. (former item 16; amended, Darjaven Vestnik, issue 1 of 2001) non-profit legal entities;

18. (amended, Darjaven Vestnik, issue 67 of 2008) chartered auditors;

19. (former item 18; amended, Darjaven Vestnik, issue 1 of 2001; issue 105 of 2005) bodies of the National Revenue Agency;

20. (former item 19; amended, Darjaven Vestnik, issue 1 of 2001) customs authorities;

21. (new; Darjaven Vestnik, issue 1 of 2001, amended, issue 31 of 2003, repealed, issue 16 of 2011)

22. (new; Darjaven Vestnik, issue 1 of 2001) sport organizations;

23. (new; Darjaven Vestnik, issue 1 of 2001) the Central Depository;

24. (new; Darjaven Vestnik, issue 1 of 2001, amended; issue 31 of 2003; issue 92 of 2007, repealed, issue 16 of 2011)

25. (new; Darjaven Vestnik, issue 1 of 2001) dealers in arms, petrol and petroleum products;

26. (new; Darjaven Vestnik, issue 1 of 2001; amended, issue 31 of 2003) persons providing in the line of business consultation services in taxation;

27. (new; Darjaven Vestnik, issue 1 of 2001) wholesale traders;

28. (new; Darjaven Vestnik, issue 31 of 2003) persons providing legal advice in the line of business where:

a) they participate in planning and performing an operation or transaction of their customers concerning:

aa) purchase and sale of an immovable property or transfer of an enterprise to a dealer;

bb) management of money, securities or other financial assets;

cc) opening or disposal with a bank account or securities account;

dd) raising funds for incorporating a dealer, increasing the capital of a company, extending a loan or any other form of providing funds for performing dealer's business;

ee) (amended; Darjaven Vestnik, issue 54 of 2006) incorporation, organization or management of a dealer or other legal entity, an offshore company, a company under trust management or other similar structure;

ff) (new; Darjaven Vestnik, issue 54 of 2006) trust property management;

b) they act on the account or on behalf of their customer in any real estate financial operation or transaction;

29. (new; Darjaven Vestnik, issue 31 of 2003) persons acting in the line of business as intermediary in real estate transactions.

30. (new; Darjaven Vestnik, issue 54 of 2006) persons that by way of business provide:

a) head office; correspondence or office address for the purpose of registration of legal entities;

b) services relating to the registration of a legal entity, an offshore company, a company under trust management or other similar structure;

c) services to a trust property management or to an entity under item 'b';

31. (new; Darjaven Vestnik, issue 57 of 2011) persons that by way of business provide accountancy services;

32. (new; Darjaven Vestnik, issue 57 of 2011) private bailiffs;

33. (new; Darjaven Vestnik, issue 22 of 2014; effective as of 11 March 2014) The executive director of the Executive Environment Agency in his capacity as national administrator as defined in Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011 (OJ L 122/1 of 3 May 2013).

(3) Measures under paragraph 1 shall be furthermore mandatory for the persons under paragraph 2, should the said persons have been declared bankrupt or in liquidation.

(4) (amended; Darjaven Vestnik, issue 31 of 2003) Measures under paragraph 1 shall furthermore apply to branches registered abroad of the persons under paragraphs 2 and 3, as well as to branches of foreign persons registered in Bulgaria which are included in the scope provided for under paragraphs 2 and 3.

(5) (new; Darjaven Vestnik, issue 31 of 2003; repealed; issue 54 of 2006):

(6) (new; Darjaven Vestnik, issue 31 of 2003; amended; issue 54 of 2006) Within the meaning of this Law the persons under paragraph 2, item 28 shall be exempt from the obligation to report information disclosed in the process of or on the occasion of participation in legal or pre-trial proceedings which is pending, or will be opened or has been closed, as well as information associated with ascertaining the customer's legal position.

(7) (new; Darjaven Vestnik, issue 54 of 2006) Measures specified in paragraph 1 shall be mandatory for the persons under paragraph 2, item 24 and in the cases of effecting more than one operation or transaction, which separately does not exceed BGN 30,000 each or the equivalent in foreign currency, but the circumstances in which they are effected may prompt the suggestion that they are linked.

Article 3a. (new; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) (1) Bodies supervising the activity of the persons under Article 3, paragraphs 2 and 3 shall provide information to the Financial Intelligence Directorate of the State Agency of National Security where in performing their supervision activity, they have found operations or transactions suspected of money laundering or nonfeasance of the obligation under Article 11a.

(2) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Examinations performed by the bodies under paragraph 1 shall also include examination of whether the people subject to it fulfill the requirements under this Law. In case the supervisory authorities ascertain violations, they shall notify the Financial Intelligence Directorate of the State Agency of National Security by sending the corresponding part from the statement of findings.

(3) (new; Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The Financial Intelligence Directorate of the State Agency of National Security and the supervisory authorities may exchange classified information for the purpose of performing the functions entrusted to them by law.

Article 3b. (new; Darjaven Vestnik, issue 54 of 2006) (1) Banks established on the territory of the Republic of Bulgaria and foreign banks conducting bank activities in Bulgaria through a branch shall be prohibited from entering into correspondent banking relationships with banks incorporated in a jurisdiction in which they have no physical presence and which are unaffiliated with a regulated financial group.

(2) Banks established on the territory of the Republic of Bulgaria and foreign banks conducting bank activities in Bulgaria through a branch shall be prohibited from entering into correspondent banking relationships with banks abroad that are known to permit their accounts to be used by banks incorporated in a jurisdiction in which they have no physical presence and which are unaffiliated with a regulated financial group.

Article 3c. (new; Darjaven Vestnik, issue 54 of 2006) (1) The persons under Article 3, paragraphs 2 and 3 shall ensure the application of the measures provided for

in this Law and of the statutory provisions for its implementation by their branches and majority-owned subsidiaries abroad in conformity with the applicable foreign legislation.

(2) (amended; Darjaven Vestnik; issue 92 of 2007; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Where the national legislation of the foreign country does not allow for or imposes restrictions on the application of the measures under paragraph 1, the persons under Article 3, paragraphs 2 and 3 shall notify the Financial Intelligence Directorate of the State Agency of National Security and the respective supervisory authority, as well as undertake supplementary measures adequate to the risk and provided for in the Rules for the Enactment of this Law.

(3) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Branches and majority-owned subsidiaries of the persons under Article 3, paragraphs 2 and 3 shall not be obliged to notify the Financial Intelligence Directorate of the State Agency of National Security, pursuant to Articles 11 and 11a.

Chapter Two

Identification of Customers, Collection, Storage and Disclosure of Information

Section I

Identification of Customers

Article 4. (amended, Darjaven Vestnik, issue 31 of 2003) (1) (amended; Darjaven Vestnik, issue 54 of 2006; amended; Darjaven Vestnik, issue 102 of 2012) The persons under Article 3, paragraphs 2 and 3 shall identify customers thereof upon establishing business or professional relationships, including upon opening a bank account and upon effecting operations and making transactions therewith to the amount of more than BGN 30,000 or its foreign exchange equivalent and also upon making cash operations in levs or foreign currency exceeding BGN 10,000 or its foreign exchange equivalent for persons under Article 3, paragraph 2, items 1 – 4, 9 – 11, 13, 28 and 32. Opening or keeping an anonymous or fictitious account shall be prohibited.

(2) Paragraph 1 shall furthermore apply to the cases of more than one operation or transaction where the value of each operation or transaction does not exceed the amount of BGN 30,000 or its exchange equivalent, respectively BGN 10,000 or its exchange equivalent, but there is evidence of relatedness of said operations or transactions.

(3) (amended; Darjaven Vestnik, issue 54 of 2006; issue 1 of 2014, effective as of 1 January 2014) Persons under Article 3, paragraph 2, item 7 shall identify their customers under Article 6 upon entry into the register under Article 74, paragraph

1 of the Gambling Law and upon effecting an operation or a transaction where the value exceeds BGN 6000 or its foreign exchange equivalent.

(4) (amended; Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) In case of impossibility to identify the customers pursuant to the requirements of this Law or failure to submit the declaration under paragraph 7, the persons under Article 3, paragraphs 2 and 3 shall refuse to effect the operation or transaction or to establish business or professional relationships, including opening an account. Where such relationships have already been established and the persons under Article 3, paragraphs 2 and 3 cannot identify the customer, the relationships shall be terminated. In such cases the persons under Article 3, paragraphs 2 and 3 shall consider whether to report to the Financial Intelligence Directorate of the State Agency of National Security pursuant to Article 11. This provision shall not apply to the persons under Article 3, paragraph 2, item 28 under the conditions set forth in Article 3, paragraph 6.

(5) (amended; Darjaven Vestnik, issue 54 of 2006) Upon ascertaining of business or professional relationships or conducting an operation or transaction *via* electronic statement, electronic document or electronic signature, or any other form without the presence of the customer, the persons under Article 3, paragraphs 2 and 3 shall undertake appropriate measures for certifying the authenticity of the customer's identification data. Such measures may include examination of presented documents, request of additional documents, confirmation of identification by another person under Article 3, paragraphs 2 or 3 or by a person bound to apply measures against money laundering in a Member State of the European Union, or establishment of a requirement for the first payment on the operation or transaction to be effected through an account opened on the customer's name with a Bulgarian bank, a foreign bank's branch licensed by the Bulgarian National Bank to conduct transactions in Bulgaria through a branch or with a bank of an EU Member State.

(6) Measures under paragraph 5 shall be included in the internal rules under Article 16.

(7) Persons conducting an operation or a transaction through or with a person under Article 3, paragraphs 2 and 3 in the amount exceeding BGN 30,000 or the equivalent in foreign currency, BGN 10,000 respectively or the equivalent in foreign currency, where the payment is effected in cash, shall declare the origin of the funds. The persons under Article 3, paragraphs 2 or 3 shall require the declaration before effecting the said operation or transaction.

(8) The form of the declaration under paragraph 7 and Article 6, paragraph 5, item 3, the terms and procedure for its submission, as well as the terms and procedure for exoneration of liability to make a declaration shall be provided for in the rules for enactment of this Law.

(9) (amended; Darjaven Vestnik, issue 92 of 2007) Any person under Article 3, paragraphs 2 and 3 shall not perform identification under Article 3, paragraph 1 and shall not require from its customers the declaration under paragraph 7 where the

customer is a credit institution in the Republic of Bulgaria, a credit institution from another Member State or a bank from a third country included in a list approved by a joint order of the Minister of Finance and the Governor of the Bulgarian National Bank.

(10) In the list under paragraph 9 only countries with legislation containing requirements complying with the provisions of this Law shall be included. The list shall be published in the *Darjaven Vestnik*.

(11) (amended; *Darjaven Vestnik*, issue 54 of 2006) In case where the transaction value may not be established upon its performance due to the nature of the said operation or transaction, the person under Article 3, paragraphs 2 or 3 shall identify the customer upon determining the value of the operation or transaction where it exceeds BGN 30,000 or the equivalent in foreign currency, BGN 10,000 respectively or the equivalent in foreign currency, if the payment is effected in cash. This case shall not exclude the obligation for identification upon establishing business or professional relationships.

(12) (amended; *Darjaven Vestnik*, issue 103 of 2005) Persons under Article 3, paragraph 2, item 2 shall identify their customers in concluding an insurance contract according to Section I of Appendix 1 to the Insurance Code, where the gross value of periodic premiums and payments on the insurance contract per annum exceeds BGN 2,000, or the premium or payment on the insurance contract is one-off and exceeds BGN 5,000.

(13) Persons under Article 3, paragraphs 2 or 3 shall furthermore identify customers other than cases provided for by paragraphs 1–12, should there be any suspicion of money laundering.

(14) (new; *Darjaven Vestnik*, issue 54 of 2006) Persons under Article 3, paragraphs 2 and 3 shall identify and verify the identification of their customers in the event of doubts about customer identification data or in case they are notified of changes thereof.

(15) (new; *Darjaven Vestnik*, issue 54 of 2006; amended; issue 92 of 2007) Verification of customer identification data and of beneficial owners shall be carried out prior to the establishment of business or professional relationships, opening an account or effecting an operation or a transaction under paragraphs 1, 2 and 3. The Rules for the Enactment of this Law may provide for an exception to this rule.

(16) (new; *Darjaven Vestnik*, issue 54 of 2006) Depending on the potential risk assessment the persons under Article 3, paragraphs 2 and 3 may apply simplified or extended measures under Article 3, paragraph 1 pursuant to the Rules for the Enactment of this Law.

(17) (new; *Darjaven Vestnik*, issue 92 of 2007) Identification under Article 3, paragraph 1, shall not be performed and the declaration under paragraph 7 shall not be submitted where the customer is a state body of the Republic of Bulgaria.

(18) (new; Darjaven Vestnik, issue 92 of 2007) Identification under paragraph 1 shall not be performed where the customer is an institution having the powers of an authority in compliance with Community Law under the following conditions:

1. the person under Article 3, paragraphs 2 and 3 has collected enough information that does not arise any suspicion with regard to the institution's identity;

2. the institution complies with the reporting procedures and its business is transparent;

3. the institution reports to a Community body, or a body of a Member State, or verification provisions guaranteeing the control over its activities are in place.

(19) (new, Darjaven Vestnik, issue 92 of 2007; amended, Darjaven Vestnik, issue 102 of 2012) Where a bank account of a person under Article 3, paragraph 2, items 11 and 28 from the Republic of Bulgaria, from another Member State or from a country included in the list under paragraph 9 is used to deposit funds of a person's customer, the bank shall not perform identification of this customer pursuant to Article 3, paragraph 1 and shall not require the declaration under paragraph 7 provided that the identification has already been performed and the declaration has been accepted by the person under Article 3, paragraph 2, items 11 and 28 and the information collected in the process of identification is available to the bank upon request.

(20) (new, Darjaven Vestnik, issue 102 of 2012) Where a bank account of a person under Article 3, paragraph 2, item 32 is used for the funds received by the person from liquidation of debtors' property or in connection with the additional activity under Article 18 of the Private Bailiffs Act, the bank shall not perform identification of this customer pursuant to Article 3, paragraph 1 and shall not require the declaration under paragraph 7 provided that the identification has already been performed and the declaration has been accepted by the person under Article 3, paragraph 2, item 32 and the information collected in the process of identification is available to the bank upon request.

(21) (new, Darjaven Vestnik, issue 102 of 2012) The bank shall collect enough information so as to establish whether the conditions for applying the simplified measures under Articles 19 and 20 are met.

(22) (new, Darjaven Vestnik, issue 92 of 2007, former paragraph 20, Darjaven Vestnik, issue 102 of 2012) The persons under Article 3, paragraphs 2 and 3 shall not implement the simplified measures under Article 3, paragraph 1 against persons from the countries included in the list under Article 7a, paragraph 3.

Article 5. (amended; Darjaven Vestnik, issue 1 of 2001) (1) (amended; Darjaven Vestnik, issue 54 of 2006) The persons under Article 3, paragraph 2 and 3 shall ascertain whether the customer is acting on his own behalf and for his own account or on behalf and for the account of a third party. Should the operation or transaction be effected by proxy, the persons under Article 3, paragraphs 2 and 3 shall demand a proof of the powers of proxy and shall identify the representative and the represented person.

(2) (amended; Darjaven Vestnik, issue 54 of 2006) Should the operation or transaction be effected on behalf or for the account of a third party without a proxy, the persons under Article 3, paragraphs 2 and 3 shall identify the third party on whose behalf and for whose account the operation or transaction has been effected, and the person who has effected the operation or transaction.

(3) (new; Darjaven Vestnik, issue 31 of 2003) Should there be any suspicion that the person effecting the operation or transaction does not act on his own name or account, the persons under Article 3, paragraphs 2 or 3 shall notify the Financial Intelligence Agency under Article 11 and undertake appropriate measures to collect information about identification of the person in whose favour the operation or transaction is actually effected. The measures shall be established by the Rules on the Enactment of this Law.

Article 5a. (new; Darjaven Vestnik, issue 54 of 2006, effective as of 5 October 2006) (1) The persons under Article 3, paragraphs 2 and 3 shall apply extended measures as regards customers who are or have been high officials in the Republic of Bulgaria or in a foreign country, and as regards customers who are their related persons.

(2) The Council of Ministers shall determine the rules and procedures governing the application of paragraph 1.

Article 5b. (new; Darjaven Vestnik; issue 92 of 2007) (1) Upon entering into correspondent relationship with a credit institution from a third country that is not in the list under Article 4, paragraph 9, credit institutions under Article 3, paragraph 2, item 1, shall:

1. collect sufficient information about the respondent credit institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision;
2. assess the internal control mechanisms against money laundering and terrorism financing implemented by the respondent institution;
3. organize the process in such a way so as to obtain approval from senior management of the credit institution before establishing new correspondent banking relationships;
4. document the respective responsibilities of each correspondent institution with regard to the measures against money laundering and terrorism financing.

(2) In cases under paragraph 1 where third parties – customers of the respondent institution, have access to the correspondent account, the credit institution under Article 3, paragraph 2, item 1, must be satisfied that the respondent credit institution has performed identification, verified the identity and conduct ongoing monitoring of the customers having direct access to its account and that it is able, upon request, to provide relevant customer identification and other data to the correspondent institution.

Article 5c. (new; Darjaven Vestnik; issue 92 of 2007) The persons under Article 3, paragraphs 2 and 3 shall implement extended measures with regard to products

or transactions which might favour anonymity pursuant to the terms and conditions specified in the Rules for the Enactment of this Law.

Article 6. (1) (amended; Darjaven Vestnik, issue 54 of 2006) Customer identification and verification thereof shall be performed in the following manner:

1. (amended; Darjaven Vestnik, issue 1 of 2001) for legal entities – by presenting an official statement of current status from a relevant register, and where the person is not subject to registration – by presenting a certified copy of the instruments of association and by registration of the name, registered office, address and the proxy thereof;

2. for natural persons – by presenting an official identity document and by registering the type, number, issuer, as well as the name, address, Unified Registration Number, and for natural persons operating in a sole trader capacity – by presenting the documents under item 1 as well.

(2) (repealed; Darjaven Vestnik, issue 105 of 2005; new; issue 54 of 2006) Persons under Article 3, paragraphs 2 and 3 shall identify the natural persons who are the beneficial owners of a customer – legal entity, and undertake actions to verify the identification depending on the type of customer and the risk ensuing from the establishment of customer relationships and/or the execution of transactions or operations with this type of customer. Where no other possibility exists, the identification may be conducted by a declaration signed by the legal representative or the proxy of the legal entity. The terms and procedure for identification and verification, the terms and procedure for the exemption from a customer identification obligation, as well as the format and the procedure for the submission of the declaration shall be specified in the Rules for the Enactment of this Law.

(3) (new; Darjaven Vestnik, issue 1 of 2001; amended, issue 31 of 2003) Copies of the documents under paragraph 1, items 1 and 2 shall be made, unless the data included in them is indicated accurately in other documents drawn by the person under Article 3, paragraphs 2 and 3, and these copies shall be stored under the conditions of Article 8.

(4) (new; Darjaven Vestnik, issue 1 of 2001) Where an activity is subject to licensing, authorization or registration, the persons effecting transactions and operations regarding said activity shall present a copy of the respective license, authorization or certificate of registration.

(5) (former paragraph 3; amended, Darjaven Vestnik, issue 1 of 2001, issue 31 of 2003) Persons under Article 3, paragraph 2, items 1, 2, 3, 4, 5, 6, 7, 10, 12, 14, 18, 19 and 20 shall set up specialized offices which must:

1. collect, process, store and disclose information about said operations or transactions;

2. collect evidence on the ownership of the property subject to transfer;

3. require information on the origin of funds or valuables which are the object of said operations or transactions; the origin of these funds shall be ascertained by a declaration;

4. (amended, Darjaven Vestnik, issue 96 of 2011, effective as of 1 January 2012) collect information about customers thereof and maintain precise and detailed documentation on their operations in money or valuables, including information and documents under Article 6 of the Currency Law;

5. (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) submit collected information under items 1, 2, 3 and 4 to the Financial Intelligence Directorate of the State Agency of National Security under the terms and procedure of Article 11, should there be any suspicion of money laundering.

(6) (former paragraph 4; amended, Darjaven Vestnik, issue 1 of 2001) Persons under Article 3, paragraph 2, items 1, 2, 3, 4, 5, 6, 7, 10, 12, 14, 18, 19 and 20 shall perform the obligations themselves where the establishment of a specialized office is impossible.

(7) (former paragraph 5; amended, Darjaven Vestnik, issue 1 of 2001, issue 31 of 2003) Persons under Article 3, paragraphs 2 and 3 shall observe the obligations under this Law, irrespective of whether they establish a specialized office.

Article 6a. (new; Darjaven Vestnik; issue 92 of 2007) (1) The Bulgarian National Bank, the credit institutions under Article 3, paragraph 2, item 1, as well as the persons under Article 3, paragraph 2, items 2, 3 and 4, may refer to previous customer identification carried out by the credit institution under the following conditions:

1. the head office of the credit institution that has carried out the identification is in the Republic of Bulgaria, in another Member State, or in a country included in the list under Article 4, paragraph 9;

2. the information required under Article 6, paragraphs 1 – 4 is available to the person that has referred to the previous identification carried out by the credit institution;

3. certified copies of identification documentation shall forthwith be forwarded, upon request, by the credit institution that has carried out the previous identification to the person referring to it.

(2) Reference to previous identification under paragraph 1 shall not dispose the person who has made it of responsibility in case he fails to meet the identification requirements set forth in Article 6, paragraphs 1 – 4.

Section II

Collection of Information

Article 7. (1) Should there be any suspicion of money laundering, the persons under Article 3, paragraphs 2 and 3 shall collect data about the essential elements and size of the operation or transaction, the relevant documents and other identification data.

(2) (amended; Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Data collected for the purposes of this Law shall be documented and stored in such a way as to ensure it is accessible

by the Financial Intelligence Directorate of the State Agency of National Security, the respective supervisory authorities and the auditors.

Article 7a. (new; Darjaven Vestnik, issue 54 of 2006, effective as of 5 October 2006) (1) Persons under Article 3, paragraphs 2 and 3 shall monitor closely their business and professional relationships, operations and transactions with persons from countries which do not apply or partially apply international standards against money laundering.

(2) Where there is no apparent economic or visible lawful purpose for the operation or transaction under paragraph 1, the persons under Article 3, paragraphs 2 and 3 shall collect, to the extent possible, additional information on the circumstances related to the operation or transaction and on its purpose.

(3) (amended; Darjaven Vestnik; issue 92 of 2007) Countries which do not apply or partially apply international standards against money laundering shall be specified in a list approved by the Minister of Finance pursuant to the decisions under Article 40, paragraph 4 of Directive 2005/60/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorism financing. Supplementary measures against these countries shall be provided for in the Rules for the Enactment of this Law.

(4) (new; Darjaven Vestnik, issue 102 of 2012) The Director of the Financial Intelligence Directorate of the State Agency of National Security may issue instructions to the persons under Article 3, paragraphs 2 and 3 on applying additional measures under Article 3, paragraph 1 and in respect to persons from a country not included in the list under paragraph 3.

Article 7b. (new; Darjaven Vestnik, issue 102 of 2012) (1) The persons under Article 3, paragraphs 2 and 3 shall closely monitor all complex or unusually large operations and transactions, as well as all operations and transactions without clear economic or legal purpose, which can be established with a view to the information available to the person under Article 3, paragraphs 2 and 3, or those not complying with the available information about the customer.

(2) Upon establishing transactions or operations under paragraph 1, the persons under Article 3, paragraphs 2 and 3 shall collect information about the essential elements and size of the operation or transaction, the relevant documents and other identification data.

(3) The information collected for the purposes of this Article shall be documented and stored so that it can be available to the Financial Intelligence Directorate of the State Agency of National Security, the respective supervisory authorities and the auditors.

Section III

Storage of Information

Article 8. (1) (amended; Darjaven Vestnik, issue 1 of 2001; former wording of Article 8; amended, Darjaven Vestnik, issue 102 of 2012) In the cases under

Articles 4 – 7, the persons under Article 3, paragraphs 2 and 3 shall keep records on customers and documents of operations or transactions, as well as documents related to establishing and maintaining business or professional relationships therewith for a term of five years. For customers, the said term is effective as of the beginning of the calendar year following the year of termination of the relationship, and for operations and transactions, as of the beginning of the calendar year following execution thereof.

(2) (new; Darjaven Vestnik, issue 102 of 2012) Upon a written instruction of the Director of the Financial Intelligence Directorate of the State Agency of National Security, the term under paragraph 1 for keeping information may be extended up to seven years.

Article 9. (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003, amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Upon request the data and documents under Article 8 shall be submitted to the Financial Intelligence Directorate of the State Agency of National Security in the original or in an officially certified copy. The procedure, terms and regularity thereof shall be determined by the ordinance on the enactment of this Law.

Section IV

Disclosure of Information

Article 10. (amended; Darjaven Vestnik, issue 31 of 2003; repealed, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008)

Article 11. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 102 of 2012) Should any money laundering activity or funds of criminal origin be suspected, the persons under Article 3, paragraphs 2 and 3 shall forthwith notify the Financial Intelligence Directorate of the State Agency of National Security before the operation or transaction is effected and shall delay execution thereof within the admissible time limit in compliance with the laws and regulations governing the said type of activity.

(2) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Should the persons under Article 3, paragraphs 2 and 3 consider that the delay of the operation or transaction is impossible for objective reasons, they shall notify the Financial Intelligence Directorate of the State Agency of National Security immediately after the operation or transaction has been effected.

(3) (new; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Notification of the Directorate may be furthermore performed by employees of the persons under Article 3, paragraphs 2 and 3, who are not in charge of enforcement of the measures against money laundering. The Directorate shall preserve the anonymity of said employees.

(4) (new; Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The Financial Intelligence Directorate of the State Agency of National Security shall provide to the persons under Article 3, paragraphs 2 and 3, and Article 3a feedback on the notification made by them. The extensiveness of the feedback provided for each notification shall be determined by the Director of the Financial Intelligence Directorate.

(5) (new; Darjaven Vestnik, issue 57 of 2011) The obligation under paragraph 1 shall also arise in the cases where the operation or transaction have not been finalized.

Article 11a. (new; Darjaven Vestnik, issue 31 of 2003, effective as of 1 January 2004) (1) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The persons under Article 3, paragraphs 2 and 3 shall notify the Financial Intelligence Directorate of the State Agency of National Security on any cash payment exceeding BGN 30,000 or its foreign currency equivalent made by or to their customer.

(2) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The Financial Intelligence Directorate of the State Agency of National Security shall keep a register of payments under paragraph 1. The register may be used only for the purposes of counteracting money laundering.

(3) (amended, Darjaven Vestnik, issue 22 of 2009) The procedure and terms for providing, using, storing and disclosing information under paragraph 1, as well as its deletion from the register under paragraph 2, shall be determined by the Rules for Enactment of the Law.

Article 11b. (new; Darjaven Vestnik, issue 31 of 2003) (1) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 96 of 2011, effective as of 1 January 2012) The Customs Agency shall submit to the Financial Intelligence Directorate of the State Agency of National Security information about import and export commercial credits, financial leasing between residents and non-residents and cross-border transfer of cash, collected under the terms and procedure of the Currency Law.

(2) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The procedure for providing the information under paragraph 1 shall be determined jointly by the Chairman of the State Agency of National Security and the Minister of Finance.

Article 11c. (new; Darjaven Vestnik, issue 31 of 2003; repealed, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008)

Article 12. (amended; Darjaven Vestnik, issue 1 of 2001) (1) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) In the cases under Articles 11 and 18, the Minister of Finance on a motion by the Chairman of the State Agency of National Security may issue a written order for a certain operation or transaction to be stopped for a term no longer than three business days

effective as of the day of issue of the order thereof. Should no preventive measure, injunction or distraint be imposed, the person under Article 3, paragraphs 2 and 3 may effect the operation or transaction.

(2) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The Financial Intelligence Directorate of the State Agency of National Security shall forthwith notify the Prosecutor's Office of the stopped operation or transaction and shall submit the required information while preserving the anonymity of the person under Article 3, paragraphs 2 and 3, who has made the notification under Article 18 or Article 11.

(3) The Prosecutor's Office may impose a preventive measure or file a request to the competent court for imposition of injunction or distraint. The court shall rule on the request not later than 24 hours after filing thereof.

(4) (amended; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Where in the process of investigating and analyzing the information received under the provisions of this Law a suspicion of money laundering still remains, the Financial Intelligence Directorate of the State Agency of National Security shall communicate this information to the Prosecutor's Office and the respective security and public order services, while preserving the anonymity of the person under Article 3, paragraphs 2 and 3, and Article 3a and of his employees who have made the notification under Article 11 or Article 18.

Article 13. (amended; Darjaven Vestnik, issue 1 of 2001, issue 31 of 2003; amended; Darjaven Vestnik, issue 108 of 2006, effective as of 1 January 2007; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) (1) In the event of notification under Article 11 or Article 18 and in the event of request under Article 22, the Financial Intelligence Directorate of the State Agency of National Security may require from the persons under Article 3, paragraphs 2 and 3, save for the Bulgarian National Bank and credit institutions conducting activities on the territory of the Republic of Bulgaria, to submit information on suspicious operations, transactions or customers. The required information shall be submitted within the time limit specified by the Directorate.

(2) (amended; Darjaven Vestnik, issue 31 of 2003; amended; Darjaven Vestnik, issue 54 of 2006; amended; Darjaven Vestnik, issue 108 of 2006, effective as of 1 January 2007; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 36 of 2008) In the event of notification in writing under Article 11 or Article 18, the Financial Intelligence Directorate of the State Agency of National Security may require from the Bulgarian National Bank and credit institutions conducting activities on the territory of the Republic of Bulgaria to submit information on suspicious operations, transactions or customers. The required information shall be submitted within the time limit specified by the Directorate.

(3) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 102 of 2012) The Director of the Financial Intelligence Directorate of the State Agency of National Security may require from government and municipal bodies information under the provisions of paragraph 1, which shall not be denied. The required information shall be submitted within the time limit specified by the director.

(4) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) In specifying the time limit under paragraphs 1 – 3, the Directorate shall take account of the volume and content of required information.

(5) (amended; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) For the purposes of the analysis the Financial Intelligence Directorate of the State Agency of National Security shall obtain information under the Foreign Exchange Law from the Bulgarian National Bank.

(6) (amended, Darjaven Vestnik, issue 31 of 2003; repealed, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008)

(7) (amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Submission of information under paragraphs 1 – 5 may not be denied or restricted for consideration of official, banking or commercial secret.

Article 14. (amended; Darjaven Vestnik, issue 1 of 2001, issue 31 of 2003; former wording of Article 14; issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Persons under Article 3, paragraphs 2 and 3 and persons who manage and represent them, as well as their employees shall not notify customers or third parties on disclosure of information under Articles 9, 11, 11a, 13 and 18.

(2) (new; Darjaven Vestnik, issue 54 of 2006) The prohibition of disclosure laid down in paragraph 1 shall not apply to the respective supervisory authority under Article 3a.

(3) (new; Darjaven Vestnik; issue 92 of 2007) The prohibition laid down in paragraph 1 shall not prevent disclosure of information between persons from Member States or from countries included in the list under Article 4, paragraph 9, belonging to one and the same group.

(4) (new; Darjaven Vestnik, issue 92 of 2007) The prohibition laid down in paragraph 1 shall not prevent disclosure of information between persons under Article 3, paragraph 2, items 11, 18 and 28 from Member States, or from countries included in the list under Article 4, paragraph 9, who perform their professional activities within the same legal entity or a group sharing common ownership, management or control over the enactment of this Law.

(5) (new; Darjaven Vestnik, issue 92 of 2007) The prohibition laid down in paragraph 1 shall not prevent disclosure of information between persons under Article 3, paragraph 2, items 1 – 3, 11, 18 and 28 in cases related to the same customer and the same transaction involving two or more persons where:

1. the persons are situated in a Member State or in a country included in the list under Article 4, paragraph 9;
2. the persons are from the same professional category;
3. the persons are subject to equivalent obligations as regards professional, bank, or trade secrecy and personal data protection;
4. the information shall be used exclusively for the purposes of the prevention of money laundering and terrorism financing.

(6) (new; Darjaven Vestnik; issue 92 of 2007) Where the persons under Article 3, paragraph 2, items 11, 18 and 28 seek to dissuade a customer from engaging in illegal activity, this shall not constitute disclosure of information within the meaning of paragraph 1.

(7) (new; Darjaven Vestnik, issue 92 of 2007) Exemptions under paragraphs 3 – 5 and disclosure of information between the persons under Article 3, paragraphs 2 and 3 and the persons from countries included in the list under article 7a, paragraph 3, shall not be allowed, as well as where the persons under Article 3, paragraphs 2 and 3 have not fulfilled their obligations pursuant to the Law on Personal Data Protection.

Article 15. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; former wording of Article 15, Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 102 of 2012) Disclosure of information under Articles 9, 11, 11a, 13, 17 and 18 precludes liability for breach of other laws or a contract.

(2) (new; Darjaven Vestnik, issue 54 of 2006) The provisions set forth in paragraph 1 preclude liability also in the cases where no criminal activity has been encountered and the operations and transactions have proved to be legal.

Section V

(New; Darjaven Vestnik, issue 1 of 2001)

Protection of Information

Article 15a. (new; issue 1 of 2001) (1) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 102 of 2012) The Financial Intelligence Directorate of the State Agency of National Security may use the information comprising official, banking or commercial secret and protected personal information, obtained according to the terms and procedure of Articles 9, 11, 11a, 13, 17 and 18, only for the purposes of this Law.

(2) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Employees of the Financial Intelligence Directorate of the State Agency of National Security shall not disclose or use in personal or related persons' favour data and facts comprising official, banking or commercial secret, which have become known to them in the execution of official duties thereof.

(3) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Employees of the Directorate shall sign a declaration to keep the secret under paragraph 2.

(4) (amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) The provision of paragraph 2 shall furthermore apply where the stated persons are out of office.

Chapter Three

Internal Organization and Control

Article 16. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 102 of 2012) Within four months following the registration of the persons under Article 3, paragraphs 2 and 3, the said persons shall adopt internal rules on money laundering control and prevention subject to approval by the Chairman of the State Agency of National Security or by an official authorised by him/her.

(2) (amended; Darjaven Vestnik, issue 54 of 2006) Internal rules under paragraph 1 shall determine clear criteria for identification of unsound operations or transactions and customers, the procedure for personnel training and the use of technical means to prevent and detect money laundering activities, as well as the system for internal control over the implementation of the measures under this Law.

(3) (new; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Internal rules under paragraph 1 shall be sent by the Chairman of the State Agency of National Security for approval within 14 days after adoption thereof.

(4) (new; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Professional organizations and associations of persons under Article 3, paragraphs 2 and 3 in coordination with the State Agency of National Security may adopt unified internal rules on money laundering control and prevention which the members of these organizations and associations may join by a declaration within the term set under paragraph 1. The unified internal rules and declarations shall be sent to the State Agency of National Security within the term set under paragraph 3.

Article 17. (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) (1) (former wording of Article 17, Darjaven Vestnik, issue 36 of 2008) The Minister of Finance and the Chairman of the State Agency of National Security shall exercise control over the enforcement of this Law.

(2) (new; Darjaven Vestnik, issue 36 of 2008) In executing their functions under this Law, the bodies of the Ministry of Finance and the State Agency of National Security shall exercise control over the enforcement of this Law.

curity shall cooperate with each other in line with the joint instruction of the Minister of Finance and the Chairman of the Agency.

(3) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) The control bodies of the Financial Investigation Directorate to the State Agency of National Security shall conduct on-site inspections of the persons under Article 3, paragraphs 2 and 3 in connection with applying the measures to prevent use of the financial system for the purposes of money laundering, as well as in case of suspicion of money laundering.

(4) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) Control bodies of the Financial Investigation Directorate to the State Agency of National Security shall be officials from the Directorate as determined by the Chairman of the State Agency of National Security.

(5) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) The inspections under paragraph 1 may be conducted jointly with the bodies entrusted by law to exercise control over the persons under Article 3, paragraphs 2 and 3.

(6) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) Inspections shall be conducted on the basis of a written order by the Chairman of the State Agency of National Security or by an authorized official. The order shall specify the purposes, term and place of inspections, the inspected person, as well as the names and positions of inspecting persons.

(7) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) The persons under Article 3, paragraphs 2 and 3, the government bodies, local government authorities and their officers shall provide assistance to the control bodies of the Financial Investigation Directorate to the State Agency of National Security in performing their functions.

(8) (new; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) In conducting on-site inspections, the control bodies under paragraph 3 shall have the right to unimpeded access to all office premises of the persons under Article 3, paragraphs 2 and 3, as well as to demand documents and collect information related to implementation of the task assigned.

Article 17a. (new; Darjaven Vestnik, issue 1 of 2001; repealed, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008)

Article 18. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; former wording of Article 18, Darjaven Vestnik, issue 36 of 2008) The Financial Intelligence Directorate of the State Agency of National Security may obtain information relating to a suspicion of money laundering activities, besides from the persons under Article 3, paragraphs 2 and 3, but also from government bodies or through international exchange.

(2) (new, Darjaven Vestnik, issue 36 of 2008) The Financial Intelligence Directorate of the State Agency of National Security shall, at its own initiative and upon request, exchange information on cases of suspicion of money laundering activities

with competent international authorities, European Union bodies and other countries' bodies in virtue of international agreements and under reciprocity.

Article 19. (amended; Darjaven Vestnik, issue 54 of 2006) (1) Should a person under Article 3, paragraph 2 fail to observe the requirements of this Law, the Minister of Finance may oblige him to undertake particular measures necessary to remove infringements; or revoke the permit (license) for the conduct of activities as granted by him, or demand the deletion of the entry under the registration regime for the respective activity.

(2) The authority which has granted the permit (license) may, at its own initiative, or on a motion by the Minister of Finance pursuant to the provisions laid down in paragraph 1, revoke the license for the conduct of the respective activities it has granted to a person under Article 3, paragraph 2.

Article 20. (amended; Darjaven Vestnik, issue 30 of 2006, issue 54 of 2006) Acts under Article 19, item 2 may be appealed in compliance with the procedure set forth in the Administrative Procedure Code.

Chapter Four

International Cooperation

Article 21. (amended; Darjaven Vestnik, issue 1 of 2001; repealed, issue 54 of 2006)

Article 22. (repealed, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008)

Chapter Five

Administrative Penalty Provisions

Article 23. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008, amended; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009) Any person, who has committed or permitted commitment of a violation under Articles 4, 5, 6, 7, 8, 9, 13 and 15a or has refused to provide assistance under Article 17, paragraph 7 or ensure unimpeded access to the office premises of the persons under Article 3, paragraphs 2 and 3 or submit the required documents or information under Article 17, paragraph 8, shall be liable to a fine of between BGN 500 and BGN 10,000, unless the act shall constitute a crime.

(2) (amended; Darjaven Vestnik, issue 31 of 2003; amended; issue 54 of 2006) Any person who has committed or permitted commitment of a violation of Articles 11, 11a, and 14 shall be liable to a fine of between BGN 5000 and BGN 20,000, unless the act shall constitute a crime.

(3) (amended; Darjaven Vestnik, issue 1 of 2001) Any person who shall commit a violation of Article 16 will be liable to a fine of between BGN 200 and BGN 2000, unless the act shall constitute a crime.

(4) (amended; Darjaven Vestnik, issue 54 of 2006) For any violation pursuant to paragraphs 1, 2 and 3 any sole proprietor or legal entity shall be liable to a property sanction of between BGN 2000 and BGN 50,000.

(5) (new; Darjaven Vestnik, issue 54 of 2006) Any person who has committed or permitted commitment of a violation of this Law, except for the cases under paragraphs 1–4 or of a legislative acts on its enactment shall be liable to a fine of between BGN 500 and BGN 2000.

(6) (new; Darjaven Vestnik, issue 54 of 2006) For any violation under paragraph 5, any sole proprietor or legal entity shall be liable to a property sanction of between BGN 1000 and BGN 5000.

Article 24. (1) (amended; Darjaven Vestnik, issue 1 of 2001; amended, Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 54 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008) Control bodies of the Ministry of Finance and the State Agency of National Security shall draw up written statements on any violation as ascertained, and the penalty decrees shall be issued by the Minister of Finance and Chairman of the State Agency of National Security or an official authorized by them.

(2) The drawing up of statements, the issue, appeal against and execution of penalty decrees shall follow the procedure established by the Administrative Misdemeanours and Penalties Law.

Additional Provisions

(title amended; Darjaven Vestnik, issue 92 of 2007)

§ 1. Within the meaning of this Law:

1. (amended; Darjaven Vestnik, issue 54 of 2006) ‘business or professional relationship’ shall mean a relationship which is connected with the professional activities of the institutions and persons covered by this Law and which is expected, at the time when the contact is established, to have an element of duration.

2. (amended; Darjaven Vestnik, issue 54 of 2006) ‘regulated financial group’ shall mean a financial group which is subject to effective consolidated supervision.

3. (new; Darjaven Vestnik; issue 92 of 2007) ‘Group’ shall be a group of companies consisting of:

a) a parent-undertaking and its subsidiaries in which the parent undertaking or the subsidiaries thereto have shares;

b) companies managed jointly by virtue of Act of Association or Statute, or

c) companies in which more than half of the members of the managing or controlling bodies are one and the same persons over the respective financial year and until the date of publication of the consolidated financial statement.

4. (new; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008, amended; Darjaven Vestnik, issue 93 of 2009, effective as of 25 December 2009; amended, issue 52 of 2013; amended, Darjaven Vestnik, issue 14 of 2015) ‘security services’ shall be the National Intel-

ligence Service, the Defence Information Service of the Ministry of Defence and 'Combating Organized Crime' Chief Directorate of the Ministry of Interior.

5. (new; Darjaven Vestnik, issue 31 of 2003; amended, Darjaven Vestnik, issue 82 of 2006; amended, Darjaven Vestnik, issue 109 of 2007, effective as of 1 January 2008; amended, Darjaven Vestnik, issue 69 of 2008, issue 93 of 2009, effective as of 25 December 2009; amended, issue 88 of 2010, effective as of 1 January 2011; amended, issue 48 of 2011, effective as of 24 June 2011; amended, issue 44 of 2012, effective as of 1 July 2012; amended, issue 53 of 2014; amended, Darjaven Vestnik, issue 14 of 2015) 'public order services' shall be the National Police, Border Police, Fire Safety and Civil Defence Chief Directorates, Regional Directorates of the Ministry of Interior and Military Police Service to the Minister of Defence.

6. (new; Darjaven Vestnik, issue 31 of 2003) 'supervisory authority' shall be a government body authorized by a law or other statutory act to exercise general control over the activities of a person under Article 3, paragraphs 2 and 3.

7. (new; Darjaven Vestnik; issue 92 of 2007) 'Member State' shall be a Member State of the European Union.

8. (new; Darjaven Vestnik; issue 92 of 2007) 'Third country' shall be a country that is not a Member State under the provisions of item 7.

§ 1a. (new; Darjaven Vestnik; issue 92 of 2007) This Law transposes the provisions of Directive 2005/60/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorism financing and Commission Directive 2006/70/EC laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis.

§ 1b. (new; Darjaven Vestnik, issue 22 of 2014; effective as of 11 March 2014) This Law provides for measures related to the implementation of Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011.

Transitional and Final Provisions

§ 2. This Law shall repeal the Law on the Measures against Money Laundering (Darjaven Vestnik, issue 48 of 1996).

§ 3. Within three months after this Law comes into force, the persons under Article 3, paragraphs 2 and 3 must submit to the Financial Intelligence Agency any available information on money laundering activities.

§ 4. Within five months after this Law comes into force, the persons under Article 3, paragraph 2, items 1, 2, 3, 4, 5, 9, 11, 13 and 18 shall bring their activities and

organization in conformity with the provisions of this Law, and shall submit to the Minister of Finance the internal rules under Article 16.

§ 5. In Article 10 of the Administrative Misdemeanours and Penalties Law (published in the *Darjaven Vestnik*, issue 92 of 1969; amended, issue 54 of 1978, issue 28 of 1982, issues 28 and 101 of 1983, issue 89 of 1986, issue 24 of 1987, issue 94 of 1990, issue 105 of 1991, issue 59 of 1992, issue 102 of 1995, issues 12 and 110 of 1996, and issues 11, 15 and 59 of 1998) after the word ‘concealers’ a comma is inserted and the text “as well as the persons providing access to” is added.

§ 6. This Law shall be carried into execution by the Council of Ministers which must adopt rules for its enactment within two months after this Law comes into force.

Transitional and Final Provisions to the Law on Redenomination of the Bulgarian Lev

(Darjaven Vestnik, issue 20 of 1999; amended, issues 65 of 1999,
effective as of 5 July 1999)

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§ 4. (1) (amended; *Darjaven Vestnik*, issue 65 of 1999) Upon entry into force of this Law, all figures in old levs specified in laws effective prior to 5 July 1999 shall be replaced by figures in new levs by dividing them by 1,000. Replacement of all figures in old levs by figures in new levs divided by 1,000 shall also apply to all laws adopted before 5 July 1999, which have entered into force before or shall enter into force after 5 July 1999.

(2) Authorities that have adopted or issued bylaws effective prior to 5 July 1999, which contain figures in levs, shall amend them in compliance with the provisions of this Law so as the amendments be effective from the date of enforcement of this Law.

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§ 7. This Law shall enter into force on 5 July 1999.

**Transitional and Final Provisions
to the Law on Amendment of the Law on the Measures
against Money Laundering**

(Darjaven Vestnik, issue 1 of 2001;
amended; issue 102 of 2001, effective as of 1 January 2002)

§ 24. The words *Financial Intelligence Bureau* shall be replaced with *Financial Intelligence Bureau Agency* everywhere in this Law.

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§ 28. (repealed; Darjaven Vestnik, issue 102 of 2001).

§ 29. (repealed; Darjaven Vestnik, issue 102 of 2001).

**Law on Amendment
of the Law on the Measures against Money Laundering**

(Darjaven Vestnik, issue 31 of 2003)

Additional Provision

§ 19. The words *Financial Intelligence Bureau Agency* shall be replaced with *Financial Intelligence Agency* everywhere in this Law.

Transitional and Final Provisions

§ 20. (1) Persons under Article 3, paragraphs 2 and 3, for whom the liability to enforce measures against money laundering has arisen prior to the adoption of this Law, shall bring the internal rules under Article 16 in line with the provisions of the Law and shall send them to the Financial Intelligence Agency within four months after the Law has entered into force.

(2) Persons under Article 3, paragraphs 2 and 3, for whom the liability to enforce measures against money laundering arises by virtue of this Law, shall adopt and send to the Financial Intelligence Agency the internal rules under Article 16 within the term set under paragraph 1.

.....
§ 28. (1) Assets, liabilities, records, as well as other rights and liabilities of the Financial Intelligence Bureau Agency shall be assumed by the Financial Intelligence Agency.

(2) Incumbent labour and official relations shall not be discontinued, and Article 123 of the Labour Code shall apply respectively.

§ 29. Provisions of § 7 shall enter into force on 1 January 2004.

**Law on Amendment
of the Law on the Measures against Money Laundering**

(Darjaven Vestnik, issue 54 of 2006)

.....

Final Provisions

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§ 29. Provisions of § 8 and § 11 shall enter into force three month after the publication of this Law into the Darjaven Vestnik.

**Law on Amendment
of the Law on the Measures against Money Laundering**

(published in the Darjaven Vestnik; issue 92 of 13 of November)

.....

Final Provisions

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§ 10. The Council of Ministers shall adopt the amendments ensuing from this Law to the Rules of Enactment thereto by 15 December 2007.

§ 11. The amendments to the Law Against Terrorism Financing (published in the Darjaven Vestnik, issue 16 of 2003; amended; issue 31 of 2003, issue 19 of 2005, issue 59 of 2006) are as follows:

1. Article 9 is amended as follows:

a) paragraph 3 is amended as follows:

“(3) Should there be any suspicion of terrorism financing, the persons under Article 3, paragraphs 2 and 3 of the Law on the Measures Against Money Laundering shall notify the Financial Intelligence Agency before the operation or transaction is effected and shall delay execution thereof within the admissible time-limit in compliance with laws and regulations governing the said type of activity. In such cases the Agency shall exercise its powers under Articles 13, 17 and 22 of the Law on the Measures Against Money Laundering.”;

b) new paragraph 4 is created:

“(4) Where the delay of the operation or transaction is impossible for objective reasons, the person under Article 3, paragraphs 2 and 3 of the Law on the Measures Against Money Laundering shall notify the Financial Intelligence Agency immediately after the operation or transaction has been effected.”;

c) current paragraphs 4 and 5 become paragraphs 5 and 6;

d) new paragraphs 7 and 8 are created:

“(7) In the cases where no criminal activity has been encountered and the operations and transactions have proved to be legal no responsibility shall ensue under the provisions of paragraph 6.

(8) Persons under Article 3, paragraphs 2 and 3 of the Law on the Measures Against Money Laundering and persons who manage and represent them, as well as their employees shall not notify customers or third parties on disclosure of information under this Law except for the cases under Article 14, paragraphs 2 – 5 of the Law on the Measures Against Money Laundering and in case the restrictions under Article 14, paragraph 4, of this Law have been observed.”

2. Article 9a. is created:

“Article 9a. (1) Bodies supervising the activity of the persons under Article 3, paragraphs 2 and 3 of the Law on the Measures Against Money Laundering shall provide information to the Minister of Interior and the Financial Intelligence Agency where in performing their supervision activity they have found operations or transactions suspected of terrorism financing.

(2) Examinations performed by the bodies under paragraph 1 shall also include examination of whether the people subject to it fulfill the requirements under this Law. In case the supervisory authorities ascertain violations, they shall notify the Financial Intelligence Agency by sending the corresponding part from the statement of findings.”

This Law is adopted by the fortieth National Assembly on 31 October 2007 and the official seal of the National Assembly was affixed on it.

**Law on Amendment
of the Law on the Measures against Money Laundering**

(published in the Darjaven Vestnik; issue 36 of 4 April 2008)

Final Provisions

§ 5. In Article 9, paragraph 3 of the Law Against Terrorism Financing (published in the Darjaven Vestnik, issue 16 of 2003; amended; issue 31 of 2003, issue 19 of 2005, issue 59 of 2006; issues 92 and 109 of 2007 and issue 28 of 2008), the words ‘Financial Intelligence Directorate of the’ shall be added after the words ‘to notify also’, and the words ‘17 and 22’ shall be replaced with ‘and 18’.

This Law is adopted by the Fortieth National Assembly on 21 March 2008, and the official seal of the National Assembly was affixed thereto.

**Law on Amendment
of the Law on the Measures against Money Laundering**

(Published in the Darjaven Vestnik, issue 22 of 24 March 2009)

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Final Provisions

§ 2. The following amendments to Article 132 of the Law on the State Agency of National Security (published in the Darjaven Vestnik, issue 109 of 2007; amended; issues 69 and 94 of 2008) are be made:

1. A new paragraph 4 is created:

“(4) The report under paragraph 3 shall include information about using the data under paragraph 11 a of the Law on the Measures against Money Laundering.”

2. The existing paragraph 4 shall become paragraph 5.

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The Law has been passed by the Fortieth National Assembly on 12 March 2009 and the official stamp of the National Assembly was affixed thereto.

**Law on Amendment
of the Law on the Measures against Money Laundering**

(Published in the Darjaven Vestnik, issue 102 of 21 December 2012)

Transitional and Final Provisions

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§ 11. Within three months after this Law comes into force, the Council of Ministers shall bring the Rules for the Enactment of this Law in conformity with it.

Relevant Community Legislation

Council Directive of 10 June 1991 on Prevention of the Use of the Financial System for the Purpose of Money Laundering

Council Directive 72/166/EEC of 24 April 1972 on the Approximation of the Laws of Member States Relating to Insurance Against Civil Liability in Respect of the Use of Motor Vehicles, and to the Enforcement of the Obligation to Insure Against Such Liability

Directive 2000/26/EC of the European Parliament and of the Council of 16 May 2000 on the Approximation of the Laws of the Member States Relating to Insurance against Civil Liability in Respect of the Use of Motor Vehicles and Amending Council Directives 73/239/EEC and 88/357/EEC

Council Decision of 17 October 2000 Concerning Arrangements for Cooperation between Financial Intelligence Units of the Member States in Respect of Exchanging Information

Council Framework Decision 2001/500 of 26 June 2001 on Money Laundering, the Identification, Tracing, Freezing, Seizing and Confiscation of Instrumentalities and the Proceeds of Crime

Joint Action of 3 December 1998 Adopted by the Council on the Basis of Article K.3 of the Treaty on European Union, on Money Laundering, the Identification, Tracing, Freezing, Seizing and Confiscation of Instrumentalities and the Proceeds from Crime

