

**CODE OF SOCIAL INSURANCE
(TITLE AMEND., SG 67/29 JUL 2003)**

Prom. SG. 110/17 Dec 1999, amend. SG. 55/7 Jul 2000, amend. SG. 64/4 Aug 2000, amend. SG. 1/2 Jan 2001, suppl. SG. 35/10 Apr 2001, amend. SG. 41/24 Apr 2001, amend. SG. 1/4 Jan 2002, amend. SG. 10/29 Jan 2002, amend. SG. 45/30 Apr 2002, amend. SG. 74/30 Jul 2002, amend. SG. 112/29 Nov 2002, amend. SG. 119/27 Dec 2002, amend. SG. 120/29 Dec 2002, amend. SG. 8/28 Jan 2003, suppl. SG. 42/9 May 2003, amend. SG. 67/29 Jul 2003, suppl. SG. 95/28 Oct 2003, amend. SG. 112/23 Dec 2003, amend. SG. 114/30 Dec 2003, amend. SG. 12/13 Feb 2004, amend. SG. 21/16 Mar 2004, suppl. SG. 38/11 May 2004, amend. SG. 52/18 Jun 2004, amend. SG. 53/22 Jun 2004, amend. SG. 69/6 Aug 2004, amend. SG. 70/10 Aug 2004, amend. SG. 112/23 Dec 2004, amend. SG. 115/30 Dec 2004, amend. SG. 38/3 May 2005, amend. SG. 39/10 May 2005, amend. SG. 76/20 Sep 2005, amend. SG. 102/20 Dec 2005, amend. SG. 103/23 Dec 2005, amend. SG. 104/27 Dec 2005, amend. SG. 105/29 Dec 2005, amend. SG. 17/24 Feb 2006, amend. SG. 30/11 Apr 2006, amend. SG. 34/25 Apr 2006, amend. SG. 56/11 Jul 2006, amend. SG. 57/14 Jul 2006, amend. SG. 59/21 Jul 2006, amend. SG. 68/22 Aug 2006, corr. SG. 76/15 Sep 2006, amend. SG. 82/10 Oct 2006, amend. SG. 95/24 Nov 2006, amend. SG. 102/19 Dec 2006, amend. SG. 105/22 Dec 2006, amend. SG. 41/22 May 2007, amend. SG. 52/29 Jun 2007, amend. SG. 64/7 Aug 2007, amend. SG. 77/25 Sep 2007, amend. SG. 97/23 Nov 2007, amend. SG. 100/30 Nov 2007, amend. SG. 109/20 Dec 2007, amend. SG. 113/28 Dec 2007, amend. SG. 33/28 Mar 2008, amend. SG. 43/29 Apr 2008, amend. SG. 67/29 Jul 2008, amend. SG. 69/5 Aug 2008, amend. SG. 89/14 Oct 2008

Subject

Art. 1. (suppl. SG 1/02; amend., SG 67/03) This code settles the public relations regarding:

1. the state public insurance for general disease, labour accident, professional disease, motherhood, unemployment, old age and death;
2. the additional social insurance including:
 - a) the additional obligatory pension insurance for old age and death;

b) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the additional voluntary pension insurance through funds for additional voluntary pension insurance for old age, disability and death or through funds for additional voluntary pension insurance under professional schemes for old age;

c) the additional voluntary insurance for unemployment and/or professional qualification.

Part one.

STATE PUBLIC INSURANCE (amend., SG 67/03)

Chapter one.

GENERAL PROVISIONS

Range of the insurance

Art. 2. The state public insurance shall concede indemnifications, supports and pensions at:

1. temporary inability to work;
2. temporary reduced ability to work;
3. disability;
4. motherhood;
5. (new – SG 1/02) unemployment;
6. (prev. 5 – SG 1/02) old age;
7. (prev. 6 – SG 1/02) death.

Principles of the insurance

Art. 3. The state public insurance shall be implemented on the:

1. obligatory and comprehensive insurance;
2. solidarity of the insured persons;
3. equality of the insured persons;
4. social dialogue in the management of the insurance system;
5. a fund organisation of the insurance payments.

Insured persons

Art. 4. (1) Obligatory insured for all social risks under this code shall be:

1. (suppl., SG 119/02; amend. - SG 68/06, in force from 01.01.2007) the workers and the employees hired to work for more than five working days or 40 hours during one calendar month, regardless of the character of the work, of the way of payment and of the source of financing; the persons included in the programme "From social aid to providing employment" and "In support of motherhood" shall not be insured for unemployment;

2. the civil servants;

3. (New, SG 74/02; amend. – SG 105/06, in force from 01.01.2007) the

judges, prosecutors, investigators, state bailiffs, judges for the entries and court employees;

4. (amend., SG 64/00; prev. item 3 - SG 74/02; amend., SG 119/02; amend. - SG 68/06, in force from 01.05.2006; suppl. – SG 43/08, in force from 01.01.2008) the regular military servicemen under the Law for defence and the armed forces of the Republic of Bulgaria the civil servants under the Law for the Ministry of Interior and the Law for execution of the penalties and the civil servants referred to in the Law on State National Security Agency, as well as the persons referred to in Art. 69, para 5;

5. (amend. SG 1/02; prev. item 4 - SG 74/02) the members of co-operations exercising labour activity and receiving remuneration in the co-operation; the members of co-operations, working without legal labour relations at the co-operation shall not be ensured for unemployment;

6. (Prev. item 5 - SG 74/02) the persons working with second or additional employment contract;

7. (Prev. item 6 - SG 74/02, suppl. – SG 105/06, in force from 01.01.2007) the contractors in contracts for management and control of commercial companies, sole traders, non-personalized companies, as well as syndics and liquidators

8. (new, SG 112/03) the persons carrying out labour activity and receiving income for elective positions, with exception of the persons under item 1 and 7, as well as the priests with clerical rank of the Bulgarian Orthodox Church and other registered religions according to the Law of the religions.

(2) (amend. SG 64/00, SG 1/02) The workers and the employees hired by one or more employers for not more than five working days (40 hours) during the calendar month shall be obligatory insured for disability, old age and death and for labour accident and for professional disease.

(3) (Declared anti-constitutional regarding the working retired persons included in the circle of the obligatorily insured persons under this legal text - Decision of Constitutional Court, SG No 55 of 2000) Obligatory insured for disability due to general disease, for old age and death shall be:

1. the persons registered as exercising free lance profession and/or craft activity;

2. (suppl. – SG 105/06, in force from 01.01.2007) the persons working as sole traders, owners or partners in commercial companies and natural persons – members of non-personalized companies;

3. (declared anti-constitutional - Decision of the Constitutional Court, No 55 of 2000) the doctor studies specialists if they are not insured for pension on other basis;

4. (amend., SG 64/00; amend., SG 112/03) the registered agricultural producers and tobacco producers;

5. (amend., SG 64/00; suppl., SG 119/02) the persons working without employment contract and receiving remuneration equal to or bigger than one minimum salary after its reduction by normative acknowledged expenses, if they are not insured on other grounds during the respective month.

6. (new, SG 119/02) persons who work without legal terms of employment, insured on other grounds during the respective month, regardless of the size of the received remuneration.

(4) (amend. SG 64/00, SG 1/02) The persons of para 3, item 1, 2 and 4 on their choice shall be able to insure themselves also for all insured social risks without labour accident and professional disease and unemployment.

(5) (new - SG 64/00; amend., SG 10/02) The persons commissioned to work abroad by a Bulgarian intermediary can insure themselves for disability due to a general disease, old age and death on a chosen insurance income between the minimal and the maximal monthly size of the insured income determined by the Law for the budget of the state public insurance.

(6) (new - SG 64/00) The persons to whom pension is granted shall insure themselves by their own choice in the cases when they carry out the activities under para 3, item 1, 2, 4 and 5 by the order of this code.

(7) (new – SG 113/2007, in force from 01.01.2008) The wife/husband of a person, sent to a business trip to a diplomatic mission for a long period, during the overseas mandate may insure at her/his choice and at her/his expense for disability due to general disease, for age and for a decease or for all insured social risks, excluding employment accident, professional disease and unemployment based on a chosen monthly insurance income between the minimum and maximum amount of the insurance income for self-insured person, determined by the law for the budget of the state social insurance for the respective year.

(8) (new – SG 1/02; prev. par. 7, suppl. – SG 113/07, in force from 01.01.2008) The order for insuring of the self-insuring persons, of the persons, working without employment or official legal relation of the persons of par. 7, and of the persons, sent to work abroad by Bulgarian employer or with mediation of a Bulgarian organisation, shall be provided by the Council of Ministers upon a proposal by the National Insurance Institute.

Insurers

Art. 5. (1) (amend. - SG 105/05, in force from 01.01.2006) Insurer shall be each individual, corporate body or unregistered partnership as well as other organisations having obligation under a law to pay insurance payments for other individuals.

(2) Self insurer shall be an individual obliged to pay insurance payments entirely for his account;

(3) (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006) The registration of the insurers and the self-insured persons in the National Insurance Institute shall be carried out officially on the basis of the information in the register and the database of the National Revenue Agency under art. 80, para 1 of the Tax-insurance Procedure Code.

(4) (amend. SG 1/02; prev. para 3 - SG 67/03, amend. SG 112/2004, amend. - SG 105/05, in force from 01.01.2006) The insurers, the insurance funds, the self-insured persons and the employers shall periodically present to the National Revenue Agency data about:

1. (amend. - 95/06, in force from 01.01.2007; suppl. – SG 105/06, in force from 01.01.2007) the insurance income, the insurance payments for the state public insurance, "Teachers retirement fund", the health insurance and the additional obligatory pension insurance, installments for the fund "Secured receivables of the

workers and employees" and the paid amounts from the fund, the insurance payments, the insurance labour practice and the taxable income under the Law for the taxes on the income of natural persons - separately about each worker or employee.

2. (amend. - 95/06, in force from 01.01.2007; amend. and suppl. – SG 105/06, in force from 01.01.2007) an affidavit of the amounts of owed for insurance installments for the state public insurance, "Teachers Retirement Fund", the health insurance, the additional obligatory pension insurance, the installments for the fund "Secured receivables of the workers and employees", the insurance payments, the insurance labour practice and the taxable income under the Law for the taxes on the income of natural persons;

(5) (prev. para 4 - amend., SG 67/03, amend. SG 112/2004, revoked – SG 105/05, in force from 01.01.2006)

(6) (prev. para 5 - amend., SG 67/03, suppl. SG 38/05, amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007) The contents, the terms, the way and the order for submission and preservation of the declarations of para 4 shall be determined by an ordinance, issued by the Minister of Finance. Data under par. 4 shall be used for calculation and granting of pensions, financial compensations and pecuniary indemnification.

(7) (prev. para 6 - amend., SG 67/03, amend. SG 38/05) The insurer shall be obliged to issue free of charge documents about insurance practice and insurance income:

1. at termination of employment or official legal relations – in 30 days term after the termination of the legal relations;

2. upon request by the insured person or his representative – in 14 days term from the request.

(8) (new – SG 1/02; prev. para 7 - SG 67/03, amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007) The National Revenue Agency shall submit to the National Insurance Institute the data of para 4, data contained in the notifications under Art. 62, par. 3 of the Labour Code and the information on the opened and closed bank accounts of the insurers and the self-insured persons under art. 25, par. 1 from the Law of the National Revenue Agency. The order of presenting the information shall be determined by an instruction, issued jointly by the governor of the National Insurance Institute and the executive director of the National Revenue Agency.

(9) (new - SG 1/02; prev. para 8 - SG 67/03, revoked - SG 105/05, in force from 01.01.2006)

(10) (new – SG 38/05; suppl. - SG 104/05, in force from 27.12.2005) At termination of their activity the insurers who have no legal successor the payment lists shall be delivered to the respective territorial division of the National Insurance Institute unless in a law is determined other order for their preservation. To the payroll ledger shall be applied labour contracts (orders of appointment), orders of re-appointment, orders of used paid annual holidays more than 30 days, orders of termination of labour of official legal relationships. When the termination of the activity of the insurer is implemented with court decision for deletion the certificate for delivery of the payment lists, issued by the territorial division of the National Insurance Institute shall be obligatory condition for decreeing of the decision.

(11) (new – SG 38/05) The National Insurance Institute shall create and maintain information system about the payment lists delivered by the order of para 10. The data from the information system shall be used for calculating and granting of the pensions and the pecuniary indemnifications.

(12) (new – SG 105/06, in force from 01.01.2007) The Chief Executive of the National Social Insurance Institute shall issue instructions for the conditions and the procedure of acceptance and keeping of the documents under par. 10.

Insurance payments and insurance income (title amend. SG 1/02)

Art. 6. (amend. SG 1/02) (1) (amend. SG 112/2004; amend. - SG 104/05, in force from 01.01.2006) (1) The extent of the insurance payments for funds of the state public insurance shall be as follows:

1. (amend. - SG 77/07, in force from 01.10.2007) 26.5 per cent and the installment per item 8 – for the persons working under the conditions of III category labour and insured for all social risks;

2. (amend. - SG 77/07, in force from 01.10.2007) 29.5 per cent and the installment per item 8 – for the persons working under the conditions of I and II category labour and insured for all social risks;

3. (amend. - SG 77/07, in force from 01.10.2007) 29.5 per cent and the installment per item 8 – for the persons per Art. 4, Para 1, item 4 and the investigators under the Law of the Judicial Power who are insured for all social risks;

4. (amend. - SG 77/07, in force from 01.10.2007) 25.5 per cent and the installment per item 8 – for the persons insured for all social risks except unemployment, if these persons work under the conditions of I and II category of labour the insurance installment shall be 29.5 per cent and the installment per item 8;

5. (amend. - SG 77/07, in force from 01.10.2007) 22 per cent and the installment per item 8 – for the persons insured for disability, old age and death and for labour accident and for professional disease, if these persons work under conditions of I and II category of labour, the insurance installment shall be 26 per cent and the installment per item 8;

6. (amend. - SG 77/07, in force from 01.10.2007) 25.5 per cent – for the persons insured for all insured social risks, except labour accident, professional disease and unemployment;

7. (amend. - SG 77/07, in force from 01.10.2007) 22 per cent – for the persons insured for disability, old age and death;

8. from 0.4 to 1.1 per cent for labour accident and professional disease, defined by the Law on the budget of state public insurance for the relevant year per groups of basic economic activities.

(2) (suppl. – SG 105/06, in force from 01.01.2007) The income for which are due insurance payments shall include all the remunerations, including the accounted and non-paid ones and other incomes from labour activity. With the Law for the budget of the state public insurance shall be determined:

1. the maximum monthly amount of the insurance income during the calendar year;

2. the minimum monthly amount of the insurance income during the calendar year for the self-insuring persons.

3. (new, SG 119/02) the basic economic activities and qualification groups of professions, introduced for which is a minimal monthly size of insurance income for the calendar year for activities and groups of professions, as well as the minimal insurance income for them.

(3) (*) (amend., SG 119/02; amend., SG 112/03; suppl. – SG 105/06, in force from 01.01.2007) The insurance payments for the workers and the employees and for persons under art. 4, para 1, item 7 and 8 shall be due for the received or accounted, but not paid gross monthly remuneration, but not more than the maximum monthly amount of the insurance income under para 2, item 3 and not more than the maximal monthly amount of the insurance income. The insurance installments for the workers and employees and for the persons under art. 4, para 1, item 5, 7 and 8, and para 3, item 5 and 6 shall be distributed between the insurers and the insured as follows:

1. for years 2000 and 2001 - 80:20;
2. for year 2002 - 2004 - 75:25;
3. for year 2005 - 70:30;
4. for year 2006 - 65:35;
5. (amend. – SG 105/06, in force from 01.01.2007) for year 2007 - 63:35;
6. (amend. – SG 105/06, in force from 01.01.2007) for year 2008 - 60:40;
7. (amend. – SG 105/06, in force from 01.01.2007) for year 2009 and after that - 55:45.

8. (new – SG 105/06, in force from 01.01.2007) for following years – 50:50

(4) (amend., SG 119/02) The gross remuneration of the persons of art. 4, para 1, item 7 and para 3, item 5 and 6 for which insurance installments are due shall be determined after decreasing it with the normatively recognized expenses.

(5) (Amend., SG 74/02; suppl., SG 119/02; suppl. – SG 105/06, in force from 01.01.2007) The insurance payments for the persons of art. 4, para 1, items 2, 3 and 4 shall be due for the received or accounted but not paid gross monthly remuneration for these legal relations, but for not more than the maximum monthly amount of the insurance income, and shall be for the account of the state budget, respectively the budget of the judicial authority.

(6) The insurance payments for fund "Labour accident and professional disease" shall be for the account of the insurers.

(7) The insurance payments for the persons of art. 4, para 3, items 1, 2 and 4 shall be for the account of the insured persons and they shall be due in advance:

1. for the persons of art. 4, para 3, items 1 and 2 – for monthly insurance income between the minimum and the maximum monthly amount of the income, determined with the Law for the budget of the state public insurance for the corresponding year;

2. for the persons of art. 4, para 3, item 4 – for monthly insurance income between fifty percent of the minimum and the maximum monthly amount of the income, determined with the Law for the budget of the state public insurance for the corresponding year.

3. (new – SG 105/06, in force from 01.01.2007) for the persons under Art. 4, par. 3, item 4, practicing only agricultural activity, - for monthly insurance income between 25 per cent of the minimum and maximum monthly amount of the income, determined with the Law for the budget of the state public insurance for the

corresponding year.

(8) (suppl., SG 19/02; amend. - 95/06, in force from 01.01.2007; suppl. – SG 105/06, in force from 01.01.2007) The ultimate amount of the monthly insurance income for the persons of para 7 shall be determined for the period, during which labour activity has been exercised during the previous year, on the basis of the incomes, declared in a reference to the annual tax declaration under the Law for the taxes on the income of natural persons, and it cannot be less than the minimum monthly insurance income and bigger than the maximum monthly insurance income. The ultimate insurance payment shall be due for the annual insurance income, determined as difference between the declared income and the sum of the incomes, for which advance insurance payments have been made. The insurance payments shall be made for the account of the insured persons in the amount, determined for fund "Pensions" within the term, set for submitting of the declaration.

(9) (amend., SG 112/03) The agricultural producers, registered on the basis of a normative act, who implement only agricultural activity, shall not determine ultimate amount of the insurance income. The registered agricultural producers and tobacco producers producing unprocessed vegetal and/or animal products shall not determine a final size of the insurance income for this activity.

(10) For the persons, who receive incomes from activities on different grounds under art. 4 the insurance payments shall be made for the sum of their insurance incomes, but not more than the maximum amount of the insurance income by the following order:

1. incomes for labour and/or official legal relations, for contracts for management and control of commercial companies and from labour activity as members of co-operations;

2. (amend., SG 112/03) insurance income as sole entrepreneurs, owners or partners in commercial companies, exercising freelance profession and/or craft activity and registered agricultural producers and tobacco producers;

3. incomes for work without labour legal relation.

(11) For the resources for social expenses, given permanently or regularly directly to the persons of art. 4, para 1 in money or in kind, shall be paid insurance payments in the amount for fund "Pensions", determined respectively by the order of para 3, 4 and 5.

(12) The insurance payments for the account of the insurers cannot be withdrawn from the remuneration of the insured. It cannot be deducted with their extent.

(13) The elements of the remuneration, as well as the incomes, for which insurance payments are made, shall be determined with an act of the Council of Ministers upon a proposal of the National Insurance Institute.

(14) (new, SG 119/02; amend. - 95/06, in force from 01.01.2007) The reference under para 8 to the annual tax declaration according to the Law for the taxes on the income of natural persons shall be approved by the Minister of Finance and the Governor of the National Insurance Institute.

Art. 6a. (New, SG 45/02, revoked – SG 105/05, in force from 01.01.2006)

Order for payment of the insurance payments (title amend. SG 1/02)

Art. 7. (1) (amend. SG 1/02) The insurance payments for the state public insurance that are for the account of the insurers shall be paid simultaneously with the payment of the due remuneration or part of it.

(2) (amend. SG 1/02) The insurance payments for the account of the insured persons of art. 4, para 1 shall be paid at payment of the due remuneration.

(3) (new – SG 105/06, in force from 01.01.2007) When the remunerations are accounted, but are not paid, the insurer shall deposit insurance installments under par. 1 and 2 by the end of the month, in which the accounting has been carried out.

(4) (amend. SG 1/02; prev. par. 3 – SG 105/06, in force from 01.01.2007) The insurance payments for the self-insuring shall be paid personally or through insurance funds till the tenth date of the month following the one they are due for.

(5) (*) (new - SG 64/00 - in force from August 1, 2000; amend., SG 112/03; prev. par. 4 – SG 105/06, in force from 01.01.2007) The registered agricultural producers and tobacco producers who carry out only agricultural activity and insure themselves only for disability due to general disease, for old age and death can pay the due insurance sums by March 31 of the year following the calendar year for which they are made.

(6) (new – SG 1/02; prev. par. 5 – SG 105/06, in force from 01.01.2007) The insurance payments for the persons, who work without labour legal relation, shall be paid by the insurer till the tenth date of the month, following the one they are due for.

(7) (new – SG 1/02, amend. - SG 105/05, in force from 01.01.2006, amend. - SG 34/06, in force from 01.10.2006; prev. par. 6 – SG 105/06, in force from 01.01.2007) The employers, the insurers, the self-insured persons and the insurance funds shall deposit to the respective account of the competent territorial directorate of the National Revenue Agency through the respective banks, licensed post operator or their departments the obligatory insurance installments, using the unified identification code.

(8) (new – SG 1/02; amend. - SG 104/05, in force from 27.12.05; prev. par. 7, suppl. – SG 105/06, in force from 01.01.2007) The insurers shall pay the insurance payments for each month separately by transferring from their accounts to the corresponding account of the state public insurance and of the additional obligatory pension insurance at payment or accounting of the labour remuneration, including for advance payments. The due insurance installments for payments, at termination of the insurance or at leave apart from the regular payment of salaries or advance shall be paid with the first forthcoming due insurance installments.

(9) (new – SG 1/02; amend. - SG 104/05, in force from 27.12.2005; prev. par. 8 – SG 105/06, in force from 01.01.2007) The banks shall release sums for payment of labour remuneration, including for their advance payment, as well as for pecuniary indemnification, and of other payments from the state public insurance only after presenting of payment order or other certifying document for transfer of the insurance payments and declaration by the insurer, that all the due insurance payments have been made for these sums for the state public insurance, for the health insurance and for the additional obligatory pension insurance.

(10) (new – SG 1/02; prev. par. 9 – SG 105/06, in force from 01.01.2007) The insurers, who do not have bank account, shall pay the insurance payments in cash at

the banks and at the post branches and stations to the corresponding account of the state public insurance and to the additional obligatory pension insurance.

(11) (new – SG 1/02; prev. par. 10 – SG 105/06, in force from 01.01.2007) The part of the insurance payments, which is for the account of the insured persons according to art. 6, para 3, shall be paid at the payment of their remuneration and shall not be withheld from the advance payments except in the cases, when for the corresponding month only advance payments have been made.

Insurance funds

Art. 8. (1) (amend., SG 64/00; amend. - SG 104/05, in force from 01.01.2006, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) The insurers and the self-insured persons shall be able to establish insurance funds which are registered at the territorial directorate of the National Revenue Agency. The insurance funds shall carry out the insurance of their members. The insurers who are members of the insurance funds and have hired up to 50 employees can carry out their insurance, as well as the insurance of the persons working for them without legal terms of employment, through the insurance funds.

(2) (amend., SG 64/00) The insurance funds shall implement the insurance of the persons under para 1 by:

1. (amend., SG 64/00, SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. and suppl. – SG 105/06, in force from 01.01.2007) collecting and transferring within the legally set terms the due insurance payments for the state public insurance, for the additional obligatory pension insurance, for health insurance and the installments for the fund "Secured receivables of workers and employees" and transferring them to the respective accounts of the National Revenue Agency;

2. (amend. – SG 105/06, in force from 01.01.2007) submit to the respective territorial unit of the National Insurance Institute the required documents for payment of the financial compensations and financial supports from the state public insurance;

3. register and preserve the documents connected with the insuring of the members of the fund.

(3) (suppl. - SG 105/05, in force from 01.01.2006) The way and the order for establishing and functioning of the insurance funds shall be provided with an act of the Council of Ministers upon proposal by the National Insurance Institute, coordinated with the National Revenue Agency.

Insurance practice (title amend. SG 1/02)

Art. 9. (amend. SG 1/02) (1) (amend., SG 119/02. amend. SG 112/2004) The insurance practice shall be calculated in hours, days, months and years. As insurance practice shall be considered:

1. the time, during which the persons of art. 4, para 1, item 1 - 4 and para 2 have worked during a legally established time, if the insurance installments have been paid or due on the received remuneration, but not less than the minimal insurance income under art. 6, para 2, item 3 for the respective profession; if the person has worked part time the insurance time of practice shall be considered proportionally to the legally established working time;

2. the time for which insurance installments have been paid or due on no less than the minimal salary for the country for the persons under art. 4, para 1, item 5 and para 3, item 5; when the remuneration of the persons under art. 4, para 1, item 5, on which the insurance installments have been made, is less than the minimal salary for the country, the time of practice shall be considered proportionally;

3. (amend., SG 112/03) the time for which insurance installments have been paid or due for the persons under art. 4, para 1, item 7 and 8 on no less than the minimal insurance income under art. 6, para 2, item 3;

4. the time for which the due insurance installments have been made by the self-insured persons.

(2) As insurance practice without making insurance payments, shall be considered the time:

1. (amend., SG 52/04, In force from 1st of August 2004) of paid and non paid leave for taking bringing up a child;

2. of paid and non paid leave for temporary inability to work and of pregnancy and childbirth;

3. of the non paid leave up to 30 days during one calendar year;

4. during which the person has received indemnification for unemployment;

5. (new – SG 105/06, in force from 01.01.2007) during which the self-insured persons, which are insured for all insured social risk, except for labour accident, occupational disease and unemployment, have received financial compensations for provisional inability to work, pregnancy and delivery and taking care of a young child and the periods of temporary inability to work, pregnancy and delivery and taking care of a young child, for which they have not been entitled to get a financial compensation.

(3) As insurance practice shall also be considered the tome:

1. (amend., SG 119/02) during which the persons of art. 4, para 1, items 1, 2, 3 and 4 have not worked due to unlawful not admitting or removing from work; for this period shall be considered insurance payments for the account of the insurer for the last gross remuneration, if the person has not been insured; if the person has been insured on another ground, the insurance payments shall be made for the difference between the last gross remuneration and the insurance income for the period, if this income is smaller;

2. (amend., SG 119/02) during which the persons of art. 4, para 1, items 1, 2, 3 and 4 have been unemployed due to dismissal, which has been recognized as unlawful by the competent bodies – from the date of the dismissal till the restoration at work; for this period shall be paid insurance payments for the account of the insurer for the last gross remuneration, if the person has not been insured; if the person has been insured, the insurance payments shall be made for the difference between the last gross remuneration and the insurance income for the period, if this income is smaller;

3. during which the dismissed due to detention by the authorities has remained unemployed as result of this, and he has not been convicted, or has been acquitted, or the punitive procedure has been terminated, or the imposed penalty imprisonment has been recognized by the respective court as ungrounded because he has not committed the act or the committed act does not constitute a crime; for this period insurance payments shall be made for the account of the republican budget for

the last gross remuneration;

4. during which the labour readjusted person does not work because appropriate work has not been ensured by the insurer according to the instructions of the health authorities; for this period insurance payments shall be made for the account of the insurer for the due indemnification;

5. during which the person has received indemnification for the time, during which he has remained unemployed under the Labour Code, the Law for the civil servant and the Law for the higher education; for this period insurance payments shall be made for the received indemnification; for the workers and the employees the insurance payments shall be in the ratio of art. 7, para 3.

4) The insurance practice in the cases of para 3, items 1- 4 shall be considered of the category of labour in which the person has worked before the unlawful non admitting or removal from work, the dismissal, the serving of penalty imprisonment and the time, during which the labour adjusted do not work, if this is more favourable for the person.

(5) The insurance payments of para 3 shall be in the amounts for fund "Pensions" and for the additional obligatory pension insurance.

(6) As insurance practice at retirement shall be considered also the time, during which a parent (adoptive parent) or husband (wife) have taken care for disabled with lost ability to work over 90 percent, who permanently needs other's help, due to which they have not been insured or have not received pension. At retirement for the period, which is recognized as insurance practice, shall be paid insurance payments in the amount for fund "Pensions" for the minimum salary by the date of giving the pension, which are for the account of the state budget.

(7) As insurance practice at retirement shall be considered also the period of conscript or peace time alternative service and the time, during which a non working mother has brought up a child up to 3 years of age. For this periods shall be paid insurance payments in the amount for fund "Pensions" for the account of the republican budget for the minimum salary by the date of giving the pension.

(8) As insurance practice at retirement shall be considered, if this is more favourable for the persons, in ratio 4 years for 5 years of third category the time, during which the persons have worked with employment contract with full working time and:

1. with additional or second employment contract with daily working time not less than 3 hours;

2. have exercised labour activity as sole entrepreneurs, owners or partners in commercial companies;

3. have exercised freelance profession and/or craft activity.

(9) Insurance practice of para 8 shall be recognized to the civil servants, who have exercised some of the activities of the same para, observing the provisions of the Law for the civil servant.

(10) The insurance practice of para 8 and 9 shall be considered only for acquiring right to pension for insurance practice and age under art. 68.

(11) (new, SG 119/02) The order and the way of calculating the insurance time of service shall be determined by an ordinance of the Council of Ministers at a proposal of the National Insurance Institute.

Occurrence, duration and termination of the insurance

Art. 10. (amend. SG 1/02) The insurance shall occur from the day the persons start to exercise labour activity of art. 4 and shall continue till its termination.

Insurance rights of the insured for all insured social risks

Art. 11. (1) The persons insured for all insured social risks shall have the rights to:

1. pecuniary indemnification for:

a) temporary inability to work due to general disease, labour accident, sanatorial - resort treatment and necessary medical examination or investigation, quarantine, removal from work due to recommendation by the health authorities, taking care of ill or member of the family under quarantine, necessary accompanying of an ill member of the family for medical examination, investigation or treatment as well as for taking care of a healthy child returned from a children's establishment due to quarantine of the establishment or the child;

b) labour adjustment at temporary reduced ability to work due to general disease, labour accident or professional disease;

c) labour adjustment due to pregnancy and breast-feed;

d) pregnancy and child birth;

e) bringing up a young child;

2. money support for:

a) disability due to general disease when there is no ground for conceding a pension;

b) prophylactics and rehabilitation;

c) auxiliary - technical means connected with the injury;

3. (new – SG 1/02) indemnification for unemployment.

4. (prev. 3 – SG 1/02) pensions for:

a) insurance practice and age;

b) disability due to labour accident or professional disease;

c) disability due to general disease.

(2) (amend. SG 1/02) At death of the insured person the husband (the wife), the children and the parents shall have the right to one time support in full extent of two minimum salaries and inheritance pension.

(3) (new – SG 1/02; amend., SG 76/03) The pecuniary support for disability due to general disease, when the insured person does not have the necessary time of service for granting disability pension due to a general disease, shall be in extent of the 60-days indemnification for temporary disability to work, determined according to art. 41.

Insurance rights of the insured for labour accident and professional disease

(title amend. SG 1/02)

Art. 12. (1) The persons insured for only labour accident or professional disease shall have the right to:

1. money indemnifications for temporary inability to work due to labour accident or professional disease, sanatorial - resort treatment, necessary medical

examination, investigation and/ or treatment;

2. money support for prophylactics and rehabilitation;
3. pension for disability due to labour accident or professional disease;
4. money support for auxiliary - technical means connected with the injury.

(2) (amend. SG 1/02) At death of the insured person happened in causal connection with the accident or with the professional disease, the husband (the wife), the children and the parents shall have right to one time support in full extent of two minimum salaries and to an insurance pension.

Insurance rights of the insured only for disability due to general disease, for old age and death (title amend. SG 1/02)

Art. 13. (1) (amend. SG 1/02) Those insured for disability due to general disease, old age and death shall have right to:

1. pension for disability due to general disease;
2. pension for insurance practice and old age;
3. money support for auxiliary - technical means connected with the injury.

(2) (amend. SG 1/02) At death of the insured person the husband (the wife), the children and the parents shall have right to one time support in full extent of two minimum salaries and to one inheritance pension.

Financial support for prophylactic and rehabilitation

Art. 13a. (new – SG 105/06, in force from 01.01.2007) (1) Persons, insured for all insured social risks, for all insured social risks except for labour accident and occupational disease and unemployment, for all insured social risks except for unemployment or for disability, old age and decease and for labour accident and professional disease, shall have the right to get financial supports for prophylactics and rehabilitation, provided that for them insurance installments have been deposited or are due for a period of 6 calendar months, preceding the month, in which the prophylactic and rehabilitation are carried out.

(2) The requirement for deposited or due insurance installments for a period of 6 calendar months under par. 1 shall not apply to persons with disabilities resulting from labour accident or an occupational disease.

(3) Persons, getting a personal pension for disability shall also be entitled to get the supports under par. 1, provided that they are not of the age under Art. 68, par. 1-3 and are not insured.

(4) The conditions for use and payment of financial support for prophylactic and rehabilitation to persons under par. 1 and 3, as well as the procedures for selection of legal persons – performers of this activity, shall be determined in an ordinance of the Supervisory Board of the National Insurance Institute.

Expertise of the working ability

Art. 14. (revoked, SG 70/04)

Bodies of the expertise of the working ability

Art. 15. (revoked, SG 70/04)

Appealing the decision of the bodies of the expertise

Art. 16. (revoked, SG 70/04)

Entering into force of the decisions

Art. 17. (revoked, SG 70/04)

Chapter two. FINANCIAL STRUCTURE

Insurance funds

Art. 18. (amend. SG 112/2004) (1) The resources of the state public insurance shall be detached in:

1. fund "Pensions";
2. (new – SG 1/02) fund "Pensions, not connected with labour activity";
3. (prev. 2 – SG 1/02) fund "Labour accident and professional disease";
4. (prev. 3 – SG 1/02) fund "General disease and motherhood";
5. (new – SG 1/02) fund "Unemployment".

2) Distribution of the insurance installments to funds shall be terminated by the Law on the state public insurance.

Budget of the funds

Art. 19. (1) (amend. SG 1/02) The National Assembly shall pass Law for the budget of the state public insurance that includes consolidated budget of the state public insurance, the budgets of the funds of art. 18 and the budget of the National Insurance Institute, and it shall be in effect for one year.

(2) The draft law for the budget of the state public insurance shall be prepared by the National Insurance Institute and it shall be presented to the Council of Ministers for co-ordination together with the draft law for the state budget. The Ministry of Finance shall, after the approval of the macro - economic framework of the state budget, concede to the National Insurance Institute the necessary indices for compiling the draft budget of the state public insurance.

(3) The draft law of para 2 shall be compiled according to the full budget classification for the state budget.

(4) (amend., SG 112/03) In the Law for the budget of the state public insurance shall be provided a general reserve of the funds of art. 18, formed through deductions according to a normative, determined in the Law for the budget on the basis of an insurance - technical plan. In the reserve shall be input also the incomes from principals of the acts for deficiency.

(5) The draft law for the budget of the state public insurance shall be considered by the National Assembly simultaneously with the draft law for the state budget.

(6) In case the budget of the state public insurance is not passed by the National Assembly till the beginning of the budget year, the insurance incomes shall be collected and the insurance expenses shall be made according to the normative acts in effect, and for maintenance of the bodies of the National Insurance Institute shall be spent monthly up to one twelfth part of the expenses provided in the budget for the previous year.

Budget of the National Insurance Institute

Art. 20. (1) (amend. SG 112/2004) The budget of the National Insurance Institute shall be part of the consolidated budget of the state public insurance and shall be developed according to the paragraphs of the budget classification.

(2) (amend. SG 112/2004; amend. - SG 104/05, in force from 01.01.2006) The funds in the budget of the National Insurance Institute shall be formed by:

1. percentage of the incomes from the insurance payments for the funds "Pensions", "General disease and motherhood", "Labour accident and professional disease", "Unemployment" and "Pensions, not connected with labour activity";

2. revenues from established by dispositions and revision acts of shortage receivables and interest over them;

3. revenues from fines, property sanctions and delay interest;

4. percentage of the revenues in fund "Guarantied receivables of the workers and employees" for the activities under Art. 13 of the Law of the Guarantied receivables of the workers and employees in insolvency of the employer;

5. revenues from sell of the insurance books, payments cards and forms – approved patterns by the Governor of the National Insurance Institute;

6. incomes from certification of copies of documents issued by the National Insurance Institute;

7. incomes from fees for issuance of certificates;

8. revenues and incomes from ownership and non-fiscal revenues;

9. the amounts incoming under drafted by the controlling bodies of the National Insurance Institute revision acts of shortage;

10. loans;

11. subsidies (transfers) form the Republic Budget;

12. (new – SG 113/07, in force from 01.01.2008) transfers from the Republic Budget for health insurance contributions for persons up to 18 years of age and after its accomplishment, provided that they are full time students – up to accomplishment of their secondary education.

(3) (amend. - SG 104/05, in force from 01.01.2006; suppl. – SG 113/07, in force from 01.01.2008) The expenses and the transfers of the budget of the National Insurance Institute shall be determined for:

1. maintenance of the activity for the state public insurance and the Law of the Guarantied receivables of the workers and employees in insolvency of the employer;

2. capital expenses for acquisition of long term material assets and major repair, connected with the overall activity of the National Insurance Institute;

3. redemption of liabilities for loans;

4. (new – SG 113/07, in force from 01.01.2008)

(4) (amend. - SG 104/05, in force from 01.01.2006) The percentages of para 2, items 1 and 4 shall be determined with the Law for the budget of the state public insurance.

(5) The expenses of para 3 shall be approved by the supervision council of the National Insurance Institute upon proposal by the manager.

(6) (new - SG 104/05, in force from 01.01.2006) The revenues under Art. 2, Para 2, items 2- 9 shall come as own revenues in the budget of the National Insurance Institute.

(7) (new - SG 104/05, in force from 01.01.2006) The funds under Art. 20, Para 2- 8 and 15 per cent of these under Art. 20, Para 2, item 9 shall be calculated and spent only for increase of the qualification and material stimulation of the employees under conditions and procedure, determined by the Governor of the National Insurance Institute.

Incomes of fund "Pensions"

Art. 21. (amend. SG 112/2004) The funds of fund "Pensions" shall be collected from:

1. insurance payments of insurers, insured and self - insuring persons;
2. insurance payments and incomes provided in other laws, for insuring disability due to general disease, old age and death;
3. (amend. SG 1/02; amend., SG 67/03; in force from January 1, 2003) sums of the state budget for conducting the insurance of the persons of art. 4, para 1, items 2 and 4, art. 9, para 6 and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
4. (amend. SG 1/02, amend. SG 112/2004) transfers of the republican budget for:
 - a) insurance payments in the cases, provided in this code
 - b) (amend. SG 112/2004) subsidies, provided in the Law on the budget of state public insurance for the relevant year;
 - c) health insurance payments for pensioners;
 - d) insurance payments in the cases provided in this code;
5. (revoked – SG 112/2004)
6. (amend. SG 1/02; revoked, SG 112/03)
7. fees determined with a tariff of the Council of Ministers;
8. interests and dividends;
9. grants and wills;
10. (revoked – SG 1/02);
11. other sources.

Expenses of fund "Pensions"

Art. 22. (suppl. – SG 113/07, in force from 01.01.2008) The expenses of fund "Pensions" shall be spent and transferred for:

1. (amend. SG 1/02) payment of pensions for insurance practice and age, pensions for disability due to general disease and the additions to them;
2. (suppl. SG 1/02) updating, indexation and compensation of pensions of

item 1;

3. other expenses connected with the pension insurance;
4. (new – SG 1/02; amend. – SG 113/07, in force from 01.01.2008) transfers for health insurance payments for pensioners;
5. (new – SG 105/06, in force from 01.01.2007) supports for prophylactic and rehabilitation.

Incomes for fund "Pensions, not connected with labour activity" (new – SG 1/02)

Art. 22a. (new – SG 1/02, amend. SG 112/2004) The funds for fund "Pensions, not connected with labour activity" shall be collected from:

1. (amend. SG 112/2004) transfers from the republican budget for:
 - a) payment of pensions, for which insurance payments are not due, and for the indexations, the compensations and the additions to them;
 - b) additions to the pensions of the veterans from the wars;
 - c) additions of art. 84, determined with the pensions of item "a";
 - d) (new, SG 12/04) additions to the pensions determined by the Law for political and civil vindication for individuals who have undergone repressive actions.
2. (revoked - SG 112/2004)
3. fees, determined with a tariff of the Council of Ministers;
4. interests and dividends;
5. grants and testaments.

Expenses for fund "Pensions, not connected with labour activity" (new – SG 1/02)

Art. 22b. (new – SG 1/02) (1) (amend., SG 12/04) The resources of fund "Pensions, not connected with labour activity" shall be spent for payment of:

1. pensions for military disability;
2. pensions for civil disability;
3. social pensions for old age;
4. social pensions for disability;
5. pensions for special merits;
6. personal pensions;
7. additions to the pensions of the veterans from the wars;
8. additions to the pensions under the Law for political and civil vindication for individuals who have undergone repressive actions;
9. additions under art. 84, determined by pensions for which no insurance payments are due.
10. indexation and compensations to the pensions and additions under item 1 – 9;
11. (new – SG 105/06, in force from 01.01.2007) supports for prophylactic and rehabilitation.

(2) The resources for fund "Pensions, not connected with labour activity" shall be spent for payment of pensions for which no insurance payments are due under the repealed Law for the pensions and Law for the public insurance, as well as for the

indexations, the compensations and the additions to them.

Incomes of fund "Labour accident and professional disease"

Art. 23. The incomes of fund "Labour accident and professional disease" shall be collected from:

1. insurance payments;
2. (amend., SG 67/03; in force from January 1, 2003) sums from the state budget for insuring the persons under art. 4, para 1, items 2 and 4, and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
3. incomes provided in other laws for insuring for labour accident and professional disease;
4. (revoked - SG 112/2004)
5. (suppl. SG 1/02; revoked, SG 112/03)
6. fees determined with a tariff of the Council of Ministers;
7. interests and dividends;
8. grants and wills;
9. other sources.

Expenses of fund "Labour accident and professional disease"

Art. 24. The resources of fund "Labour accident and professional disease" shall be spent for:

1. payment of money indemnifications, pensions and supports;
2. updating, indexation and compensation of money indemnifications, pensions and supports;
3. measures for prevention of labour accidents and professional diseases;
4. (new – SG 105/06, in force from 01.01.2007) diagnostics of occupational diseases;
5. (prev. item 4 – SG 105/06, in force from 01.01.2007) auxiliary - technical means connected with the damage;
6. (prev. item 5 – SG 105/06, in force from 01.01.2007) other expenses connected with the insuring for labour accident and professional disease.

Incomes of fund "General disease and motherhood"

Art. 25. The incomes of fund "General disease and motherhood" shall be collected from:

1. insurance payments;
2. (amend., SG 67/03; in force from January 1, 2003) sums from the state budget for insuring of persons of art. 4, para 1, items 2 and 4 and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
3. incomes provided by other laws for insuring general disease and motherhood;
4. (new – SG 1/02, revoked - SG 112/2004)
5. (prev. 4 – SG 1/02, revoked - SG 112/2004)
6. (prev. 5, amend – SG 1/02; revoked, SG 112/03)
7. (prev. 6 – SG 1/02) fees, determined with a tariff of the Council of

Ministers;

8. (prev. 7 – SG 1/02) interests and dividends;
9. (prev. 8 – SG 1/02) grants and wills;
10. (prev. 9 – SG 1/02) other sources.

Expenses of fund "General disease and motherhood"

Art. 26. The resources of fund "General disease and motherhood" shall be spent for:

1. payment of money indemnifications and supports;
2. updating, indexation and compensation of money indemnifications and supports;
3. financing the activities for reducing the general diseases;
4. ensuring with auxiliary - technical means;
5. (new – SG 105/06, in force from 01.01.2007) funds for the program "Supporting motherhood";
6. (prev. item 5 – SG 105/06, in force from 01.01.2007) other expenses connected with the insuring for general disease and motherhood.

Incomes for fund "Unemployment" (new – SG 1/02)

Art. 26a. (new – SG 1/02) The incomes for fund "Unemployment" shall be collected from:

1. insurance payments;
2. (revoked, SG 112/03)
3. purposed sums from the state budget for indemnification under art. 233 of the Law for the defence and the armed forces of the Republic of Bulgaria;
4. interests and dividends;
5. grants and wills;
6. other sources.

Expenses for fund "Unemployment" (new – SG 1/02)

Art. 26b. (new – SG 1/02; amend. – SG 113/0, in force from 01.01.2008) The expenses for fund "Unemployment" shall be spent and transferred for payment of indemnification for unemployment, indemnification under art. 233 of the Law for the defence and the armed forces of the Republic of Bulgaria and for transfers for health insurance payments for the unemployed.

Short - term free of interest loans for the funds

Art. 27. (amend., SG 119/02) At temporary deficit of resources in the funds for covering urgent insurance payments can be used short - term free of interest loans from the republican budget, by a permit of the Minister of Finance at a proposal of the Governor of the National Insurance Institute, as well as loans from funds of social designation up to the size of their reserves, by a permit of the Minister of Finance and the Minister of Labour and Social Policy at a proposal of the Supervisory Board of the National Insurance Institute.

Investment of free resources

Art. 28. (suppl. SG 64/00, amend. SG 1/02) The temporary free resources of the funds of state public insurance can be invested in deposit accounts in the Bulgarian National Bank or for acquisition on the primary market or through the Ministry of Finance of state securities, issued by the Bulgarian government.

Bank servicing

Art. 29. (amend. SG 1/02) (1) The banks, servicing the accounts of the National Insurance Institute shall be determined by the Ministry of Finance and the Bulgarian National Bank. The supervisory council of the National Insurance Institute shall select the banks who have the right to service the accounts of the National Insurance Institute among these determined by the Bulgarian National Bank and the Ministry of Finance.

(2) The order and the way of servicing the accounts of the National Insurance Institute shall be determined by the Ministry of Finance and the Bulgarian National Bank.

Fulfillment of the budget

Art. 30. (1) The fulfillment of the budget of the state public insurance shall be implemented by the National Insurance Institute.

(2) Primary administrator of the budget of the state public insurance shall be the manager of the National Insurance Institute.

(3) Secondary administrators of the budget of the state public insurance at the territorial divisions of the National Insurance Institute shall be their chiefs.

Annual account

Art. 31. (1) The annual account of the fulfillment of the budget of the state public insurance shall be prepared by the National Insurance Institute shall be presented by its manager to the National Assembly for approval together with the account of the state budget.

(2) The decision of the National Assembly for approval of the account for the fulfillment of the budget of the state public insurance shall be promulgated in the State Gazette.

Chapter three. MANAGEMENT

Functions of the Ministry of Labour and Social Policy

Art. 32. The Ministry of Labour and Social Policy shall develop, co-ordinate and conduct the state policy for state public insurance.

National Insurance Institute

Art. 33. (1) The state public insurance shall be managed by the National

Insurance Institute. It shall report about its activity before the National Assembly.

(2) The National Insurance Institute shall be a corporate body with headquarters in Sofia. The Institute shall create its territorial divisions.

(3) The National Insurance Institute shall:

1. fulfil the budget of the state public insurance;
2. (amend. - SG 105/05, in force from 01.01.2006) establish and collect the takings of the state public insurance from incorrectly spent expenditures;
3. (revoked – SG 105/05, in force from 01.01.2006);
4. (suppl. - SG 105/05, in force from 01.01.2006) implement control over the observing of the insurance legislation in relation to the activities assigned to it;
5. organise the activity for establishing administrative breaches and administrative penalties;
6. (suppl. SG 1/02) implement the payment of pensions and the indemnification for unemployment and organise the activity of the other insurance payments;
7. collect information and maintain information system about the insured persons, the insurers and the self insuring persons;
8. implement activity for preparation and application of international agreements in the field of state public insurance;
9. (new – SG 1/02) issue information bulletin.
10. (new – SG 120/02, amend. - SG 105/05, in force from 01.01.2006) maintain information system about the persons, who work with legal relation of employment.

11. (new, SG 67/03; suppl. - SG 104/05, in force from 27.12.2005 suppl. - SG 105/05, in force from 01.01.2006) conclude contracts for submitting information, informational products for procession of information and for activities related to the social insurance.

(4) (revoked – SG 105/05, in force from 01.01.2006; new – SG 41/07) The information, required for implementation of functions and authorities of the National Social Security Institute, shall be provided free of charge by the respective state and municipal bodies, including all data from the Unified System of Citizens' Registration and Administrative Services to Population and from the National Statistics Institute.

(5) (new – SG 120/02, revoked – SG 105/05, in force from 01.01.2006)

Management bodies

Art. 34. Management bodies of the National Insurance Institute shall be:

1. the supervisory council;
2. the manager and the deputy manager.

Supervisory council

Art. 35. (1) (Suppl., SG 112/02; amend., SG 67/03) The supervisory council shall be comprised by one representative of each representative organisations of the workers and the employees and of the employers recognised according to the Labour Code, and equal to them number of representatives determined by the Council of Ministers, one of which shall obligatorily be the executive Director of the National

Revenue Agency.

(2) The representatives of the organisations of the workers and the employees and of the employers of para 1 shall be determined by their management bodies at national level.

(3) (new – SG 1/02) When the representative organisations of the workers and the employees or of the employers are different in number, the quota or the organisations with smaller number shall be supplemented to the quota of the organisations with bigger number according to an agreement between the interested organisations.

(4) (new – SG 1/02) At lack of agreement of para 3 supplement of the quota of the nationally representative organisations with smaller number is not implemented and the members of the Supervisory council shall be determined as quantity only by the order of para 1.

(5) (prev. 3 – SG 1/02) The supervisory council shall have mandate for a term of four years.

(6) (prev. 4 – SG 1/02) The members of the supervisory council as well as the changes in it shall be promulgated by its chairman in State Gazette.

(7) (prev. 5 – SG 1/02) The members of the supervisory council shall elect among themselves a chairman according to the rotation principle.

(8) (prev. 6 – SG 1/02) The supervisory council shall be summoned at sessions by the chairman or upon request by one third of its members.

(9) (prev. 7 – SG 1/02) The sessions of the supervisory council shall be lawful if at them have been present at least half of its members. Its decisions shall be taken if for them vote more than half of the total number of the members of the supervisory council.

(10) (prev. 8– SG 1/02) The manager of the National Insurance Institute shall participate in the sessions of the supervisory council with consultative vote.

Functions of the supervisory council

Art. 36. (1) (prev. Art. 36 – SG 41/07) The supervisory council shall:

1. approve the basic directions of the activity of the National Insurance Institute

2. approve the drafts of the annual budget of the state public insurance and its account;

3. implement control over the activity of the National Insurance Institute, the council of the manager; the manager and the deputy manager;

4. approve the drafts of the normative acts for the state public insurance before submitting them for approval to the corresponding state bodies;

5. approve regulation for the organisation of the activity of the National Insurance Institute and regulation for the activity of the supervisory council;

6. (suppl. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) give consent for deferring of takings for obligatory insurance installments to the funds of the state social insurance in the cases of art. 184, 185 and 188 from the Tax-insurance Procedure Code;

7. (amend., SG 67/03, suppl. - SG 105/05, in force from 01.01.2006) take decision for writing off uncollectible takings from the takings, collected by the

National Insurance Institute, after finishing the procedures for bankruptcy or liquidation of the insurers, as well as for obligations to the state public insurance of insured and self-insured persons up to 1000 BGN, which cannot be collected by the order of art. 110, para 5;

8. take decisions for acquisition and disposal with the possessions of the National Insurance Institute above the extent determined with the regulation for the organisation and the activity of the National Insurance Institute;

9. take decisions for use of resources from the reserve of the budget of the state public insurance;

10. take decisions about acquisition of immovable properties by the National Insurance Institute against liabilities to the funds of the state public insurance;

11. determine the remuneration of the manager and the deputy manager.

(2) (new – SG 41/07) Members of the Supervisory Board shall receive remuneration for their participation in a session of the Supervisory Board in the amount of 10 per cent of the gross salary of the Manager of the National Social Insurance Institute.

Manager and deputy manager

Art. 37. (1) The manager and the deputy manager of the National Insurance Institute shall be elected by the National Assembly for a term of four years.

(2) The manager of the national Insurance Institute shall act on behalf of the institute, organise and manage its activity and represent it before all individuals and corporate bodies in the country and abroad.

(3) If the manager is absent his functions shall be implemented by the deputy manager. The deputy manager shall be able to implement functions assigned to him by the manager. The deputy manager shall summon and manage the sessions of the council of the manager.

(4) The manager and the deputy manager shall be possible to be discharged also before the elapse of the term for which they have been elected if they have been convicted for a crime of general character with a verdict entered into force, if they systematically breach their obligations, if they are impaired to fulfil them for a term more than six months or if they have submitted application for retirement to the National Assembly.

(5) The manager shall:

1. implement the operational management of the National Insurance Institute;

2. (suppl. - SG 105/05, in force from 01.01.2006) approve instructions, forms and other documents connected with the conduct of the insurance in relation to the activities, assigned to the National Insurance Institute, obligatory for all individuals and corporate bodies;

3. submit for approval to the supervisory council:

a) the draft budget of the state public insurance;

b) draft of the account of the fulfilment of the budget of the state public insurance;

c) drafts of normative acts for the state public insurance;

d) draft of regulation for the organisation and the activity of the National Insurance Institute;

e) drafts of decisions for use of resources from the reserve of the budget of the state public insurance;

4. open and close divisions of the National Insurance Institute and approve their structure and budgets;

5. conclude disposition transactions with the assets of the National Insurance Institute up to the extent determined with the regulation for the organisation and the activity of the National Insurance Institute;

6. (suppl. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) give consent for deferring of takings for obligatory insurance installments to the funds of the state social insurance in the cases of art. 184, 185 and 188 from the Tax-insurance Procedure Code;

7. approve the distribution of capital investment for managing the possessions of the National Insurance Institute.

8. (new - SG 64/00) approve and declare the insurance income under art. 70.

9. (new - SG 104/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) determine the prices of the services and the activities under Art. 20, Para 5, items 5 - 8.

(6) (new – SG 41/07) The manager of the National Social Insurance Institute shall get a basic monthly remuneration in the amount of the basic monthly remuneration of a Chairperson of a permanent parliamentary commission. The vice-manager of the National Social Insurance Institute shall get a basic monthly remuneration in the amount of the basic monthly remuneration of a popular representative.

Council of the manager

Art. 38. (1) The manager in his activity shall be assisted by a council of the manager of the National Insurance Institute consisting of the chiefs of the functional divisions of the institute and the deputy manager.

(2) The sessions of the council of the manager shall be lawful if two third of the members are present. The decisions shall be taken with simple majority.

(3) The council of the manager shall propose to the manager drafts of decisions connected with his powers of art. 37, para 5.

Requirements to the members of the supervisory council, the manager and the deputy manager

Art. 39. (1) The members of the supervisory council, the manager and the deputy manager of the National Insurance Institute shall not be possible to be:

1. persons deprived from the right to take leading, accounting or materially responsible position;

2. persons who are participating in management or control bodies of other insurance funds;

3. persons convicted for committed crime;

4. persons who have been members of managerial bodies of corporate bodies terminated due to insolvency if there are left unsatisfied creditors;

persons who are relatives in direct or lateral line or due to marriage up to

forth degree with members of the supervisory council, the manager and the deputy manager.

Chapter four. INDEMNIFICATIONS

Section I. Indemnifications for temporary inability to work and labour adjustment

Right to indemnification

Art. 40. (suppl. – SG 105/06, in force from 01.01.2007) (1) The insured persons for all insured social risks, for all insured social risks except for labour accident, occupational disease and unemployment or for all insured social risks except for unemployment shall have right to pecuniary indemnification instead of labour remuneration for the time of leave due to temporary inability to work if they have at least 6 months insured practice.

(2) (amend., SG 112/03) The requirement of para 1 shall not refer to acquisition of right to pecuniary indemnification for temporary inability to work due to labour accident and professional disease and for insured below 18 years of age.

(3) (suppl. SG 1/02, amend. SG 38/05; amend. – SG 105/06, in force from 01.01.2007) The pecuniary indemnifications for temporary inability to work, labour readjustment, pregnancy and childbirth and оди bringing up a child and the supports from the state public insurance shall be accounted and paid by the territorial divisions of the National Insurance Institute to the insured persons to a stated by them bank account. Provided that the person does not have right to compensation or support, the official, to whom management of payment of compensations and supports is assigned, shall issue an order for rejection. The order shall be subject to cancellation, provided that within the prescription period under Art. 115, par. 4 the person or the insurer provide new or further evidences, substantiating the right of compensation or a support.

(4) (amend., SG 64/00; amend., SG 112/03; amend. – SG 105/06, in force from 01.01.2007) The insurer shall pay to the insured person for the first working day of the temporary inability to work the average daily gross allowance for the month, in which the temporary inability to work has occurred, but not less that the average daily agreed remuneration.

(5) (new – SG 105/06, in force from 01.01.2007) Payment of pecuniary indemnification and support shall be carried out under the conditions and pursuant to a procedure, determined with an Act of the Council of Ministers.

Remuneration according to which is determined the indemnification

Art. 41. (1) (suppl., SG 64/00; amend. – SG 105/06, in force from 01.01.2007)) The daily pecuniary indemnification for temporary inability to work due

to general disease shall be calculated in extent of 80 percent and for temporary inability to work due to labour accident or professional disease - in extent of 90 percent of the average daily gross remuneration or the average daily insurance income for which have been paid or due insurance payments, and for the self-insured persons – deposited insurance installments for the respective risk for the period of six calendar months preceding the occurrence of the inability to work. The daily pecuniary indemnification for temporary incapacity due to a general disease cannot exceed the average daily net remuneration for the period from which the indemnification is calculated

(2) (amend. SG 1/02) For the days included in the period of para 1 shall be taken into account the average daily minimum working salary for the country for the corresponding period if the person:

1. has not been insured for all insured social risks;
2. has not been insured for all insured social risks without labour accident and professional disease and unemployment;
3. has used unpaid leave which is recognised as working practice;
4. has used leave for bringing up a small child.
5. (new – SG 105/06, in force from 01.01.2007) has been insured in compliance with the legislation of another country under the conditions of an international treaty, in which the Republic of Bulgaria is a party.

(3) (amend. – SG 105/06, in force from 01.01.2007) For the days included in the period of para 1 during which the person has received pecuniary indemnification from the public insurance for temporary inability to work or for pregnancy and child birth, the extent of the income, from which the pecuniary remuneration has been determined shall be taken into account.

(4) (new, SG 67/03) The sum on which the indemnifications shall be calculated may not be larger than the maximal monthly size of the insured income, determined by the law of the budget of the state public insurance for the period for which the indemnification is determined.

(5) (prev. para 4 - SG 67/03) The way of calculating the indemnification shall be determined with an act of the Council of Ministers.

Term of payment of the indemnification

Art. 42. (1) The pecuniary indemnification for temporary inability to work due to general disease, labour accident and professional disease shall be paid from the first day of occurrence till the restoration of the ability to work or the establishing of disability.

(2) (amend., SG 64/00, SG 1/02; suppl. – SG 105/06, in force from 01.01.2007) When the temporary inability to work due to a general disease, labour accident or professional disease has occurred in up to two months after the termination of the employment contract or the insurance, the pecuniary indemnification shall be paid for the term of inability to work but for not more than 75 calendar days. In these cases the pecuniary indemnification shall not be paid to persons who receive pension or indemnification for unemployment, paid according to the Labour Code, the Law for the civil servant and the Law for the higher education. The paid pecuniary indemnifications for temporary inability to work shall be refunded by the persons for

the period, for which a pension has been granted to them.

(3) (amend. SG 1/02) When the temporary inability has occurred before the termination of a temporary employment contract, contracts for regular military service and contracts for management and control of commercial companies, the pecuniary indemnification shall be paid for not more than 75 calendar days after the termination of the employment legal relations or the contracts. If the temporary inability to work is due to labour accident or professional disease, the pecuniary indemnification shall be paid till the restoration of the ability to work or till establishing of disability.

Indemnifications due to quarantine or removal from work

Art. 43. Pecuniary indemnification for temporary inability to work due to quarantine or removal from work at prescription by health authorities shall be paid respectively for:

1. the time during which the insured person is under quarantine;
2. the time of removal from work if the insured cannot be labour adjusted at another appropriate work during this time but for not more than 90 calendar days during one calendar year.

Indemnifications for sanatorial - resort treatment

Art. 44. To the persons unable to work, sent by the health authorities to sanatorial - resort treatment pecuniary indemnification shall be paid for the whole stay, including up to three calendar days for travel, within the extent determined respectively for general disease or for labour accident and professional disease.

Indemnification for taking care of an ill member of the family

Art. 45. (1) Pecuniary indemnification under the conditions and within the extent of the pecuniary indemnification for temporary inability to work due to a general disease shall be paid also for:

1. taking care of or necessary accompanying for medical examination in the country or abroad for an ill member of the family over 18 years of age - to each insured up to 10 calendar days during one calendar year.
2. taking care of or necessary accompanying for medical examination, investigation or treatment in the country or abroad for an ill child up to 18 years of age - up to 60 calendar days during one calendar year as a total for all insured members of the family; within this time shall not be included the time for taking care of a child under items 3 - 5;
3. taking care for a child under quarantine up to 18 years of age, ill with infectious disease - till the expiry of the term of the quarantine;
4. taking care of an ill child up to 3 years of age, accommodated in an establishment for hospital aid together with the insured person - for the time during which the insured has been at the establishment;
5. taking care of a healthy child returned from a children's establishment due to quarantine - till the duration of the quarantine.

(2) For one and the same insurance case for one and the same time pecuniary indemnification can be paid to only one member of the family.

(3) For taking care of a chronically ill member of the family pecuniary indemnification shall be paid at aggravation of the disease.

(4) As members of the family shall be considered the spouses and their next of kin in the ascending and the descending line.

(5) (New, SG 52/04, In force from 1st of August 2004) The cash indemnification under para 1, item 2, 3, 4 and 5 shall also be paid for raising a child accommodated with friends, relatives or accepting family by the order of art. 26 of the Law for protection of the child.

Cases when indemnification is not paid

Art. 46. (1) pecuniary indemnification shall not be paid to insured persons who:

1. premeditatedly impair their health with objective to get leave or indemnification;

2. breach the regime determined by the health authorities - only for the days of breach;

3. have become incapable to work due to use of alcohol, strong intoxicating drug without treatment objective or due to events committed under the influence of such means;

4. have become unable to work due to hooligan and other antisocial conduct thereof, established by the due order;

5. have become unable to work due to not observing the rules for safe work, established by the due order.

(2) In the cases of para 1, items 3 and 4 the term for which indemnification is not paid shall not be longer than 15 calendar days and in the case of item 5 - not longer than 3 calendar days.

Pecuniary indemnification at labour adjustment

Art. 47. (1) At labour adjustment due to temporary decrease of working ability due to a general disease, labour accident or professional disease to the insured person shall be paid pecuniary indemnification if at the new work the remuneration is decreased.

(2) (amend. and suppl. – SG 105/06, in force from 01.01.2007) The daily pecuniary indemnification shall be in extent of the difference between the received average daily remuneration during the 6 calendar months preceding the month of the labour adjustment, but not more than the average daily amount of the maximum monthly insurance income and the average daily gross remuneration received after the labour adjustment. When the insured person has worked for less than 6 months till the day of labour adjustment the indemnification shall be determined as a difference between the average daily remuneration determined under art. 41 and the received average daily gross remuneration after the labour adjustment.

(3) (amend. – SG 105/06, in force from 01.01.2007) The pecuniary indemnification of para 1 and 2 shall be paid for the time of labour adjustment but for not more than 6 months.

Section II. Indemnification for motherhood

Indemnification at labour adjustment due to pregnancy and breast-feed

Art. 48. (1) At labour adjustment to another work due to pregnancy or breast-feed of a child to the insured woman shall be paid a pecuniary indemnification if at the new work her remuneration is decreased.

(2) (amend. and suppl. – SG 105/06, in force from 01.01.2007) The daily pecuniary indemnification shall be in extent of the difference between the received average daily gross remuneration during the 6 calendar months preceding the month of the labour adjustment but not more than the average daily amount of the maximum monthly insurance income and the average daily gross remuneration received after the labour adjustment. When the insured person has worked for less than 6 months till the day of labour adjustment the indemnification shall be determined as a difference between the average daily remuneration determined under art. 41 and the received average daily remuneration after the labour adjustment.

(3) (amend. and suppl. – SG 105/06, in force from 01.01.2007) In case at the new work the labour adjusted woman receives average daily gross remuneration less than the minimum daily salary established for the country or the average daily remuneration determined under art. 41 is less than the minimum salary established for the country, the daily indemnification shall be in extent of the difference between the received average daily gross remuneration before the labour adjustment and the minimum daily salary established for the country.

Right to indemnification for pregnancy and childbirth

Art. 48a. (new, SG 112/03, amend. SG 69/04) The insured person shall be entitled to indemnification for pregnancy and childbirth if she has 6 months insured time of work, as insured for all insured social risks, for all insured social risks without labour accident, professional disease and unemployment, or for all insured social risks without unemployment.

Indemnification at pregnancy and childbirth

Art. 49. (1) (suppl. - SG 104/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) The daily pecuniary indemnification at pregnancy and child-birth shall be determined in extent of 90 percent of the daily average remuneration or the insurance income determined under art. 41 and cannot be more than the average daily net remuneration for the period for which the indemnification is calculated and not less than the minimum daily salary established for the country.

(2) (new - SG 68/06) At acquiring right to pecuniary indemnification in the event of pregnancy and childbirth during the period of payment of pecuniary indemnification for pregnancy and childbirth or for bringing up a child, the indemnification shall be in the amount, specified under para 1 regarding the previous child, in case this is more favourable to the person.

(3) (amend. - SG 104/05, in force from 01.01.2006; prev. text of para 2 - SG

68/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007)
When the person is insured on more than one grounds, the total amount of the daily pecuniary indemnification shall not be possible to be less than the minimum daily salary established for the country.

Terms for payment of the pecuniary indemnification at pregnancy and childbirth

Art. 50. (1) (suppl. SG 1/02; amend - SG 68/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007) The mother insured for all insured social risks shall have right to pecuniary remuneration at pregnancy and childbirth for a term of 315 days, 45 of which before the childbirth.

(2) When the childbirth takes place before the elapse of the 45 days after the beginning of the use of the indemnification the remainder up to 45 days shall be used after the childbirth.

(3) When the child is born dead, dies or is given to a children's establishment for full state maintenance or adoption the mother shall have right to pecuniary indemnification till the elapse of 42 days after the birth. If the working ability of the mother is not recovered due to the birth after the 42 day the term of the indemnification shall be extended according to the assessment of the health authorities till the restoration of her ability to work. Till the elapse of the term of para 1 this indemnification shall be paid as indemnification for pregnancy and childbirth.

(4) When the child is given for adoption, is accommodated in a children's establishment at full state maintenance or dies after the 42 day after the birth the indemnification of para 1 shall be terminated on the next day. In these cases, if the working ability of the mother has not been recovered due to the birth, shall be applied para 3, sentences two and three.

(5) The woman or the man insured for all social risks who adopt a child shall have right to indemnification under para 1 in extent of the difference between the age of the child on the day of giving for adoption till the elapse of the term of the due indemnification for birth.

(6) (new – SG 105/06, in force from 01.01.2007) The right of indemnification under par. 1 – 5 shall have mothers (adoption fathers or adoption mothers), which are insured for all insurance social risks except for labour accident, occupational disease and except for unemployment or for all insured social risks except for unemployment.

Indemnification at death or disease of the mother

Art. 51. (amend., SG 64/00; amend. – SG 105/06, in force from 01.01.2007)
At death or grave disease of the mother (the adopter) that hampers her to bring up the child, the person using leave under art. 167 of the Labour Code shall be paid the indemnification of art. 49 or Art. 53. The indemnification shall be paid also to self-insured persons, who are insured for all insurance social risks except for labour accident, occupational disease and unemployment.

Indemnification at pregnancy and childbirth at termination of the insurance

Art. 52. At termination of the insurance for all insured social risks during the

receiving of indemnification for pregnancy and childbirth to the insured shall be paid pecuniary indemnification till the elapse of the term of the indemnification of art. 50.

Right to indemnification for bringing up a small child

Art. 52a. (new, SG 112/03, amend. SG 69/04) The insured person shall be entitled to indemnification for pregnancy and childbirth if she has 6 months insured time of work, as insured for all insured social risks, for all insured social risks without labour accident, professional disease and unemployment, or for all insured social risks without unemployment.

Indemnification for bringing up a small child

Art. 53. (1) (amend. SG 1/02) After the elapse of the term of the indemnification for pregnancy and childbirth during the additional paid leave for bringing up a small child to the mother (the adopter) shall be paid monthly pecuniary indemnification in extent determined with the Law for the budget of the state public insurance.

(2) (amend. SG 1/02) When the additional paid leave for bringing up a small child is used instead by the mother (the adopter mother) by the father (the adopter father) or by the person who have undertaken the bringing up of the child, shall be paid monthly pecuniary indemnification in extent determined with the Law for the budget of the state public insurance. This indemnification shall be paid to the guardian when he uses leave under art. 167, para 2 of the Labour Code.

(3) (new – SG 69/04) The indemnification of para 1 shall be paid also to the persons, who use leave for bringing up a child up to two years of age, accommodated by the order of art. 26, para 1 of the Law of protection of child.

(4) (prev. (3), amend. SG 69/04; amend - SG 68/06, in force from 01.01.2007; amend. – SG 89/08) The pecuniary indemnification of para 1, 2 and 3 shall not be paid at death of the child, giving it for adoption or at accommodation of the child at a children's establishment, as well as at its bringing up by a person involved in the programme "In support of motherhood".

(5) (new – SG 105/06, in force from 01.01.2007) Self-insured persons, who are insured for all insured social risks except for labour accident, occupational disease and unemployment, shall have right to pecuniary indemnification for bringing up a young child within the terms of par. 1 – 4.

Indemnification at not use of the additional paid leave for bringing up of a small child

Art. 54. (*) (1) (amend. SG 1/02; suppl., SG 112/03; amend. – SG 105/06, in force from 01.01.2007) The mother (adoptive mother), who is insured for all insured social risks, for all insured social risks except for labour accident, occupational disease and unemployment or for all insured social risks except for unemployment and has been entitled to indemnification under Art. 52a, shall get a pecuniary indemnification in the amount of 50 per cent of the indemnification under Art. 53, provided that

1. she does not use the additional paid leave for bringing up of a young child or the person who uses such leave terminates its use;

2. the self-insured person having the right to indemnification under Art. 53 starts practicing labour activity, for which he/she is getting insured for all insured social risks except for labour accident, occupational disease and unemployment.

(2) (amend. SG 1/02; amend. – SG 105/06, in force from 01.01.2007) If the mother (the adopter) has deceased, has been deprived from parent rights or the exercising of the parent rights has been conceded to the father (the adopter father) this indemnification shall be paid to the father (the adopter father) and if he has deceased - to the guardian. The indemnification shall be paid if the person undertaken the bringing up of the child is insured as working with an employment or official contract or is insured for his own account for all insured social risks except for labour accident, professional disease and unemployment.

(3) (suppl. – SG 68/06, in force from 01.01.2007; amend. – SG 89/08) The indemnification of para 1 and 2 shall not be paid if the child has been accommodated in a children's establishment with full state maintenance as well as in case of its bringing up by person involved in the programme "In support of motherhood".

Chapter four.

"A" PECUNIARY INDEMNIFICATION FOR UNEMPLOYMENT (new – SG 1/02)

Right to pecuniary indemnification for unemployment

Art. 54a. (new – SG 1/02) (1) (amend. SG 115/0; amend. – SG 105/06, in force from 01.01.2007) Right to pecuniary indemnification for unemployment shall have the persons, for whom insurance has been paid or is due for all insured social risks at least 9 months during the last 15 months before the termination of the insurance and who:

1. have registration as unemployed at the respective territorial division of the Agency for employment;

2. (amend. – SG 105/06, in force from 01.01.2007) have not been granted a pension for insured practice and age or professional pension for early retirement;

3. do not exercise labour activity, for which they are subject to obligatory insurance under art. 4.

(2) (new – SG 105/06, in force from 01.01.2007) For the purpose of acquiring of right to pecuniary indemnification under par. 1 shall be considered also the time:

1. of the paid and non-paid leave for bringing up of a child;

2. of the paid and non-paid leaves for temporary inability to work and for pregnancy and childbirth;

3. of the non-paid leaves of up to 30 working days in one calendar year;

4. the approved as insured practice in compliance with the legislation of another country on the grounds of an international treaty, of which the Republic of Bulgaria is a party.

(3) (prev. par. 2 – SG 105/06, in force from 01.01.2007) The pecuniary indemnification for unemployment shall be released on the basis of an application to the territorial division of the National Insurance Institute.

(4) (prev. par. 3 – SG 105/06, in force from 01.01.2007) The pecuniary

indemnification for unemployment shall be paid from the date of termination of the insurance, if the application of para 2 has been submitted in 3 months term after this date. If the application has been submitted after this term without good reasons the pecuniary indemnification shall be paid for the period of art. 54c, decreased with the delay.

(4) (*) (revoked, SG 112/03)

(5) The order for releasing and payment of the pecuniary indemnification for unemployment shall be provided by the Council of Ministers upon a proposal by the National Insurance Institute.

Extent of the pecuniary indemnification for unemployment (new – SG 1/02)

Art. 54b. (new – SG 1/02) (1) (amend., SG 112/03) The extent of the pecuniary indemnification for unemployment of the unemployed persons shall be 60 percent of the average monthly insurance income for which insurance instalments have been paid or are due for the last 9 months, during which they have been subject to obligatory insurance for all insured social risks, and it cannot be less than the minimum and bigger than the maximum extent of the indemnification for unemployment.

(2) The minimum and the maximum extent of the indemnification for unemployment shall be determined every year with the Law for the budget of the state public insurance.

(3) (suppl., SG 67/03, suppl. SG 95/03; amend. - SG 82/06; amend. – SG 64/07) The unemployed persons, which legal terms of employment have been terminated upon their wish or their consent, or due to their guilty conduct, on the ground of art. 325, items 1 and 2, art. 326 and 326 and 330 of the Labour Code, art. 103, para 1, items 1, 2 and 5, art. 105 and 107, para 1, items 1 - 4 of the Law for the civil servant, art. 128, items 1, 7 and 8, art. 128a and art. 128c, item 2 of the Law for the defence and the armed forces of the Republic of Bulgaria and art. 245, para 1, items 4, 6 and 8 of the Law for the Ministry of Interior, and art. 165, para 1, item 2, 3 and 5 and art. 271, para 1, item 2, 3 and 5 of the Law of the Judicial Authority, shall receive the minimum extent of the pecuniary indemnification for unemployment for a term of 4 months.

(4) The unemployed persons, who have acquired right to pecuniary indemnification of art. 54a before the expiry of three years from a previous exercising of the right to indemnification for unemployment, shall receive the minimum extent of the indemnification for a term of 4 months.

(5) (amend. – SG 105/06, in force from 01.01.2007) The extent of the pecuniary indemnification of the unemployed persons, who have worked not full working time, shall be determined proportionally to the agreed time. In this case the extent of the indemnification cannot be less than the respective proportional part of the determined minimum extent of the indemnification for unemployment.

(6) The persons, hired to work not full working time within the time of payment of the pecuniary indemnification and receiving remuneration smaller than the minimum salary, established for the country, shall have the right of indemnification for unemployment in extent of 50 percent of the due pecuniary indemnification for the remaining period of the payment under art. 54c, para 1.

(7) (new – SG 105/06, in force from 01.01.2007) When in the period under par. 1, from which the average monthly insured income is calculated, the time, approved as insurance practice is included, without insurance being due, when determining the insurance income, the following shall be taken respectively:

1. for the time of a paid and non-paid leave for bringing up a child, of non-paid leave for temporary inability to work and for pregnancy and childbirth and of non-paid leave up to 30 working days in one calendar year – the minimum monthly salary, established for the country;

2. for the time of a paid leave for temporary inability to work and for pregnancy and childbirth – the income, on which the pecuniary indemnification has been determined;

3. for the time, approved as insurance practice under the legislation of another country on the grounds of an international treaty, on which the Republic of Bulgaria is a party – the minimum monthly working salary, established in the country for the respective period.

Terms for payment of the pecuniary indemnification for unemployment (new – SG 1/02)

Art. 54c. (new – SG 1/02) (1) The pecuniary indemnification for unemployment shall be paid every month during the month, following the one for which it is due, depending on the duration of the insurance practice, for a period as follows:

Insurance practice (years)				Period for payment of the indemnification (months)
to	3			4
from	3	to	5	6
from	5	to	10	8
from	10	to	15	9
from	15	to	20	10
from	20	to	25	11
over	25			12

(2) (new, SG 67/03) As insured practice, in determining the period for payment of indemnification under para 1, shall be considered the time of service by January 1, 2002 according to the Labour Code or to special laws, and the time after this date, during which the persons have been insured for unemployment.

(3) (prev. para 2 - SG 67/03, suppl. SG 95/03) In the period of para 1 shall not be included the term of the indemnifications of art. 222, para 1 of the Labour Code, art. 106, para 2 and art. 107, para 3 of the Law for the civil servant and art. 58, para 3 of the Law for the higher education and these indemnifications cannot be received simultaneously with the pecuniary indemnification for unemployment.

(4) (prev. para 3 - SG 67/03) The resources for pecuniary indemnification for unemployment, not received due to not good reasons for 3 months after the last date, determined for receiving them, shall remain in the account of the fund "Unemployment".

Stopping of payment of the pecuniary indemnification for unemployment
(new – SG 1/02)

Art. 54d. (new – SG 1/02) (1) The payment of the pecuniary indemnification for unemployment shall be stopped for the period, during which the person receives indemnification for temporary inability to work.

(2) (amend., SG 112/03) The unemployed shall be obliged to declare the occurring and the falling away of the circumstances of para 1 with a declaration.

(3) The payment shall be renewed from the day of falling away of the grounds for stopping for the remaining period.

Termination of the payment of the pecuniary indemnification for unemployment (new – SG 1/02)

Art. 54e. (new – SG 1/02) (1) The payment of the pecuniary indemnification for unemployment shall be terminated at:

1. starting of labour activity, for which the person is subject to obligatory insurance under art. 4.

2. termination of the registration by the Agency for unemployment;

3. (amend. – SG 105/06, in force from 01.01.2007) granting a pension for insurance practice and age or to a professional pension for early retirement;

4. (revoked, SG 112/03)

5. death of the unemployed.

(2) (amend., SG 112/03) The Agency for employment shall be obliged to inform monthly the National Insurance Institute about the occurrence of the circumstances of para 1 and 2.

(3) (amend., SG 112/03) The person shall be obliged to declare before the respective territorial division of the National Insurance Institute the occurrence of the circumstances of para 1, item 1, 2 and 3 in 7 days term.

(4) (revoked, SG 112/03)

(5) If during the receiving of the pecuniary indemnification the person starts to exercise activity – basis for obligatory insurance of art. 4, which is terminated after less than 9 months, the payment of the pecuniary indemnification shall be resumed for the remaining period after the date of termination.

Restoration of pecuniary indemnification for unemployment received in good faith (new – SG 1/02)

Art. 54f. (new – SG 1/02; suppl., SG 67/03) (1) (suppl. – SG 82/06) The paid pecuniary indemnification for unemployment shall be restored by the persons, which dismissal has been repealed as unlawful, for the period of the received indemnification under art. 225, para 1 of the Labour Code, art. 104, para 1 of the Law for the civil servant, art. 134, para 1 of the Law for the defence and the armed forces of the Republic of Bulgaria and art. 254 of the Law for the Ministry of Interior and art. 139e of the Law of the Judicial Authority.

(2) In 7 days term after the payment of the indemnification of para 1 the insurer shall be obliged to present copies of the court decision and the payment documents to the respective territorial division of the National Insurance Institute.

(3) (new – SG 105/06, in force from 01.01.2007) The paid pecuniary indemnifications for unemployment shall be restored by the persons for the period, for which they have been granted a pension for insurance practice and age or a professional pension for early retirement, and for the period, during which they have received pecuniary indemnification for temporary inability to work and for pregnancy and childbirth.

(4) (amend. - SG 105/05, in force from 01.01.2006; prev. par. 3 – SG 105/06, in force from 01.01.2007) For restoration of the sums the official, to whom has been assigned the management of the insurance for unemployment at the territorial division of the National Insurance Institute, shall issue an order, which shall be subject to forced execution by the order of the Tax-insurance Procedure Code.

(5) (prev. par. 4 – SG 105/06, in force from 01.01.2007) The persons of para 1 shall not have the right to pecuniary indemnification for unemployment till the full restoration of the sums.

Order for releasing, changing, stopping and terminating of the pecuniary indemnification for unemployment (new – SG 1/02)

Art. 54g. (new – SG 1/02) (1) The pecuniary indemnification for unemployment shall be released, changed, refused, stopped, terminated, resumed and restored with an order by the official to whom has been assigned the management of the insurance for unemployment at the territorial division of the National Insurance Institute.

(2) (*) (amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006) The official of para 1 shall issue an order for restoration of the ungrounded paid indemnification for unemployment. The due sums of the orders can be deducted from the due indemnification for unemployment and they shall be subject to compulsory execution by the order of the Tax-insurance Procedure Code.

Obligations for conceding of information (new – SG 1/02)

Art. 54h. (new – SG 1/02) (1) The Agency for employment shall concede to the National Insurance Institute every month the information, necessary for releasing, payment, stopping, terminating and changing of the indemnification for unemployment.

(2) The National Insurance Institute shall concede information to the Agency for employment about the payment, the stopping and the terminating of the indemnification for unemployment.

Right to pecuniary indemnification for long lasting unemployment

Art. 54i. (new – SG 105/06, in force from 01.01.2007) (1) The right to pecuniary indemnification for long lasting unemployment shall also have the persons, who are registered as unemployed with the respective territorial unit of the Employment Agency and meet the following conditions:

1. after receiving of unemployment indemnification they have stayed unemployed, and at least 12 months preceding the month of submission of the application under Art. 3, they have maintained their registration regularly in the

respective territorial unit of the Employment Agency;

2. are of 60 years and 6 months of age for men and of 57 years and 6 months of age for women;

3. the sum of their age and insurance practice is up to 60 months less than the required one under Art. 68, par. 1 – 3;

4. have not been granted a pension;

5. do not practice labour activity, for which they are subject to obligatory insurance under Art. 4.

(2) Pecuniary indemnification for long lasting unemployment shall be in the minimum amount, determined in the Law for the Budget of the State Public Insurance for the respective year.

(3) Pecuniary indemnification for long lasting unemployment shall be granted on the grounds of an application to the territorial unit of the National Insurance Institute and shall be paid monthly from the date of submission of the application for a period not exceeding 30 months.

(4) Payment of a pecuniary indemnification for long lasting unemployment shall be terminated pursuant to the provisions of Art. 54e, as well as in case of granting of other kinds of pensions.

(5) Unemployed persons shall have right to indemnification for long lasting unemployment under par. 1 only once.

Chapter five.

INSURANCE FOR LABOUR ACCIDENT AND PROFESSIONAL DISEASE

Labour accident

Art. 55. (1) Labour accident shall be any sudden damage of health occurred during and in connection or on occasion of the implemented work done in the interest of the enterprise when it has cause inability to work or death.

(2) Labour accident shall also be the accident happened wit an insured person of art. 4, para 1 and 2 during the usual way to the working place to or from:

1. the basic place of living or other additional place of living with permanent character;

2. the place where the insured person usually eats during the working day;

3. the place for receiving remuneration.

(3) It is not a labour accident when the suffered has intentionally damaged his health.

Professional disease

Art. 56. (1) Professional disease shall be a disease that has exclusively or primarily occurred under the influence of the harmful factors of the working environment or the working process over the organism and is included in the List of the professional diseases, issued by the Council of Ministers upon a proposal by the Minister of Health.

(2) As professional disease can be recognised also a disease not included in the List of the professional diseases when it is found that it has been caused mainly and directly by the usual working activity of the insured person and has caused permanent inability to work or death to the insured person.

(3) To the professional disease shall also be added its aggravation and late consequences.

Declaring of a labour accident

Art. 57. (1) The insurer shall be obliged in 3 working days to declare before the territorial division of the National Insurance Institute any labour accident.

(2) (amend. SG 1/02) If the insurer does not declare the accident, the suffered person or his heirs shall have right in one year term after the accident to declare it before the territorial division of the National Insurance Institute.

(3) The order for establishing, investigation, registration and accounting the labour accidents shall be determined with an act by the Council of Ministers.

Investigation of a labour accident

Art. 58. (1) The territorial division of the National Insurance Institute shall together with the Labour Inspectorate, the committees and the groups for labour conditions and other competent bodies, depending on the case, investigate each death labour accident, any accident that has caused damage to more than 3 workers as well as any accident about which there is ground to be supposed that it will lead to disability.

(2) The territorial division of the National Insurance Institute shall at its discretion investigate also other accidents apart from these pointed out in para 1.

(3) The investigation of a labour accident has to establish:

1. the reasons for occurrence of the labour accident and the circumstances;

2. the kind of the damages;

3. (amend. SG 1/02) other data that will help the territorial division of the National Insurance Institute to decide about the character of the accident.

(4) At investigation of the accident the damaged person shall have the right to be present or to point out to be present:

1. a worker or an employee of the same profession, or

2. a member of the family or ascending or descending relative, or

3. representative of the professional trade union he participates in;

4. a representative of the workers and the employees in the committees and the groups for labour conditions.

(5) (amend. SG 1/02) The rights of para 4 shall have the heirs of the person, died at labour accident and the persons of item 2, when the health status of the damaged person does not allow him to point out a representative.

(6) The results of the investigation shall be compiled in a record of standard form which shall be valid till the opposite is proven. A copy of the record shall be submitted to the territorial division of the National Insurance Institute, to the damaged person or to his heirs and to the insurer.

File

Art. 59. (1) (amend. SG 1/02) About each labour accident or professional disease the territorial division of the National Insurance Institute shall open a file containing:

1. the declaration about the accident or the message about the professional disease;
2. record of the of the labour accident when such has been done or a record for investigation of the professional disease;
3. the order for accepting or not accepting the accident as labour one or the expert decision for confirmation or rejecting of the professional disease and the registration card about recognised professional disease;
4. copies of the medical certificates (primary one and continuations) about the accident or the disease;
5. documents connected with medical and other expenses;
6. other documents connected with the accident or the disease.

(2) The damaged person and the insurer shall have the right to be familiar with the contents of the file;

(3) The files shall be preserved for five years after the termination of the insurance at the territorial division of the National Insurance Institute after which they shall be conceded for preservation to the State archives.

Qualification of the accident as labour

Art. 60. (1) The servant determined by the chief of the territorial division of the National Insurance Institute shall on the basis of the documents in the file in 7 days term after the declaring issue an order about accepting or not the accident as labour one.

(2) (new – SG 1/02) At declared accident on occasion of non traumatic damage the order of para 1 shall be issued on the basis of the decision of the bodies, implementing the expertise of the working ability.

(3) (prev. (2) – SG 1/02) The order shall be sent to the insured and to the insurer in 7 days term after issuing.

(4) (prev. (3) – SG 1/02) The order shall be subject to appeal by the interested persons by the order of art. 117.

Informing about professional disease

Art. 61. (Amend., SG 76/05, In Force from 1st of January 2007) The practising doctors and doctors of dental medicine shall at doubt about a professional disease send a notification to the territorial division of the National Insurance Institute.

Preparing documents about a professional disease

Art. 62. (1) After each notification of art. 61 the territorial division of the National Insurance Institute shall implement investigation, prepare documents and present them to the medical expert bodies.

(2) The insurer shall prepare and present the necessary documents of para 1 at the territorial division of the National Insurance Institute in 30 days term after they are

required.

(3) (new – SG 1/02) The bodies of the expertise of the working ability shall issue an expert decision about confirmation or rejection of the professional disease and fill in the registration card for professional disease.

Order for announcing, registration and appealing of professional diseases

Art. 63. The order for announcing, registration, confirmation, appealing and accounting of the professional diseases shall be determined with an act of the Council of Ministers.

Extent of the insurance payment for fund "Labour accident and professional disease"

Art. 64. (1) The extent of the insurance payments paid by the insurers shall be determined as a percentage of the monthly insurance income of the insured persons on the basis of the actuary estimates.

(2) (amend. – SG 112/2004) The Law on the state public insurance shall determine the extent of the insurance payment for labour accident and professional disease per groups basic economic activities.

(3) (amend. – SG 112/2004) The extent of the insurance payment shall be defined by the national Insurance Institute according to method and order determined with an act of the Council of Ministers.

(4) (revoked - SG 112/2004)

Measures for prevention of labour accident and professional disease

Art. 65. Fund "Labour accident and professional disease" shall finance measures for prevention of labour accidents and professional diseases and for improving the labour conditions by:

1. rendering to the insurers assistance, consultancy and co-operation for establishing and realisation of an effective system for managing of labour safety and preserving health at work;

2. developing and participation in the development of national sector programmes (strategies) in the field of labour safety and preservation of health at work;

3. conducting training and increasing the qualification of those working in the field of labour safety and preserving of health at work;

4. implementing and assigning scientific research in the field of labour safety and preserving of health at work;

5. checking the status of labour safety and preserving of health at work;

6. investigating independently or with the other competent bodies the labour accidents and professional diseases;

7. conducting campaign activity, conceding information to the public about the issues of labour safety and preserving of health at work;

8. developing and participating in the development of normative acts for the labour safety and preserving of health at work;

9. studying and disseminating of positive experience in creating safe labour

conditions;

10. implementing other activities for prevention of labour accidents and professional diseases.

Obligations of the insurer

Art. 66. The insurer shall be obliged to:

1. inform in 30 days term the territorial division of the National Insurance Institute about:

- a) the changes of the technology or the character of the work of the enterprise;
- b) liquidation of the enterprise;

2. inform immediately the territorial division of the National Insurance Institute, the Labour Inspectorate and other competent bodies about any death labour accident, any accident that has caused damages to more than three working persons as well as about any accident for which there is a ground to be supposed it would lead to disability;

3. (amend. SG 1/02) send to the territorial division of the National Insurance Institute copies of the medical certificates (primary and continuations) about a labour accident or professional disease;

4. (revoked – SG 1/02);

5. (revoked – SG 1/02).

Obligations of the insured person

Art. 67. The insured person shall be obliged:

1. to know and fulfil the requirements of the normative acts for labour safety and preserving of health at work, as well as the rules of the internal labour order of the enterprise;

2. to inform immediately the insurer or his proxy about occurred labour accident or established professional disease except the cases when this is impossible.

Chapter six.

OBLIGATORY PENSION INSURANCE

Section I.

Pensions for insured practice and age

Acquisition of right to pension

Art. 68. (1) The right to pension for insured practice and age shall be acquired at turning 60 years and 6 months for men and 55 years and 6 months for women under the condition that the sum of the insured practice and the age is not less than 98 for the men and 88 for the women.

(2) (amend., SG 64/00; Amend., SG 74/02; amend., SG 67/03, amend. SG 38/05; amend. - SG 68/06, in force from 01.05.2006; amend. – SG 64/07) The civil servants under the Law on the Ministry of Interior and the Law for execution of the

penalties, the civil servants under para 11 from the Law on postal services, the civil servants carrying out activity of guarding of the judicial system under art. 391 of the Law for the judicial system, the investigators and the junior investigators at discharge shall acquire right to pension, regardless of the age, with 25 years of insurance practice two thirds of which actually served as civil servants under the above mentioned laws or as investigators and junior investigators.

(3) From December 31, 2004 the sum of the length of the insured practice and the age for the women of para 2 shall be increased from the first day of each following calendar year with 1 till reaching 94.

(4) In case the sum of the length of the insured practice and the age is less than the one pointed out in para 1 - 3, right to pension shall be acquired with 15 years insured practice out of which 12 years real practice and turning 65 years of age for men and women.

Acquisition of right to pension by the regular servicemen under the Law for the defence and the armed forces of the Republic of Bulgaria and by the civil servants under the Law for the Ministry of Interior and the Law for execution of the penalties, as well as the investigators (Title amend., SG 64/00; amend. - SG 68/06, in force from 01.05.2006)

Art. 69. (1) (amend. SG 38/05) The regular servicemen shall acquire right to pension at discharge, regardless of their age, with 25 years of insurance practice out of which two thirds are actually served as regular military service.

(2) (amend., SG 64/00; Amend., SG 74/02; amend., SG 67/03, amend. SG 38/05; amend. - SG 68/06, in force from 01.05.2006) The civil servants under the Law on the Ministry of Interior and the Law for execution of the penalties, the civil servants under para 11 from the Law on postal services, the civil servants carrying out activity of guarding of the judicial system under art. 36e of the Law for the judicial system, the investigators and the junior investigators at discharge shall acquire right to pension, regardless of the age, with 25 years of insurance practice two thirds of which actually served as civil servants under the above mentioned laws or as investigators and junior investigators.

(3) (new – SG 109/07, in force from 01.01.2008) The civil servants of the State Agency “National security” shall acquire right to pension in case of dismissal, regardless of their age, when they have 25 years of insurance practice out of which two thirds are actually served under the Law for the State Agency “National security”, at a regular military service or under the laws of par. 2.

(4) (suppl., SG 67/03; amend. - SG 68/06, in force from 01.05.2006; prev. par. 3, suppl. – SG 109/07, in force from 01.01.2008) The regular military servicemen and the persons under para 2 and 3, served 15 years at positions of the flying personnel, paratroopers, the crews of the submarine vessels and the divers shall acquire right to pension at discharge, regardless of their age.

(5) (new – SG 102/06; prev. par. 4 – SG 109/07, in force from 01.01.2008) The officers of the General Directorate "National Office "Civil Protection" of the Ministry of the State Policy for Disasters and Accidents, carrying out any of the activities under Art. 71, par. 1, item 3 0 6 of the Law for protection in case of disasters, in case of termination of the legal relationship shall acquire the right of a

pension, regardless the age, provided they have 25 years of insured working experience, two third of which should be actually served within the system of civil protection, or provided that they have served for 15 years at the position of a "diver".

Extent of the pension

Art 70. (1) (suppl. – SG 105/06, in force from 01.01.2007; amend. and suppl. – SG 113/07, in force from 01.01.2008) The extent of the pension for insured practice and age shall be determined multiplying the income with which the pension is calculated by the sum formed by: one percent for each year of insured practice and the corresponding part of the percent for the months of insurance practice. Provided that the persons have got insurance practice without conversion of 37 years for men and 34 years for women and still continue working after accomplishment of the age under Art. 68, par. 1 – 3, without having been granted a pension, for each year of insurance practice after this age the percent shall be 3 and the respective proportional part of this percent for the months of insurance practice. The percentage for each year of insurance practice after the accomplishment of the age referred to in Art. 68q par. 1 – 3 shall be determined for the actual insurance practice without conversion, acquired after 31 December 2006.

(2) (amend., SG 67/03; in force from January 1, 2004) The income from which the pension is calculated shall be determined multiplying the average monthly insurance income for the country for 12 calendar months before the month of granting the pension by the individual coefficient of the person.

(3) The individual coefficient shall be calculated from the income of the person for which insurance payments have been made for the period of three consecutive years out of the last 15 years of insured practice till January 1, 1997 chosen by the person and the income for the period after this date till retirement.

(4) For calculating the individual coefficient shall be determined:

1. the ratio between the average monthly insurance income of the person for the period till December 31, 1996 and the average monthly salary for the country for the same period, announced by the National Statistics Institute;

2. the ratio between the average monthly insurance income of the person for the period after December 31, 1996 and the average monthly salary for the country for the same period.

(5) The individual coefficient shall be determined multiplying each of the ratios of para 4 with the number of months for which it has been calculated and dividing the sum of the products obtained by the total number of months included in the two periods.

(6) When the persons have not worked after January 1, 1997 the individual coefficient shall be equal to the ratio of para 4, item 1, and when the basis period is entirely after this date, the individual coefficient shall be equal to the ratio of para 4, item 2.

(7) (amend., SG 64/00 - in force from January 1, 2001; amend. - SG 57/06, in force from 01.07.2006) The minimum extent of the pension for insured practice and age according to art. 68, para 1 – 3 shall be determined by the Law on the budget of state social insurance.

(8) (new – SG 57/06, in force from 01.07.2006) The amount of the pension

for insured practice and age under art. 68, para 4 may not be less than 85 percent of the minimum extent under para 7.

(9) (New – SG 01/02; prev. text of para 8 – SG 57/06, in force from 01.07.2006) At determining of pension under an international agreement, to which the Republic of Bulgaria is a party, into account shall be taken the insurance income for the insurance practice, acquired according to the Bulgarian legislation.

Determining the insurance income (New, SG 1/02)

Art. 70a. (new – SG 1/02) (1) The average monthly insurance income shall be determined from the remuneration or the insurance income, for which have been paid or are due insurance payments for the persons of art. 4, para 1, 2 and para 3, item 5, and for the self-insuring persons - from the income for which they have paid insurance payments.

(2) At determining the average insurance income shall not be taken into account the income for the time:

1. at conscript or alternative military service;
2. of leave for bringing up of a child, during which indemnification has been received;
3. of the recognised insurance practice of the non working mothers;
4. of training of the persons, graduated higher or college education, for which insurance payments have been paid;
5. after January 1, 1996, during which a parent (adoptive parent) of a disabled child has taken permanent care for it till 16 years of age, due to which he has not worked with labour or official legal relation and has not been insured;
6. after January 1, 2001, during which a parent (adoptive parent) or husband (wife) have taken care about disabled people with lost ability to work over 90 percent, who are permanently in need of other's help, due to which they have not been insured and have not received pension;
7. during which the persons have received indemnification for unemployment at releasing of pension with starting date after December 31, 1999.

(3) When in the period, from which is determined the individual coefficient, is included time for legally established leave or strike, into account shall be taken:

1. the time for paid leave, paid by the employer – the remuneration, received for this leave, for which insurance payments have been made;
2. the time of leave due to temporary inability to work or pregnancy or childbirth, during which pecuniary indemnification has been received from the public insurance – the income, from which the indemnification has been calculated;
3. for the time of unpaid leave, which is recognised as labour or official practice, or for lawful strike – the minimum salary, established for the country for the respective period.

(4) (amend. – SG 105/06, in force from 01.01.2007) At determining the insurance income for the period until 31 December 2006 of the persons of art. 4, para 1 and 2 calculated and unpaid remuneration shall not be included.

Section II.

Pensions for disability

Right to pension

Art. 71. The insured persons shall have right to pension for disability when they have lost entirely or partially their ability to work forever or for a long time.

Determining the pension for disability

Art. 72. Pension for disability shall be determined for persons with 50 and more than 50 percent lost ability to work.

Initial date and term of the pension

Art. 73. (1) (suppl., SG 64/00) The right to pension for disability shall occur from the date of disability and for the blind by birth and for those struck with blindness before assuming work - from the date of the application under art. 94.

(2) The pension for disability shall be given for the term of disability.

(3) (amend. SG 1/02) The pensions for disability of the persons turned the age of art. 68 shall be given for life.

Right to pension for disability due to a general disease

Art. 74. (suppl., SG 64/00) (1) (prev. art. 74 – SG 1/02) The insured persons shall acquire right to pension for disability due to a general disease if they have lost their ability to work and have insured practice, acquired till the date of disability and for the blind by birth and for those struck with blindness before assuming work - from the date of the application under art. 94 as follows:

1. up to 20 years of age and to the born blind and to those turned blind before starting to work - regardless of the duration of the insured practice;

2. up to 25 years of age - one year;

3. up to 30 years of age - 3 years;

4. (amend., SG 64/00) over 30 years of age - 5 years;

5. (revoked, SG 64/00).

(2) (new – SG 1/02) The disabled at birth and the disabled with acquired disability shall, till starting to work, acquire right to pension for disability due to general disease with one year insurance practice.

(3) (new – SG 112/2004) Pension for disability due to a general disease shall not be released to the persons to whom a personal pension for insurance practice and age.

Extent of the pension for disability due to a general disease

Art. 75. (1) (amend., SG 64/00; amend. - SG 104/05, in force from 27.12.2005) The extent of the pension for disability due to a general disease shall be determined multiplying the amount formed from: per one per cent each year of insured practice and relevant to the proportional part of the percentage for the months of insured practice.

(2) (amend. - SG 104/05, in force from 27.12.2005) When by the date of

disability the insured person is with age lower than the age of art. 68, the difference between his age and the age of art. 68 shall be recognised as insured practice. When the pension is determined the recognised period and the relevant proportional part of the percentage for the months of insured practice shall be multiplied by a coefficient as follows:

1. for persons with reduced ability to work over 90 percent - 0.9;
2. for persons with reduced ability to work from 71 to 90 percent - 0.7;
3. (amend. SG 1/02) for persons with reduced ability to work from 50 to 70.99 percent - 0.5.

(3) (revoked - SG 64/00)

(4) The extent of the pension for disability due to a general disease cannot be less than:

1. (amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work over 90 percent - 115 percent of the minimum extent under art. 70, para 7;

2. (amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work from 71 to 90 percent - 105 of the minimum extent under art. 70, para 7;

3. (amend. SG 1/02; amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work from 50 to 70.99 percent - 85 percent of the minimum extent under art. 70, para 7.

(5) (new, SG 67/03) To persons under art. 74, para 1, item 1, having an insured service up to one year, the pensions shall be determined in the minimal size of para 4. After one year of insured service the pensions shall be determined by the order of art. 75 - 77.

Income for calculation of the extent of the pension for disability due to a general disease

Art. 76. (amend., SG 67/03; in force from January 1, 2004) The income from which the extent of the pension for disability due to a general disease is calculated shall be determined multiplying the average insured income for the country, according to art. 70, para 2, by the individual coefficient of the person.

Individual coefficient

Art. 77. (suppl., SG 64/00; amend. SG 1/02) The individual coefficient for determining the pension for disability due to a general disease shall be determined by the order of art. 70, para 3 - 6 till the day of disability and for the blind and the disabled by birth or with acquired disability before starting to work - from the date of the application under art. 94.

Pension for disability due to a labour accident and professional disease

Art. 78. The insured persons who have lost 50 or more than 50 percent of their ability to work due to a labour accident or professional disease, shall have right to a pension for disability due to a labour accident or professional disease regardless of the duration of their insured practice.

Extent of the pension for disability due to labour accident and professional disease

Art. 79. (1) (amend., SG 67/03; in force from January 1, 2004) The extent of the pension for disability due to labour accident and professional disease shall be determined multiplying the average monthly insurance income for the country, according to art. 70, para 2, by the individual coefficient, calculated by the order of art. 70, para 3 - 6 till the date of disability and by the following coefficients:

1. for persons with reduced ability to work over 90 percent - 0.4;
2. for persons with reduced ability to work from 71 to 91 percent - 0.35;
3. (amend. SG 1/02) for persons with reduced ability to work from 50 to 70.99 percent - 0.30.

(2) The extent of the pension for disability due to labour accident or professional disease shall not be less than:

1. (amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work over 90 percent - 125 percent of the minimum extent under art. 70, para 7;
2. (amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work from 71 to 90 percent – 115 percent of the minimum extent under art. 70, para 7;
3. (amend. SG 1/02; amend. - SG 57/06, in force from 01.07.2006) for persons with reduced ability to work from 50 to 70.99 - the minimum extent under art. 70, para 7.

(3) (new - SG 64/00) The size of the pension for disability due to labour accident and professional disease cannot be less than the size calculated as pension for disability due to a general disease.

Section III. Inheritance pensions

Right to inheritance pension

Art. 80. (1) The personal pensions shall be possible to be transferred into inheritance pensions except the pensions under art. 87, 89, 90, 91 and 92.

(2) (amend. SG 1/02) Right to inheritance pension shall have the children, the survived spouse and the parents.

(3) The refusal from inheritance shall not deprive the heirs from right to inheritance pension.

(4) The receiving of inheritance pension shall not be considered as accepting of inheritance.

Determining of the inheritance pension

Art. 81. (1) The inheritance pension shall be determined as a percentage of the due personal pension of the deceased insured person as follows:

1. at one heir - 50 percent;
2. at two heirs - 75 percent;

3. at three and more heirs - 100 percent.

(2) (suppl., SG 64/00 - in force from January 1, 2001; amend. - SG 57/06, in force from 01.07.2006) The inheritance pension shall be given to all persons who have right to this pension and it shall be distributed among them. The minimal size of the inheritance pension cannot be less than 75 percent of the minimum extent under art. 70, para 7.

(3) At death of both the parents (adopters) the children shall have right to inheritance pension determined from the sum of the pensions of the deceased.

Conditions for giving and receiving inheritance pension

Art. 82. (1) (amend. – SG 41/07, in force from 01.01.2008) The children shall have right to inheritance pension till turning 18 years of age and after turning it - if they are studying - for the term of study, but not later than turning 26 years of age as well as above this age if they have become disabled till 18, respectively 26 years of age.

(2) (amend., SG 67/03; in force from January 1, 2003) The survived person shall have right to inheritance pension 5 years earlier than the age of art. 68, para 1 and 2 or before this age if he is unable to work.

(3) (amend., SG 67/03; in force from January 1, 2003) The parents shall have right to inheritance pension from their children if they have turned the age of art. 68, para 1 and 2.

(4) The parents of the persons deceased during conscript military service shall have right to inheritance pension regardless of their age.

Kinds of inheritance pensions

Art. 83. (1) At death of the insured person to the heirs shall be given a pension in compliance with the kind of the personal pension for general disease or due to labour accident or professional disease that the deceased would have received as disabled with lost ability to work more than 90 percent.

(2) When the deceased has acquired right to pension for insured practice and age to the heirs shall be given inheritance pension calculated from the due pension for insured practice and age if this is more favourable for them.

(3) At death of a pensioner who has received personal pension for disability due to a general disease or labour accident or professional disease, the extent of the inheritance pension shall be determined by the due to him for disability because of lost ability to work more than 90 percent.

(4) At death of a military serviceman at conscript military service to his heirs shall be given pension as basis being taken the extent of art. art. 86, para 1, equal to the due to him pension for military disability with reduced ability to work over 90 percent.

(5) (new - SG 64/00) For death of a pensioner who has received pension for military disability the size of the pension of the inheritors shall be determined by the due pension for military disability with reduced capacity to work over 90 percent, as determined by art. 86.

(6) (new - SG 112/2004) In case of death of a pensioner who has been

receiving a pension for disability due to a general disease or personal pension for insurance practice and age, the inheritance pension shall be released in the percentage of Art. 81, according to the type of the received pension.

Addition to the pension of deceased spouse

Art. 84. (amend. – SG 112/2004) (1) The pensioner shall have right to an addition in extent of 20 percent of the pension or the sum of pensions of the deceased spouse.

(2) If the diseased spouse had not been receiving pension, the addition per Para 1 shall be determined by the pension or the sum of pensions the deceased spouse had the right to under the Art. 83.

(3) The addition cannot be received together with an inheritance pension from the same grantor.

Section IV.

Pensions not connected with labour activity

Pensions for military disability

Art. 85. (1) Right to pension for military disability shall have the persons who have lost their ability to work because they have become ill or have been damaged during or on occasion of:

1. the conscript military service;
2. the service in the reserve.

(2) Right to pension for military disability shall have also the persons damaged at rendering co-operation to the military forces.

(3) Damaged in the sense of para 1 and 2 shall be considered also the perished and the missing.

Extent of the pension for military disability

Art. 86. (1) The extent of the pension for military disability shall be determined as percentage of the social pension for age according to the following table:

	Reduced ability to work (table amend. SG 1/02)		
	Over 90 percent	71-90 percent	50-70, 99 percent
Privates and sergeants	150 percent	140 percent	115 percent
officers	160 percent	150 percent	120 percent

(2) When the persons of art. 85 have been insured for all insured social risks or only for labour accident or professional disease before starting the conscript military service or to service in the reserve the extent of the pension for military disability shall be determined as the pension for labour accident or professional illness

if this is more favourable for them.

Pension for civil disability

Art. 87. Right to pension for civil disability shall have the persons who have lost their ability to work because they have become ill or have been damaged:

1. in fulfilment of their civil duty;
2. incidentally by the bodies of power at the fulfilment of official tasks of these bodies.

Extent of the pension for civil disability

Art. 88. (1) The extent of the pensions for civil disability shall be determined as percentage of the social pension for age as follows:

1. for persons with reduced ability to work over 90 percent - 150 percent;
2. for persons with reduced ability to work from 71 to 90 percent - 140 percent;
3. (amend. SG 1/02) for persons with reduced ability to work from 50 to 70.99 percent - 115 percent.

(2) For the persons who have been insured for all insured social risks or only for labour accident or professional disease before starting the conscript military service or to service in the reserve the extent of the pension for military disability shall be determined as the pension for labour accident or professional illness if this is more favourable for them.

Social pension for age

Art. 89. (1) (amend. SG 1/02) Right to social pension shall have the persons turned 70 years of age when the annual income per member of the family by the date of turning the age is less than the sum of the guaranteed minimum income established for the country during the last 12 months. If the requirement for pension is made after the turning of 70 years and after the elapse of the 6 months term of art. 94, the income of a member of the family shall be assessed by the date of the application.

(2) The extent of the social pension for age as well as the conditions for receiving it shall be determined by the Council of Ministers upon a proposal by the Ministry of Labour and Social Policy and the National Insurance Institute.

Social pension for disability

Art. 90. (1) Right to a social pension for disability shall have the persons turned 16 years of age with reduced ability to work more than 71 percent.

(2) The extent of the social pension for disability for the persons with lost ability to work over 90 percent shall be 120 percent, and for the persons with lost ability to work from 71 to 90 percent - 110 of the social pension for age.

Pension for special merits

Art. 91. Pension for special merits to the state and the nation shall be given by the National Assembly upon a proposal by the Council of Ministers.

Personal pensions

Art. 92. The Council of Ministers shall under conditions and order determined by it in exclusive cases be able to give pensions to persons with regard to whom some of the requirements of this code are not met.

Resources for payment of the pensions no connected with labour activity

Art. 93. The resources for payment of the pensions no connected with labour activity shall be for the account of the state budget.

Section V. General rules for the pensions

Art. 94. (amend. SG 1/02, amend. – SG 112/2004) (1) The pensions shall be given from the date of acquisition of the right, and the pensions for insured practice and age – from the date of terminating of the insurance, if the application with the necessary documents has been submitted to the territorial division of the National Insurance Institute in 6 months term after the acquiring of the right, respectively the terminating of the insurance. If the documents have been submitted after the elapse of the 6 months term after the acquiring of the right, respectively after the terminating of the insurance, the pensions shall be given from the date of submitting them.

(2) (new – SG 112/2004; amend. - SG 104/05, in force from 27.12.2005) Pension for disability shall be released form the date of application to TELK (NELK) if needed documents for pensioning have been submitted to the territory unit of the National Insurance Institute within one month from the date expert decision of TELK (NELK) enters in force.

Suspension of the pension

Art. 95. The pension shall be suspended:

1. at request by the person;
2. when the pensioner does not appear for re-certification by the bodies of the expertise of ability to work when he has been officially summoned.
3. when the pensioner has not received his pension for more than 6 months;
4. when its payment is not due on the grounds of art. 101.

Termination of the pension

Art. 96. (1) The pension shall be terminated when:

1. the pensioner has deceased;
2. the child reaches the age until which inheritance pension could be given to him or is adopted;
3. the survived spouse who is receiving inheritance pension marries;
4. the grounds for receiving it fall away.

(2) In the cases of item 1 of para 1 the pension shall be terminated from the end of the month during which the pensioner has deceased, and of items 2 - 4 - from

the date on which has occurred the ground for termination.

Resuming and restoration of the pension

Art. 97. (1) The suspended pension shall be resumed and the terminated one shall be restored with a written application by the pensioner when the ground for suspension or termination fall away.

(2) The pension shall be resumed or restored from the day of falling away the ground for suspension or termination - if the application is submitted in 3 years term after this date, or from submitting it - when the term is missed.

(3) The pension suspended pursuant to art. 95, item 2 shall be resumed from the day of suspension if it is found that the pensioner has not appeared for re-certification due to good reasons.

Order for giving and changing of the pension

Art. 98. (1) (amend., SG 64/00) The pensions and the additions to them shall be given, changed, updated, suspended, resumed, terminated and restored with an order of a servant to whom has been assigned the management of the pension insurance at the territorial division of the National Insurance Institute. The pensions under an international agreement shall be given, changed, updated, suspended, terminated and resumed with an order by the official of the National Insurance Institute assigned to whom is the management of the activity on granting and payment of the pensions according to international agreements.

(2) (amend. - SG 105/05, in force from 01.01.2006) The servant of para 1 shall also issue orders for restoration of incorrectly paid sums for pensions. The due sums of the orders shall be collected from the pension of the pensioner. In case the pension is terminated the sums shall be collected by the order of the Tax-insurance Procedure Code. The orders shall be appealed by the order of art. 117.

(3) The obvious factual mistakes in the orders of para 1 and 2 shall be corrected by the body that has made them. The correction shall have effect from the day when the pension is given, changed, updated, suspended, resumed, terminated or restored.

(4) (new – SG 112/2004) The decisions per Para 1 regarding the pensions for disability and the addition for other's help shall be issued on the base of a decision of a medical commission to the territory unit of the National Insurance Institute. The medical commission shall consist of a chairman and two members, who shall be appointed by the manager of the territory unit of the National Insurance Institute.

(5) (new - SG 112/2004) The decisions of the medical commission shall be issued in a 30-days term form the submission of the application for releasing go pension after consideration of the medical documentation certifying the current health status of the person, of the decisions of TELK and NELK for determination of the extend of the reduced ability to work, of the date of the disability and term of disability

(6) (new – SG) In case the medical commission decides that the expert decisions of TELK and NELK are irregular, the chairman shall submit a complaint against the decisions of TELK and NELK to the bodies of the medical expertise within

14 days from the date of the session at which the decision of the commission is adopted. The complaint against decisions of TELK shall be submitted to NELK, and complaint against decisions of NELK – before the Sofia City Court.

(7) (new – SG 112/2004) If the decision of TELK or NELK is appealed by the chairman of the medical commission, a decision per Para 1 shall not be issued before the decision of NELK, respectively – of the court, regarding the appealed decision enters in force.

Changing or revoking

Art. 99. (1) The order of art. 98 can be changed or revoked by the body issued it when:

1. the pensioner presents new evidence about acquired labour practice, insured income, civil status etc.;
2. the pension is given on the basis of untrue or falsified document or document with untrue contents;
3. the disability for which the pension is given has been caused intentionally by the person or as a result of an intended crime committed by him;
4. the death of the grantor by whom the pension is received has been caused intentionally by the heir or is a result of an intended crime committed by him;
5. the pension has been given incorrectly or it has been incorrectly refused to be given;
6. the pension has been determined with bigger or smaller extent.

(2) In the cases of para 1 the order shall be changed or revoked:

1. for item 1 - from the date the evidence is presented;
2. for items 2 - 6 - from the date the pension is given or changed, and at incorrect refusal - from the date of art. 94.

Updating of the pensions

Art. 100. (Amend., SG 41/01, amend. SG 112/2004; amend. - SG 104/05, in force from 27.12.2005; amend. – SG 105/06, in force from 01.01.2007)) The pensions granted by December 31 of the preceding year shall be updated annually from July 1 by a decision of the supervisory council of the National Insurance Institute by a percentage equal to the sum of 50 percents of the increasing of the insurance income and 50 per cent of the index of the consumers prices for the preceding calendar year.

Receiving more than one pension

Art. 101. (1) It shall not be possible to be received simultaneously the following pensions:

1. personal pension for insured practice and age with inheritance pension for insured practice and age;
2. personal or inheritance pension for insured practice and age with personal or inheritance pension for disability due to general disease;
3. personal payment for disability due to a general disease with inheritance pension for disability due to general disease.
4. (new - SG 64, in force from August 1, 2000) social pension for age,

personal pension and pension for special contributions with other kind of pension.

(2) When the person has right to more than one personal pension for disability for different diseases, the biggest extent shall be determined.

(3) (suppl., SG 64/00 - in force from August 1, 2000) At right to more than one pension shall be received by choice one of the pensions in full extent and 50 percent of the others. When one of the pensions is a social pension for disability it shall be paid in extent of 25 percent.

(4) The military disabled at turning the age of art. 68 shall receive the full extent of the two pensions determined for them - pension for military disability and pension for insured practice and age.

(5) At giving inheritance pension to heirs of a military disabled who has received or has had right to both the pensions of para 4 in full extent, as base shall be taken the full extent of both the pensions.

(6) (new – SG 1/02) The parents cannot receive simultaneously personal and inheritance pension, except in the cases of para 7.

(7) (prev. (6) – SG 1/02) The parents of the persons deceased during conscript military service shall receive in full extent their personal pension and the pension given under art. 82, para 4.

Re-calculation of the pension

Art. 102. (amend., SG 64/00) (1) (amend. SG 1/02) The persons to whom has been given pension for insured practice and age, for disability due to general disease and for disability due to labour accident or for professional disease shall be able to require recalculation of the pension for acquired insured practice and insurance income after retirement if this is more favourable for them. The re-calculation of the pension shall be implemented by the order of art. 70, respectively art. 75 - 77 for insurance practice after the retirement.

(2) (new - SG 104/05, in force from 27.12.2005) Upon re-calculation under Para 1 shall be taken in view the average monthly insurance income for the country for 12 calendar months before the month before the month of the first release of a pension.

(3) (prev. text of Para 2 - SG 104/05, in force from 27.12.2005) The persons under para 1 can require re-calculation of the pension for insured practice after the retirement by the order of art. 70, para 1 and art. 75, para 1.

(4) (new - SG 104/05, in force from 27.12.2005) For the pensions releases before the 1st of January 2000, upon re-calculation shall be taken in view the average monthly insurance income for the county for the year 1999.

Addition for somebody's help

Art. 103. The pensioners with lost ability to work over 90 percent who permanently need help by somebody, shall receive addition to the pension determined for them in extent of 75 percent of the social pension for age.

Categories of labour

Art. 104. (1) The Council of Ministers shall determine which labour to which

category is referred according to the character and the specific conditions of the labour.

(2) (amend. SG 1/02; amend., SG 67/03) At retirement for insured practice and age the insured practice shall be transformed three years of first category or four years of second category being considered five years of third category.

(3) (amend., SG 64/00) For the workers, engineering and technical specialists and managers up to chief of sector including hired in underground pits, in the underground geological prospecting and hydrotechnical sites, in tunnel and underground mining construction one year of first category insured practice shall be considered as three years insured practice of third category.

(4) The insured practice of the persons of art. 69 shall be transformed three years of the actually served time being considered as five years insured practice of third category.

(5) For the persons of art. 69 of the flying personnel, the crews of the submarine vessels and the divers one year actually served year shall be considered as three years insured practice of third category.

(6) (amend. - SG 82/06) For the persons of art. 69 of the flying personnel of the engine driven propeller aircraft, the parachutists, those serving in the guarding groups at the border police regions and the border posts on the ships one year of actually served time shall be considered as two years insured practice of third category.

(7) For the persons of art. 69 who directly participate in combat activities in war time one year of actually served time shall be considered as three years insured practice of third category.

Prescription

Art. 105. (1) The right to pension shall not be extinguished by prescription;

(2) The taking for pension shall be extinguished with the elapse of three years after the date it has become exigible.

By-law provisions

Art. 106. The implementation of this chapter and the payment of pensions shall be provided with an act of the Council of Ministers.

Chapter seven. CONTROL

Control bodies

Art. 107. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) The control of observing the normative acts for the state public insurance in connection with the activity, assigned to the National Insurance Institute, shall be implemented by the control bodies of the National Insurance Institute.

Rights of the control bodies

Art. 108. (1) The control bodies of the National Insurance Institute shall in implementation of their official obligations have the right to:

1. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) check all individuals and corporate bodies about their activity, assigned to the National Insurance Institute; for making the checks they shall have right to free access to the working premises and sites;

2. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) undertake measures for taking to responsibility the persons guilty for breaching the normative acts for state public insurance and the provisions for the activity, assigned to the National Insurance Institute;

3. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) give obligatory prescriptions for observing the provisions for the state public insurance and for the activity, assigned to the National Insurance Institute;

4. require from the sole entrepreneurs and the corporate bodies and their divisions at checks and audits to declare their bank accounts in the country as well as to present documents connected with their commercial activity;

5. implement reverse checks and to appoint experts.

(2) (New, SG 45/02, amend. - SG 105/05, in force from 01.01.2006) The control bodies of the National Insurance Institute can carry out control and auditing activity jointly with the bodies of the National Revenue Agency according to a plan, coordinated in advance between the governor of the National Insurance Institute and the executive director of the National Revenue Agency.

(3) (amend. SG 1/02; prev. para 2 - SG 45/02, amend. - SG 105/05, in force from 01.01.2006) The individuals and the corporate bodies shall be obliged to present to the control bodies of National Insurance Institute the documents, data, information, declarations, explanations and information carriers, connected with observance of the insurance legislation in relation to the activity, assigned to the National Insurance Institute, as well as to render co-operation at fulfilment of their official obligations.

(4) (Prev. para 3 - SG 45/02) The control bodies of the National Insurance Institute shall obligatory be insured for accident for the account of the budget of the state public insurance.

(5) (amend. SG 1/02; prev. para 4 - SG 45/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 41/07) The manager of National Insurance Institute and the chiefs of its divisions shall be able to issue obligatory prescriptions for stopping the fulfilment of orders and actions of insurers and officials, who are in breach of the insurance legislation in relation to the activity, assigned to the National Insurance Institute.

(6) (new – SG 38/04) The manager of the National Insurance Institute shall assign audit in 14 days term after receiving of the decision of the Audit Office for requiring responsibility, with attached to it materials from the audit or the audit report of art. 51, para 1 of the Law of the Audit Office.

(7) (new - SG 104/05, in force from 27.12.2005) The controlling bodies of the National Insurance Institute shall have the right to require and seize from the natural and legal persons the original documents of terminated insurers without a successor, on the grounds of which the insured practice and income shall be found.

(8) (new - SG 104/05, in force from 27.12.2005) The bodies of the Ministry of Interior shall provide assistance to the controlling bodies of the National Insurance Institute upon execution of their powers under Para 7.

Notifying function of the control bodies of the National Insurance Institute
(New, SG 67/03)

Art. 108a. (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006)
When the control bodies of the National Insurance Institute establish creation of documents of untrue contents in connection to implemented insurance payments, they shall be obliged to notify the bodies of the prosecution.

Prohibition for other activities

Art. 109. (1) The servants of the control bodies of the National Insurance Institute cannot do additional work connected with their official obligations, with employment or civil contract with another employer. They cannot implement activity connected with their official obligations also as sole entrepreneurs, partners in commercial and other companies, co-operations and other organisations.

(2) (amend. SG 1/02) The servants of the National Insurance Institute shall be obliged to preserve secret and not to use for other objectives except for the direct fulfilment of their obligations at the corresponding position all facts and circumstances about the insured persons and the insurers that have become known to them in connection with the fulfilment of their official obligations, including after the termination of their contract. These facts and circumstances can be conceded to a body of the judicial power or to another state body under conditions and by order, determined by the manager of the National Insurance Institute in compliance with the normative acts in effect.

Audit acts for deficit

Art. 110. (1) The control bodies of the National Insurance Institute shall compile audit acts for deficit to the individuals and to the corporate bodies:

1. (amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) for the damages caused by them to the state public insurance, incorrectly implemented insurance expenses and issued documents of untrue contents or revoked acts of the medical expertise, etc.;

2. (revoked – SG 105/05, in force from 01.01.2006);

3. (revoked – SG 1/02);

4. (revoked – SG 105/05, in force from 01.01.2006)

5. (new – SG 1/02, amend. - SG 105/05, in force from 01.01.2006; revoked – SG 105/06, in force from 01.01.2007)

(2) The responsible persons shall be able to make objections of the compiled acts for deficit in 7 days term after being received. The control bodies shall decide about the objection with a motivated conclusion.

(3) (amend. - SG 105/05, in force from 01.01.2006) For collecting the sums of the audit acts for deficit the official to whom has been assigned the management of the control over the expenses of the state public insurance in the corresponding

division of the National Insurance Institute shall issue orders. The orders shall be subject to voluntary fulfillment in 14 days term after handing over.

(4) (amend.- SG 112/2004, amend. - SG 34/06, in force from 01.10.2006; (amend. – SG 105/06, in force from 01.01.2007) The orders and the acts for deficit shall be handed over personally against signature to the responsible persons or by post with advice of delivery. If the person is not found at the address of commercial registration, permanent address or at the place of work, the handing shall be executed by fixing of an announcement of the drawing up of the document –object of handing at a detached for this purpose place in the territory unit of the National Insurance Institute, on the Internet web-page of the National Insurance Institute or in the municipality or the city-council.

(5) (amend. - SG 112/2004, amend. - SG 105/05, in force from 01.01.2006) The sums of the orders entered into force which have not been paid voluntary, shall be collected through:

1. (amend. SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) distraint of the accounts of the debtors and of the persons related to them for receivables of the state public insurance;

2. (suppl., SG 67/03) execution over the chattels or the immovable possessions of the debtors and the receivables of third persons.

3. (new – SG 1/02; amend., SG 45/02, amend. - SG 105/05, in force from 01.01.2006) execution on sums restored by a body of the National Revenue Agency on restrained account of the debtor.

4. (new – SG 112/2004; revoked – SG 105/06, in force from 01.01.2007)

(6) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) Distraint of the accounts of the debtors of the state public insurance shall be implemented by sending distraint message by the chief of the territorial division of the National Insurance Institute to the banks which shall immediately transfer the due sums to the accounts of the state public insurance. The distraint imposed on the account of the debtor in the bank shall have effect with regard to all its branches. The distraint shall be considered imposed from the hour on the corresponding date when the distraint letter is received in the bank. In case in the account of the debtor there is no enough resources the bank shall inform in 7 days term the territorial division of the National Insurance Institute about the reasons due to which the distraint has not been implemented.

(7) (new – SG 1/02; amend., SG 67/03) The, who pays to the debtor receivables, on which distraint has been imposed under this code, shall be jointly and severally responsible with him for the paid sums, up to the extent of the liability, together with the interest under art. 113 after the payment. When the payment is implemented by a corporate body or unregistered partnership, together with it shall be jointly and severally responsible the manager or the members of the management body, or managing partner, who have admitted the payment. The bodies of para 3 shall issue orders for collecting the sums, securing measures being possible to be imposed.

(8) (new - SG 64/00, prev. (7) – SG 1/02) The body who has imposed distraint of administering to the bank can permit a definite part of the sums received are being received to an account of the debtor to remain at his temporary administering for urgent payments related to his activity on condition that the debtor provides

another security.

(9) (prev. (7) - SG 64/00, prev. (8) – SG 1/02, suppl. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007)) The takings of the state public insurance from incorrectly implemented insurance expenses shall be redeemed in the following consequence: principal, interests and expenses. The cession of the takings of the state public insurance from incorrectly implemented insurance incomes shall be prohibited.

(10) (prev. (8) - SG 64/00, prev. (9), amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) The collecting of the takings through execution over the chattels or the immovable possessions of the debtor and the takings from third persons shall be implemented by the order of the Tax-insurance Procedure Code. The application to the public executive shall be made by the chief of the territorial division of the National Insurance Institute.

(11) (prev. (9) - SG 64/00, prev. (10), amend. SG 1/02, amend. - SG 112/2004; revoked – SG 104/05, in force from 01.01.2006)

(12) (prev. (10) - SG 64/00, prev. (11) amend. SG 1/02, revoked – SG 105/05, in force from 01.01.2006)

Proprietary sanctions for banks

Art. 111. (1) (amend. SG 64/00, SG 1/02) At each drawing of money for labour remuneration, including for advance payments in the banks shall be deposited the payment documents and declarations for the due insurance payments as income of the state public insurance, the National Health Insurance Fund, and for the additional obligatory pension insurance.

(2) (amend., SG 64/00; amend., SG 10/02) To the banks permitted drawing of money for labour remuneration, including advance payments and pecuniary indemnifications without presenting the declaration under art. 7, para 8 shall be imposed proprietary sanction in extent of the sum of the unpaid insurance payments regardless of the administrative - punitive responsibility of the guilty officials.

(3) (new - SG 105/05, in force from 01.01.2006) The proprietary sanctions of para 2 for the banks, which have allowed drawing of money for labour remuneration, including for advance payments, shall be imposed by the territorial director of the respective territorial directorate of the National Revenue Agency or by a revenue body, determined by him, by the order of the Law for the administrative breaches and penalties.

(4) The propriety sanctions under para 2 for the banks, which have allowed drawing of money for payment of pecuniary compensations, shall be imposed by the territorial director of the respective territorial directorate of the National Revenue Agency or by a revenue body, determined by him, by the order of the Law for the administrative breaches and penalties.

Obligations for entering

Art. 112. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006, amend. - SG 34/06, in force from 01.10.2006; revoked – SG 105/06, in force from 01.01.2007)

Interests for takings of the National Insurance Institute and additional obligatory pension insurance (title amend. SG 112/2004)

Art. 113. (amend., SG 67/03; in force from January 1, 2004) (1) (prev. text of art. 113 – SG 53/04, amend. - SG 105/05, in force from 01.01.2006) The takings for non paid insurance payments for state public insurance, for additional obligatory pension insurance and for incorrectly implemented insurance expenses shall be collected with the an interest amounting to the basic interest rate of the Bulgarian National Bank for the period plus 20 points.

(2) (new, SG 53/04) The takings under para 1 from registered agricultural producers and tobacco producers shall be collected with interest in the size of the basic interest rate of the Bulgarian National Bank for the period.

Restoration of sums received without grounds

Art. 114. (1) (amend., SG 67/03; suppl. – SG 105/06, in force from 01.01.2007)) The unconscientiously received sums for insurance payments shall be restored by the persons who have received them together with the interest under art. 113. They can be deducted from persons' takings from the state social insurance with an instruction, issued by an official, to which it has been assigned to manage the control of expenditures of the state social insurance of the respective territorial unit of the National Insurance Institute.

(2) (amend., SG 64/00, SG 1/02; suppl. – SG 105/06, in force from 01.01.2007)) The conscientiously received sums for insurance payments shall not be subject to restoration by the insured persons, except the cases of art. 54f, as well as in case of application of international treaties, on which the Republic of Bulgaria is a party.

(3) The disputed about conscientiousness shall be resolved by the order of chapter eight.

Prescription

Art. 115. (1) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 41/07) The takings of National Insurance Institute, incorrectly implemented insurance payments, ungrounded paid pecuniary indemnification and overtaken pensions and the interests on them shall be redeemed with the expiry of five years prescription term. With the expiry of ten years prescription term shall be redeemed all takings regardless of the interruption of the prescription.

(2) The redemption shall be interrupted:

1. with the order for establishing the taking entering into force;
2. with the imposition of security measures;
3. with the undertaking of measures for compulsory execution.

(3) From the interruption of the prescription shall start new prescription.

(4) (amend. SG 1/02; amend. and suppl., SG 67/03) The takings due by the state public insurance can be required at latest in three years term after the date they have become exigible, except the receivables of art. 54, para 4. The official to whom is assigned the management of the control over the state public insurance in the

respective division of the National Insurance Institute shall issue an order on the request for reimbursement of sums. The order shall be subject to appeal by the order of art. 117.

Deferring of liabilities

Art. 116. (amend. SG 1/02) (1) (amend. - SG 105/05, in force from 01.01.2006) Upon request of the debtor to the state public insurance for the takings, established and collected by the National Insurance Institute, can be permitted deferring of the payment of the sums due according to an approved redemption plan.

(2) The deferment shall be admitted when it is established, that the available pecuniary resources of the debtor are not sufficient for redemption of his liabilities to the funds of the state public insurance, but after assessment of his activity a reasonable assumption can be made, that the difficulties are temporary and at deferment of the liabilities the debtor will be able to redeem and to pay the current liabilities to the funds of the state public insurance and the other public liabilities.

(3) (amend., SG 67/03) For the period of deferring the debtor shall due the interest under art. 113.

(4) (suppl., SG 42/03; amend. – SG 41/07) Deferring shall not be permitted with regard to a trader about whom there is a decision for termination with liquidation or about whom there is opened procedure for insolvency, as well as after determining the way of sale under art. 238 of the Tax Insurance Procedure Code.

(5) To the request of para 1 shall be attached:

1. proofs of the financial – economic status of the debtor and perspective programme for development – for a sole entrepreneur, a corporate body or equal to them;

2. declaration about all other public liabilities, including the interest for them, as well as all liabilities to private creditors and the interest for them;

3. redemption plan for deferring of the liabilities;

4. account of the incomes and the expenses of the debtor for the previous financial year;

5. balance sheet for the previous financial year and for the last accounting period;

6. information about the liabilities of the insurer by the date of the request for deferment, which shall include:

a) liabilities to the funds of the state public insurance, the health insurance and the additional obligatory pension insurance;

b) liabilities to the staff;

c) other public liabilities;

d) other liabilities;

7. other documents at discretion of the deferring body.

(6) The decisions for deferring shall be taken by:

1. (suppl., SG 53/04) the chief of the territorial division of the National Insurance Institute – for liabilities up to 10 000 BGN for a term up to one year, and for liabilities of registered agricultural producers and tobacco producers for a period of up to two years;

2. (suppl., SG 53/04) the manager of the National Insurance Institute – for

liabilities from 10 000 to 100 000 BGN for a term up to 3 years and for liabilities of registered agricultural producers and tobacco producers for a period of up to 5 years;

3. (suppl., SG 53/04) The Supervisory council of the National Insurance Institute – for liabilities over 100 000 BGN for a term up to 3 years, and for liabilities of registered agricultural producers and tobacco producers for a period of up to 5 years.

(7) With the permission shall be determined the final term, the redemption payments and other conditions, in this number the consequences of non compliance.

(8) For the period of the deferring shall stop the prescription term for the revenues of the state public insurance.

(9) The refusal of deferring shall not be subject to appeal.

(10) (new, SG 53/04, amend. - SG 30/06, in force from 12.07.2006) The refusal of deferring or postponement of liabilities of registered agricultural producers and tobacco producers shall be subject to appeal by the order of the Administrative procedure code.

(11) (new, SG 67/03; prev para 10 – SG 53/04, revoked – SG 105/05, in force from 01.01.2006)

Chapter eight. DISPUTES

Appeals

Art. 117. (1) To the chief of the corresponding territorial division of the National Insurance Institute shall be submitted appeals against:

1. (amend. – SG 105/06, in force from 01.01.2007) incorrect determining or payment of pecuniary indemnifications under Chapter Four or supports, refusals to issue certificates of insurance practice and income by the bodies of the National Insurance Institute and refusals for certification of insurance practice and income in insurance books;

2. orders:

a) for refusal or incorrect determining or change of the pensions, the additions and the compensations thereof;

b) (new – SG 1/02) for refusal and incorrect determining, changing, stopping and termination of the indemnification for unemployment;

c) (prev. b) – SG 1/02) for collecting the sums of the audit acts for deficit;

d) (prev. c) – SG 1/02) for recognising or not recognising the accident as labour one;

e) (prev. d) – SG 1/02) for restoration of received payments from the state public insurance without grounds;

f) (prev. e) – SG 1/02, revoked – SG 105/05, in force from 01.01.2006; new – SG 105/06, in force from 01.01.2007) for a refusal to pay pecuniary indemnifications under Chapter Four or supports;

g) (new – SG 105/06, in force from 01.01.2007) under Art. 114, par. 1.

(2) (amend. SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) The orders of item 2 - items b) - g) can be appealed in 14 days term and

the orders for pensions - in 3 months term after receiving them.

(3) The chief of the territorial division of the National Insurance Institute shall decide about the appeals or the requirements with a motivated decision in one month term after receiving them. With the decision the chief of the territorial division can revoke the orders and resolve the appeals or the requirements in essence. It shall be notified to the interested parties in 7 days term after being taken.

(4) (new - SG 64/00) The orders for pensions granted according to international agreements can be appealed before the governor of the National Insurance Institute within three months from their receipt. The decision shall be made within the term and by the order of para 3.

(5) (prev. para 4 - SG 64/00, amend. - SG 30/06, in force from 12.07.2006) The decisions and the messages connected with the considering of the appeals and the requirements shall be prepared by the order of the Administrative procedure code.

(6) (prev. para 5 - SG 64/00; revoked., SG 45/02)

Stopping the execution (New, SG 45/02)

Art. 117a. (New, SG 45/02) (1) The appeal of the orders under art. 117, para 1, item 2 shall not stop their execution.

(2) The execution of the orders under art. 117, para 1, item 2, letter "c" shall be stopped upon request of the taxable person if he presents a security amounting to the principal and the interest.

(3) The request for stopping the execution shall be presented together with the complaint, attaching evidence of the security.

(4) The legal interest on the principal shall be due for the period of stopping.

Appealing of the decision of the chief

Art. 118. (1) (amend. - SG 30/06, in force from 12.07.2006) The decision of the chief of the territorial division of the National Insurance Institute can be appealed in 14 days term after receiving it before the administrative court. The appeal shall be submitted through the chief of the territorial division who shall be obliged to send it together with the file to the court in 7 days term.

(2) (amend. - SG 30/06, in force from 12.07.2006) The court shall consider the cases by the order of the Administrative procedure code.

Art. 118a. (New, SG 45/02) (1) The appeal before court of the decisions of the chief of the territorial division of the National Insurance Institute, issued for the orders under art. 117, para 1, item 2 shall not stop their execution.

(2) (amend. - SG 30/06, in force from 12.07.2006) The execution can be stopped by the administrative court under the conditions of art. 117a, para 2 and 4 for the decisions issued for the orders under art. 117, para 1, item 2, letter "c". The request for stopping the execution shall be extended simultaneously with the filing of the complaint and the court shall rule within 7 days.

(3) The refusal of the court to stop the execution shall not be subject to appeal.

Cassation appeal

Art. 119. (amend. - SG 30/06, in force from 12.07.2006; amend. – SG 41/07)
The decisions of the administrative court shall be subject to cassation appeal by the order of the Administrative procedure code.

Exemption from state fee

Art. 120. (1) For the procedures of this chapter the insured persons and the pensioners shall not pay state fee.

(2) At respecting the appeal the appellant shall have the right to receive the expenses made by him and the remuneration paid for defence according to the respected part.

Part two.

ADDITIONAL SOCIAL INSURANCE (amend., SG 67/03)

Division one.

Companies for additional social insurance (new, SG 67/03)

Chapter nine.

Establishment, licensing and management of companies for additional social insurance (amend., SG 67/03)

Section I.

General (new, SG 67/03)

Providing additional social insurance (new, SG 67/03)

Art. 120a. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional social insurance shall be carried out through universal and/or professional pension funds, funds for additional voluntary pension insurance and/or funds for additional voluntary pension insurance under professional schemes and funds for additional voluntary insurance for unemployment or for professional qualification, which shall be established and managed by pension insurance companies or companies for additional voluntary insurance for unemployment and/or professional qualification licensed by the order of this code.

Regulation and control (new, SG 67/03)

Art. 120b. (1) The state shall exercise effective regulation and control of the activity of the companies and funds for additional social insurance for the purpose of protecting the interests of the insured persons and pensioners.

(2) The supervision of the activity of the companies and funds for additional

social insurance shall be carried out by the Commission for financial supervision, called hereinafter "the commission".

(3) The commission and the deputy chairman of the commission, in charge of division "Insurance supervision", called hereinafter "deputy chairman of the commission", shall exercise the supervisory legal capacities in compliance with this code and with the Law of the Commission for Financial Supervision.

Section II. Pension Insurance Companies (new, SG 67/03)

Definition (amend., SG 67/03)

Art. 121. (amend., SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall be a joint-stock company licensed by the order of this code and registered according to the Commercial Law or according to the legislation of another Member state.

(2) The pension insurance company shall have a subject of activity only additional pension insurance.

(3) The pension insurance company may not carry out commercial transactions which are not directly related to its activity.

(4) The pension insurance companies may establish non-profit associations for representation of their own interests and for realisation of joint projects.

(5) The pension insurance company shall not have the right to participate in civil companies and in trade companies as unlimited liable partner, as well as to acquire stocks in other pension insurance companies.

(6) The pension insurance company shall develop its activity according to the provisions of this code and in compliance with its statutes and the regulations for the organisation and activity of the managed fund for additional pension insurance.

Name of the company (new, SG 67/03)

Art. 121a. (new, SG 67/03) (1) The name of the pension insurance company shall obligatorily contain in a combination the words "pension" and "insurance" and their derivatives.

(2) Companies which do not have licence for carrying out activity related to additional pension insurance may not use in the name of the company, in combination, the words under para 1, or their equivalence in Bulgarian or foreign language.

Promoters and stock-holders (new, SG 67/03)

Art. 121b. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Promoters and stock-holders of the pension insurance company may be:

1. Bulgarian natural or legal persons;
2. natural persons – citizens of another Member state;

3. legal persons, having a seat of business in another Member state;
4. foreign legal persons, registered as assurance, insurance or another financial institution according to their national law, and if they present bank references from a first-class foreign bank, confirmed by the Bulgarian National Bank.

(2) The persons under para 1 may possess stocks of only one pension insurance company carrying out activity in the country.

Stocks and capital (new, SG 67/03)

Art. 121c. (new, SG 67/03) (1) The pension insurance company may issue only personal book-entry stocks entitled to one vote.

(2) The minimal size of the capital of the pension insurance company shall be 5 million levs.

(3) The capital shall be paid in full in cash by the moment of filing the application for pension licence.

(4) The pension insurance company shall have available, at any time, own capital (capital base) amounting to no less than 50 percent of the minimal capital under para 2.

(5) The pension insurance company may not allocate dividends in sizes and in a way which would lead to violation of the requirements of para 4.

(6) When the own capital (capital base) of the pension insurance company drops under the size determined by para 4 it shall inform, within 3 days, the deputy chairman of the commission, presenting a recovery programme for bringing the own capital, within 3 months, in compliance with the requirements of the code.

(7) The deputy chairman of the commission shall approve or refuse the approval of the recovery programme within 7 days from its receipt.

(8) Within the period of fulfilment of the recovery programme the pension insurance company may not allocate dividends and shall assign the full size of the profit, after taxation, to fund "Reserve".

(9) If the programme is not approved or the programme is not fulfilled the deputy chairman of the commission shall undertake the actions under art. 344, para 1, item 5.

(10) The requirements for the content and the structure of the own capital (capital base) of the pension insurance company and for the minimal liquid resources of the company and the managed funds for additional pension insurance shall be determined by an ordinance of the commission.

(11) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) If it carries out activity abroad, insures biometrical risks or guarantees minimum level of profitability or amount of the pensions, the pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes, shall constantly maintain, except for the technical reserves under art. 213a, para 1, item 2, own resources, which serve as additional guarantee for fulfilment of the assumed liabilities.

(12) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The amount of the own resources under para 11 shall be fixed on the basis of the types of insured risks and the assets possessed for the respective professional schemes. The resources

shall be kept free of all kinds of foreseeable liabilities and shall represent additional capital, guaranteeing the security of the assumed liabilities for compensation of the discrepancies between the expenses and profits provided for and the actual ones.

(13) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) To the assessment of the minimum amount of the own resources under para 11 shall be applied rules, determined by the ordinance under para 10.

Loans (new, SG 67/03)

Art. 121d. (new, SG 67/03) (1) The pension insurance company may not give loans or be a guarantor of third persons.

(2) The pension insurance company may use a loan amounting to 10 percent of the own capital (capital base) of the company if the loan is used for acquiring long-term material assets, directly necessary for the activity of the company, and it has a term of no more than 3 months.

(3) The pension insurance company may not issue bonds.

Requirements for the members of the managing and control bodies (new, SG 67/03)

Art. 121e. (new, SG 67/03) (1) Members of the managing or control bodies of pension insurance company may be individuals or corporate bodies.

(2) The members - individuals and the representatives of the corporate bodies shall:

1. have higher education;
2. not have been convicted for deliberate indictable offence;
3. not have been members of managing or control bodies or unlimited liable partners of a trade company or cooperation terminated due to bankruptcy, if dissenting creditor was left, or which are under proceedings for declaring bankruptcy;
4. not have been members of managing or control bodies of commercial banks which have been declared bankrupt or which are under proceedings for declaring bankruptcy;
5. not have been divested of the right to occupy material liability positions;
6. not be spouses or relatives up to fourth degree including, in direct or collateral line or by marriage between themselves;
7. not be members of a managing or control body of another company having the same subject of activity;
8. not be members of managing or control bodies of corporate bodies or individuals included in the list under the Law of information regarding unserved credits;
9. not have carried out or carrying out guarding or similar activity;
10. not have been partners or stock-holders, as well as members of a managing or control body of a trade company carrying out guarding or similar activity.

(3) The members - corporate bodies shall:

1. not have been members of managing or control bodies or unlimited liable partners of a trade company or cooperation terminated due to bankruptcy, if dissenting

creditor was left, or which are under proceedings for declaring bankruptcy;

2. not be members of managing or control bodies of corporate bodies or corporate bodies included in the list under the Law of information regarding unserviced credits;

3. meet the requirements of para 2, item 4, 7, 9 and 10.

(4) Member of a managing or control body of the pension insurance company may not be a partner or stock-holder - member of a managing or control body or a person under art. 123c, para 1 with whom the pension insurance company has contractual relations, or of a related person, of the trustee bank or its related person.

(5) The members of managing or control body of the pension insurance company and their related persons may not be parties to transactions with the pension insurance company, except in the quality of its stock-holders or persons insured in the funds managed by it.

(6) (amend. – SG 103/05, in force from 01.01.2006) The chairman of the managing board, the chairman of the board of directors, the executive director and the procurator shall meet the requirements of para 2, 4 and 5 and shall have permanent address or permit for continuous stay in the country.

(7) On change of the circumstances under para 2 - 6 the pension insurance company shall inform the deputy chairman of the commission within 14 days from the change.

Responsibility of the members of a managing or control body (new, SG 67/03)

Art. 121f. (new, SG 67/03) The members of the managing or control body of the pension insurance company shall bear personal proprietary responsibility for damages caused by them in managing the fund for additional pension insurance, which are direct and indirect consequence from their guilty actions or lack of actions.

Requirements for the stock-holders (new, SG 67/03)

Art. 121g. (new, SG 67/03) (1) Stock-holders possessing directly or through related persons 10 and over 10 percent of the capital of the company or may exercise control over it shall:

1. meet the requirements of art. 121e, para 2, item 2 - 5 and item 7 and 8 if they are individuals;

2. meet the requirements of art. 121e, para 3 if they are corporate bodies.

(2) (amend. - SG 56/06, in force from 15.07.2006) A person, who intends to acquire directly and/or via related persons 10 and more then 10 percent of the stocks of a pension insurance company, or subsequently to increase the joint-stock participation, as a result of which to achieve or exceed directly and/or via related persons the thresholds of 10, 20, 33, 50, 66 and 75 percent or to reach 100 percent of the stocks of a pension insurance company, shall request a permit from the deputy chairman of the commission in advance.

(3) (new - SG 56/06, in force from 15.07.2006) For obtaining a permit under para 2 the person shall submit an application according to a model, approved by the deputy chairman of the commission, to which shall be attached:

1. documents, including declarations, certifying the relevant circumstances under art. 121b, para 2, art. 121e, para 2, item 2 – 5, 7 and 8 and para 3 and art. 122a, para 3;

2. declaration according to a form, approved by the deputy chairman of the commission for the presence or the lack of connection with another shareholder of the pension insurance company;

3. actual certificate for entry in the commercial register – regarding a legal person;

4. the annual financial accounts for the preceding three years, as well as a financial account for the last quarter, preceding the submission of the application - regarding a legal person.

(4) (new - SG 56/06, in force from 15.07.2006) The deputy chairman of the commission may require other data, records and information with regards to the documents under para 3.

(5) (prev. text of para 3 - SG 56/06, in force from 15.07.2006) The deputy chairman of the commission shall give or refuse permit under para 2 within one month from receipt of the application, and when additional information and documents have been requested - within one month from their receipt.

(6) (prev. text of para 4, amend. - SG 56/06, in force from 15.07.2006) The deputy chairman of the commission shall refuse to give a permit in the cases of para 2, if:

1. the requirements of this code have not been observed;
2. the documents presented are unauthentic or with untrue contents;
3. the person, who intends to acquire shares, or the shareholder, who intends to increase his/her joint-stock participation, may threaten the financial stability of the company and the funds for additional pension insurance, managed by it.

Pension licence (amend., SG 67/03)

Art. 122. (amend., SG 67/03) (1) In order to carry out activity on additional pension insurance the joint-stock company must obtain a pension licence from the commission.

(2) The pension licence shall give the right to carry out activity on additional pension insurance upon obtaining a permit for managing a fund for additional pension insurance by the deputy chairman of the commission. The permit shall be issued for each fund individually.

Documents required for obtaining a pension licence (new, SG 67/03)

Art. 122a. (new, SG 67/03) (1) To obtain a licence for carrying out activity on additional pension insurance the company shall file a written application in the commission enclosing:

1. the records for the constituent assembly;
2. the statutes adopted by the constituent assembly;
3. the decision of the supervisory board for election of a managing board and the decision of the respective managing board for the way by which the company shall be represented and for the persons to represent it;

4. regulations for the work of the managing and supervisory body or regulations for the work of the board of directors;
 5. certificate by a local bank for full payment of the minimal required capital;
 6. business plan for the activity of the pension insurance company for a period of three years, containing information for the kinds of funds for additional pension insurance which it intends to establish;
 7. documents, including declarations, certifying that the requirements of art. 121e and art. 121g, para 1 have been met;
 8. (amend. - SG 34/06, in force from 01.10.2006) list of the stock-holders, their UCC, unified identification code or other similar data for the foreign persons, the size of their stock holding, as well as information for the presence of related persons among them;
 9. data for the internal control and for the informational system of the company;
 10. draft contract with a trustee bank.
- (2) The deputy chairman of the commission may also require other data, reference and information related to the documents under para 1.
- (3) The persons who, directly or through related persons, possess 10 and over 10 percent of the stocks, or may exercise control over the company, shall present:
1. declaration in a form approved by the deputy chairman of the commission regarding the origin of the resources for the payment of registered stocks, and that they are not loaned;
 2. declaration that they do not have overdue liabilities to the state and the municipalities;
 3. certificates for the established and paid tax duties for the last three years.
- (4) For each change of the documents or circumstances under para 1, item 2 - 4, 6 and 9 the company shall inform the deputy chairman of the commission within 14 days from the entry or from taking the decision.

Issuance and refusal to issue pension licence (new, SG 67/03)

Art. 122b. (new, SG 67/03) (1) Within two months from receipt of the documents under art. 122a the deputy chairman of the commission shall present to the commission a proposal for issuance or refusal to issue a pension licence.

(2) In the cases when the deputy chairman of the commission has required additional information and documents or has given instructions for removal of non-compliance with the provisions of this code the term under para 1 shall be three months.

(3) The commission shall take a motivated decision within one month from presentation of the proposal under para 1, by which it shall issue or refuse to issue a pension licence.

(4) The commission shall inform in writing the applicant about the decision within 7 days from its issuance.

(5) The issued pension licence shall be termless.

(6) In case of a refusal the applicant may extend a new request for obtaining a pension licence not earlier than 6 months from the date of the refusal.

(7) The decision of the commission under para 3 shall be promulgated in the

State Gazette.

Grounds for refusal (new, SG 67/03)

Art. 122c. (new, SG 67/03) The commission shall refuse to issue a pension licence where:

1. the required documents have not been presented or they do not meet the requirements of this code, or non-compliance has not been removed in the cases of art. 122b;
2. the paid-up capital is under the established minimum;
3. some of the members of the managing and control bodies or the stock holders, possessing directly or through related persons, 10 and over 10 percent of the capital of the company do not meet the requirements of art. 121e and art. 121g, para 1;
4. documents containing untrue information or data have been presented.

Entry in the commercial register (new, SG 67/03)

Art. 122d. (new, SG 67/03) (1) (amend. - SG 34/06, in force from 01.10.2006) The Registry Agency shall enter in the commercial register the company with subject of activity additional pension insurance upon presentation of the pension licence issued by the commission.

(2) (amend. - SG 34/06, in force from 01.10.2006) The pension insurance company shall be obliged to present to the commission a certified copy of the certificate of registration within 7 days from its receipt.

Register of the pension licences (new, SG 67/03)

Art. 122e. (new, SG 67/03; amend. and suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The commission shall keep a public register of the licensed pension insurance companies and of the funds for additional pension insurance and of the professional schemes, managed by them.

Withdrawal of licence (new, SG 67/03)

Art. 122f. (new, SG 67/03) (1) The issued pension licence shall be withdrawn by the commission at a proposal of the deputy chairman of the commission when the pension insurance company:

1. does not begin the activity for which it has been licensed within 6 months from obtaining the licence;
2. carries out other trade activity except the one directly related to the additional pension insurance;
3. is transformed through separation, incorporation or merger with another pension insurance company;
4. is dissolved by a decision of the general assembly of the stock-holders;
5. is insolvent;
6. has withdrawn permits for management of all funds established by it for additional pension insurance;

7. has presented documents which have served as grounds for issuance of the licence, containing untrue data.

(2) Besides the cases of para 1 the deputy chairman of the commission may extend a proposal for withdrawal of the issued pension licence when the pension insurance company:

1. violates the requirements of art. 121e and 121g;
2. obstructs the supervision and/or does not fulfil the imposed compulsory administrative measures;
3. does not fulfil its obligations to the insured persons in the funds managed by it and commits systematic violation of art. 123h, para 1;
4. does not observe the voluntary principle in choosing a fund for additional pension insurance;
5. concludes transactions affecting the financial stability of the managed funds for additional pension insurance, thus threatening the interests of the insured persons;
6. systematically violates the provisions of this code and the acts for its implementation.

(3) The commission shall announce a motivated decision within one month from presentation of the proposal for withdrawal of the licence.

Obligations of the pension insurance company after withdrawal of the pension licence (new, SG 67/03)

Art. 122g. (new, SG 67/03) (1) Upon withdrawal of the pension licence the pension insurance company may not conclude new contracts and offer new terms of additional pension insurance, as well as to change the terms, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the licence shall not release the pension insurance fund from its obligations under concluded contracts.

Obligation of the commission in withdrawing the pension licence (new, SG 67/03)

Art. 122h. (new, SG 67/03, amend. - SG 34/06, in force from 01.10.2006) The commission shall send a notice for withdrawal of the pension licence to the Registry Agency. The decision for withdrawal of the pension licence shall be promulgated in the State Gazette and it shall be published in at least two central daily newspapers.

Liable actuary

Art. 122i. (new – SG 103/05, in force from 01.01.2006) (1) The actuary servicing of the pension-insurance company and of the managed by it finds for additional pension insurance shall be performed only by a liable actuary. Liable actuary shall be a natural person of recognized by the commission capability, which shall organize, manage and care liability for the actuary servicing of the company and the managed by it funds.

(2) The liable actuary shall be:

1. not convicted for a malicious crime of general nature;
2. has not been for the previous three years before the determined by the court initial date of insolvency a member of managing or controlling body or unlimited-liaible partner in a company for which an insolvency procedure has been instituted or of a terminated due to insolvency company if not-satisfied creditors left.
3. has not been announced in insolvency and is not in pending insolvency procedure;
4. has not been deprived from right to occupy materially responsible position;
5. has a higher education with obtained educationally-qualification degree not lower that "master" and a covered teaching hours in higher mathematics as per requirements determined by an ordinance of the commission;
6. has at least three years experience as an actuary in national insurance institutions, actuary or insurer, re-insurer, health-insurance company, pension-insurance company, or in bodies performing supervision over the activity of these persons, or as habilitated teacher in insurance or actuary;
7. has recognized capability of liaible actuary by the commission after successful passing an examination.

(3) The terms and procedure of recognition of the capability and conduction of the examination for recognition of the capability under Para 2, item 7, as well as for recognition of capability, obtained in a Member State, shall be determined by an ordinance of the commission. For the purposes of this code, the capability of the liaible actuary recognized under the procedure of Insurance Code or under the Law of Health Insurance, where the passed examination for capability includes assessment of the knowledge in the field of pension insurance shall be recognized.

(4) The commission shall deprive the capability of liaible actuary upon proposal of Deputy Chairperson of the Commission, if is found that the person:

1. does not any more meet the requirements of Para 2, items 1 – 4;
2. upon performing activity of actuary servicing of a pension-insurance company and of the managed by it funds for additional pension insurance has performed gross or systematical breaches of this code, of secondary legislation on its application or of the regulations of the organization and activity of the managed by the respective pension-insurance company funds for additional pension insurance.
3. has submitted incorrect data and documents of incorrect content, on the base of which his/her capability ahs been recognized.
4. (new – SG 97/07) has not exercised the activity for more than two subsequent years after the recognition of the capability or after the discharge from the position of a responsible actuary, unless he/she has carried out an activity as actuary.

(5) In the cases of deprival of capability under Para 4 the person may require recognition of capability of liaible actuary not earlier than three years from the decision enters in force. With the deprival of the capability on some of the grounds of Para 4, the capability of the person as an liaible actuary recognized under the Insurance Code or under the Law of the Health Insurance shall be considered deprived too.

Additional requirements to the liaible actuary of the pension-insurance company.

Art. 122k. (new – SG 103/05, in force from 01.01.2006) (1) The liaible

actuary of the pension-insurance company shall be:

1. not a spouse or relative up to fourth degree including of direct or collateral or in-law relationship to the manager or to the controlling body of the pension-insurance company;

2. not be a member of managing or controlling body of a company of the same scope of activity;

3. not be a partner or a shareholder, member of managing or controlling body of a person under Art. 123, Para 1 with whom the pension-insurance company has contractual relations, or a related person with him/her, of the trustee-bank and of a related to it person;

4. be a party to transactions with the company and the managed by it funds for additional pension insurance, except in his/her capacity of actuary of the company or of insured person in some of these funds;

5. have a permanent residence or permit for a durable stay in the country;

(2) The liable actuary shall be elected by the general assembly of the share holders of the pension-insurance company, before which he/she shall in advance certify by an affidavit that he/she meets the requirements of Para 1. The pension-insurance company shall notify the Deputy Chairperson of the commission about the taken decision for election of a liable actuary within 7-days period from the date of taking the decision, and shall submit a certified copy of affidavit.

(3) The responsible actuary shall notify the pension-insurance company about a change of the circumstances under Para 1 within 7-days period from learning the change.

(4) In case of change of circumstances under Para 1 or in case of deprivation of capability of liable actuary under Art. 122i, Para 4, the General Assembly of the Shareholders of the pension-insurance company shall dismiss the liable actuary and elect new one within three months from learning the circumstances.

Actuary servicing

Art. 123. (amend., SG 67/03; amend. – SG 103/05, in force from 01.01.2006)

The liable actuary shall:

1. develop the biometrical tables under Art. 169. Para 1, item 2 and Art. 246, Para 1, item 2 and the actuary calculations for the offered pension schemes, which shall be approved by the managing body of the pension-insurance company;

2. care liability for the correct application of the actuary methods in the activity of the pension-insurance company;

3. care liability for the true and exact determination of the amounts of the pension reserves for payment of life pensions from the respective fund and of all obligations to the insured persons, the pensioners and their heirs;

4. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) be liable for the correct calculation of the technical reserves under art. 213a, para 1, item 2;

5. (prev. text of item 4 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) till 31st of March every year make out and submit actuary annual report for the previous year before the managing body of the pension-insurance company and to the Deputy

Chairperson of the commission.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The Deputy Chairperson of the commission shall determine the form of the obligatory content of the annual actuary report under Para 1, item 5.

(3) Upon execution of his/her obligations, the liable actuary shall have access to the all needed information, and the managing bodies and the officers of the pension – insurance company shall be obliged to provide assistance.

Bank-trustee (new, SG 67/03)

Art. 123a. (new, SG 67/03) (1) All assets of a fund for additional pension insurance shall be kept in one bank-trustee on the basis of a concluded trustee contract between the pension insurance company managing the fund and the bank-trustee.

(2) (suppl. – SG 41/07) Bank-trustee of a fund for additional obligatory pension insurance and of a fund for additional voluntary pension insurance in the meaning of this code may be a bank:

1. which is a local bank or a foreign bank having obtained permit to carry out banking activity on the territory of the country through a branch;

2. (amend. SG 39/05) which has obtained a permit for transactions with securities, including the transactions under art. 54, para 2 and 3 of the Law of the public offering of securities;

3. (amend. - SG 67/08) which has obtained a permit for acting as a depository or trustee institution;

4. whose licence, activity, transactions or operations are not restricted to a degree which will impede or make impossible the appropriate fulfilment of the obligations under this code or under the contract;

5. (suppl. - SG 59/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) regarding which, during the last 12 months, measure under art. 65, para 2, item 11 and 14 of the Law of the banks or under art. 103, para 2, items 14, 19 or 20 of the Law of the credit institutions have not been imposed;

6. which possesses capital, personnel and informational provision for effective fulfilment of the trustee functions according to the requirements of this code and the acts for its implementation;

7. (revoked – SG 41/07).

(3) (new – SG 41/07) A bank-trustee of a fund for additional voluntary pension insurance by professional schedules can be a bank:

1. under Art. 2, par. 5 of the Law for the credit institutions;

2. holding a license, which includes activity as a depository or trustee institution;

3. the license, activity, transactions or operations of which are not restricted to a level, which will make difficult or impossible the adequate fulfillment of provided by this Code or by the contract obligations;

4. which has got capital, human resources and information availabilities for effective execution of its trustee functions and obligations pursuant to the provisions of this Code and the acts related to its implementation

(4) (prev. par. 3 – SG 41/07) The bank-trustee shall:

1. store and register to clients accounts and the registers in the specialised depository institutions in the country the dematerialised securities - property of the fund for additional pension insurance;

2. register and store in clients accounts and the registers in banks or in specialised depository institutions abroad the foreign securities - property of the fund for additional pension insurance;

3. keep all documents certifying the ownership of the dematerialised securities, as well as the liquid securities of the fund for additional pension insurance;

4. keep and maintain accountancy records and register for all assets individually for every fund for additional pension insurance, separately from the own assets and from the assets drawn in from other clients;

5. keep all payment documents certifying the receiving and investment of all monetary resources of the fund for additional pension insurance;

6. keep all documents and instructions received from the respective pension insurance company with respect of the investment of the resources and the storing of the assets of the fund for additional pension insurance.

(5) (prev. par. 4 – SG 41/07) All monetary resources of the fund for additional pension insurance shall be deposited in the bank-trustee. Within 5 working days the pension insurance company shall give to the bank-trustee written orders for the investment of the deposited monetary resources.

(6) (prev. par. 5 – SG 41/07) The bank-trustee shall carry out operations with the monetary resources, with the dematerialised and liquid securities only in the presence of a written order of the persons authorised by the pension insurance company, according to the contract.

(7) (prev. par. 6 – SG 41/07) The bank-trustee shall not fulfil an order under para 6 for investment of assets different from the ones stipulated by this code.

(8) (prev. par. 7 – SG 41/07) The bank-trustee shall send to the deputy chairman of the commission, at the end of each working day, information for the deposited monetary resources, the concluded contracts and the assets of the fund for additional pension insurance.

(9) (prev. par. 8 – SG 41/07) The bank-trustee, in fulfilment of its legal capacities, shall inform immediately the deputy chairman of the commission for each established violation of this code on the part of the pension insurance company.

Contract for trustee services (new, SG 67/03)

Art. 123b. (new, SG 67/03) (1) The contract between the bank-trustee and the pension insurance company shall be presented to the deputy chairman of the commission within 3 days from the date of its conclusion and it shall obligatorily contain:

1. the rights and the obligations of the bank-trustee and of the pension insurance company;

2. the order and the way of fulfilment of the obligations under item 1;

3. the responsibility of the bank-trustee, including in the cases of assigning on the part of the bank-trustee to sub-contractors functions under this contract;

4. the remuneration paid by the pension insurance fund to the bank-trustee;

5. the order and the way of exchange of information between the bank-trustee and the pension insurance company;

6. the order and the way of terminating the contract.

(2) (suppl. – SG 41/07) A bank, included in the list under art. 12, as well as a bank under Art. 123a, par. 3, may not conclude a contract for trustee services with a pension insurance company if:

1. it is a stock-holder thereof or a related person;

2. it is his money lender or creditor;

3. it is one and the same or related person with an investment mediator with whom the company has contractual relations.

(3) The pension insurance company may conclude a contract for trustee services only with one bank-trustee for each of the funds for additional pension insurance managed by it. The bank-trustee may conclude a contract for trustee services with more than one pension insurance company.

(4) The remuneration paid to the bank-trustee under the contract for trustee services shall be for the account of the pension insurance company.

(5) The contract between the pension insurance company and the bank-trustee may be terminated by each of the parties upon a one-month written notice, whereas the pension insurance company shall inform the deputy chairman of the commission within 3 days from the sending or receipt of the notice. This period shall not regard the cases of obligatory prescription on the part of the deputy chairman of the commission for a change of the bank-trustee.

(6) In case of termination of the contract for trustee services the bank-trustee shall:

1. transfer all exigible and due monetary resources to an account of the pension fund in the new bank-trustee according to the instructions given by the pension insurance company;

2. fulfil the order of the pension insurance company for transferring the dematerialised securities held by it, under the register of the fund, from its account with it, to an account in the new bank-trustee, where they will be registered;

3. present, by an inventory list, to the pension insurance company, all liquid securities, ownership documents and other documents related to the fulfilment of the contract for trustee services.

(7) The bank-trustee shall carry out the actions under para 6 in time negotiated with the pension insurance company, but not longer than 30 days from the date of signing the contract for trustee services between the pension insurance company and the new bank-trustee. The pension insurance company shall submit immediately for storing in the new bank-trustee the documents under para 6, item 3.

(8) The procedures of changing one bank-trustee for another bank-trustee shall be carried out in a way guaranteeing the fulfilment of the obligations for the preserving of the assets of the funds for additional pension insurance without interruption.

(9) The Bulgarian National Bank, through division "Bank supervision" shall inform in due time the commission about every imposed measure or sanction restricting the licence, the transactions or the operations of the bank-trustee, to a degree which will impede or make impossible the appropriate fulfilment of the

obligations stipulated by this code or by the contract.

(10) If the bank-trustee is declared bankrupt the assets of the fund for additional pension insurance kept by it by virtue of this code, with exception of the deposits in the banks in the meaning of § 1, item 1 of the Law of guaranteeing the deposits in the banks, shall not be included in the bankruptcy estate.

(11) An ordinance shall be issued by the Bulgarian National Bank, upon coordination with the commission, for the implementation of art. 123a and of this article.

(12) (suppl. – SG 41/07) The Bulgarian National Bank, in coordination with the commission, shall approve lists of the banks which may be trustees of a fund for additional obligatory pension insurance and of a fund for additional voluntary pension insurance.

(13) (new – SG 41/07) The Deputy Chair of the Commission shall notify the Bulgarian National Bank about any concluded contract or terminated contract for trustee within three days after acceptance of the notification of par. 1, respectively of par. 5.

Contract with investment mediator and with persons, authorized to carry out investment consultations on securities (amend. - SG 17/06)

Art. 123c. (new, SG 67/03) (1) (amend. - SG 17/06) All transactions with securities related to management of the assets of the funds for additional pension insurance, except for transactions out of regulated market with securities under art. 176, par. 1, item 1 and 10, shall be carried out by investment mediator on the ground of a contract, concluded with the pension insurance company.

(2) The pension insurance company may not conclude a contract with an investment mediator if he is a related person.

(3) The choice of an investment mediator shall be approved by the management bodies of the pension insurance company.

(4) (new - SG 17/06; amend. – SG 52/07, in force from 01.11.2007) The pension insurance company shall obligatorily conclude contract for investment consultations on financial instruments with a person, who meets the requirements of art. 21 of the Law on the Markets of Financial Instruments or art. 202 of the Law for public offering of securities.

(5) (new - SG 17/06) The investment consultant, who has concluded a contract under par. 4 with pension insurance company, may not be:

1. a member of managing or control body or an authorized representative of pension insurance company or a person, related to them;

2. broker to a contract with investment mediator;

3. an investment consultant to a contract with investment mediator, investment company, managing company or other pension insurance company.

(6) (new - SG 17/06) The members of the managing or control body and the investment consultant of a managing company, which has concluded contract under par. 4 with pension insurance company, should not be members of managing or control body or authorized representatives of pension insurance company or a person, related to them.

(7) (prev. text of par. 4, suppl. – SG 17/06) The pension insurance company

shall be obliged to inform the deputy chairman of the commission about the contracts under para 1 and 4 within 7 days from their conclusion or from their termination.

Contract with an insurance mediator (new, SG 67/03)

Art. 123d. (new, SG 67/03) (1) The pension insurance companies may conclude contracts with insurance mediators - individuals or corporate bodies.

(2) The insurance mediators - individuals, and the persons authorised by insurance mediators - corporate bodies, shall have the right to conclude insurance contracts and to accept applications for additional pension insurance on behalf and for the account of the pension insurance company, as well as to carry out other activities on the additional pension insurance, according to the written contract concluded with the company.

(3) In carrying out their activity the investment mediators and the authorised persons shall observe the principle of voluntarism and shall conscientiously explain the right and the obligations under the insurance contract, as well as preserve the commercial secret and the commercial prestige of the pension insurance companies.

(4) Insurance mediator or authorised by an insurance mediator may not be a person who has carried out or carries out guarding or similar activity, including a person who has been or is a partner of stock holder, as well as a member of a managing or control body of a trade company carrying out guarding or similar activity.

(5) The employer may not be an insurance mediator of a pension insurance company regarding his workers and employees.

(6) The insurance mediator, as well as the persons authorised by insurance mediators - corporate bodies may not work for more than one pension insurance company.

(7) The pension insurance company shall notify the commission about the conclusion or termination of each contract with an insurance mediator, as well as about the authorisation of individuals by an insurance mediator within 14 days.

(8) The commission shall include the insurance mediators and the authorised persons in the general register of the insurance mediators.

(9) The pension insurance company shall provide every insurance mediator, respectively the persons authorised by insurance mediators - corporate bodies, with a document legitimising them in carrying out their activity. The form of the document shall be approved by the deputy chairman of the commission.

Revenue of the company (new, SG 67/03)

Art. 123e. (new, SG 67/03) (1) The revenue of the pension insurance companies shall be formed by fees and charges determined by this code, as well as by the management of their own assets.

(2) The pension insurance company may distribute profit among its stock holders from the management of the funds for additional pension insurance and of its own assets by the order of the Commercial Law and this code.

Internal control (new, SG 67/03)

Art. 123f. (new, SG 67/03) (1) The pension insurance company shall establish

a specialised office for internal control, whose management shall be elected and released by the managing bodies of the company.

(2) The general assembly of the stock holders shall adopt the rules for the organisation and activity of the office for internal control.

Informational system (new, SG 67/03)

Art. 123g. (new, SG 67/03) For its activity on additional pension insurance the company shall be obliged to create and maintain an informational system which shall meet the requirements approved by the deputy chairman of the commission.

Submitting information (new, SG 67/03)

Art. 123h. (new, SG 67/03) (1) In compliance with its statutes and with the regulations of the respective fund for additional pension insurance the pension insurance company shall be obliged:

1. to introduce to the insured persons and the insurers the regulations of the fund for additional pension insurance and all its amendments and supplements;

2. to send, free of charge, to the insured persons, by May 31 every year, an abstract of their individual accounts for the preceding calendar year, in a form approved by the deputy chairman of the commission;

3. to provide, beyond the case under item 2, a possibility for every person insured in the fund, to receive upon request information about his individual account.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes, shall present to the persons, insured in this fund, and the ones entitled under a professional scheme, not only the information under para 1, but also:

1. everyday information on:

a) every change in the scheme, ensuing from amendments and supplements in the statutory regulations or in the Regulation for the organisation and the activity of the fund for additional voluntary pension insurance under professional schemes;

b) the amount of the accumulated resources, the types of payments and the manners of their receipt at acquiring right of the relevant kind of pension;

c) the risks at investment and at management of professional scheme and the persons, undertaking these risks.

2. upon request:

a) annual financial account and the annual report under art. 252, para 2 for the scheme, under which they are insured;

b) information under art. 251c regarding the investment policy of the fund for additional voluntary pension insurance under professional schemes and with respect to the structure of the investment portfolio;

c) information of the procedure and the manner of transfer of the accumulated resources to their individual accounts in funds for additional voluntary pension insurance under professional schemes, managed by another pension insurance company, at termination of the activity, on the grounds of which they are insured under the respective professional scheme.

d) (new – SG 41/07) detailed and essential information related to the level, which pension payments must achieve according to the conditions of the respective professional schedule – in case of carrying out of business abroad;

e) (new – SG 41/07) the amount or payments in case of termination of insurance in compliance with the respective professional schedule – in case of carrying out of activity abroad.

(3) (prev. text of para 2 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance fund, the insurance mediators and the persons authorised by them may not submit to third persons the information they have for the insured persons, the pensioners, their legatees and the insurers, with exception of the cases stipulated by other laws.

Requirements for the advertising (new, SG 67/03)

Art. 123i. (new, SG 67/03) (1) The pension insurance company shall be obliged:

1. not to advertise products and services which they do not provide at the moment, as well as future profitability of the investments;

2. not to hide or conceal substantial facts and circumstances and not to include in its advertising unclear formulations of achieved results, untrue or misleading data;

3. not to organise lotteries.

(2) The deputy chairman of the commission shall approve the requirements for the content of the advertisements or written informational materials of the pension funds and pension insurance companies.

(3) All expenses related to the advertising of the pension insurance company and the funds for additional pension insurance managed by it shall be for the account of the pension insurance company.

Section III.

Companies for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)

Definition (new, SG 67/03)

Art. 123j. (new, SG 67/03) (1) The companies for additional voluntary insurance for unemployment and/or professional qualification, called hereinafter "insurance companies for unemployment and/or professional qualification", shall be joint-stock companies licensed by the order of this code and registered according to the Commercial Law.

(2) The insurance companies for unemployment and/or professional qualification shall have subject of activity only additional voluntary insurance for unemployment and/or professional qualification.

(3) The insurance companies for unemployment and/or professional qualification may not carry out commercial transactions which are not directly related

to their activity.

(4) The insurance companies for unemployment and/or professional qualification may found non-profit associations for presentation of their common interests and for realisation of joint projects.

(5) The insurance companies for unemployment and/or professional qualification shall not have the right to participate in civil companies and trade companies as unlimited liable partners, as well as to acquire assets in other insurance companies for unemployment and/or professional qualification.

(6) The insurance companies for unemployment and/or professional qualification shall develop their activity in accordance with the provisions of this code and in compliance with its statutes and the regulations of the funds for additional voluntary insurance for unemployment or professional qualification managed by them.

Stocks and capital (new, SG 67/03)

Art. 123k. (new, SG 67/03) (1) The insurance companies for unemployment and/or professional qualification may issue only nominal dematerialised stocks with a right of one vote.

(2) The minimal size of the capital of the insurance companies for unemployment and/or professional qualification shall be 500 000 BGN.

(3) The capital shall be paid up in full in cash by the moment of filing the application for obtaining licence for carrying out activity on additional voluntary insurance for unemployment and/or professional qualification.

(4) The insurance companies for unemployment and/or professional qualification shall possess, at any time, own capital (capital base) of size not less than 50 percent of the minimal capital under para 2.

(5) The insurance companies for unemployment and/or professional qualification may not distribute dividends of sizes and in a way which would lead to violation of the requirements of para 4.

(6) When the own capital (capital base) of the insurance company for unemployment and/or professional qualification drops below the size determined by para 4 it shall inform within three days the deputy chairman of the commission, presenting also a recovery programme for bringing, within three months, the own capital in compliance with the requirements of the code.

(7) The deputy chairman of the commission shall approve or refuse the approval of the recovery programme within 7 days from its receipt.

(8) During the period of fulfilment of the recovery programme the insurance companies for unemployment and/or professional qualification may not distribute dividends.

(9) For non-approval of the programme or for non-fulfilment of the approved programme the deputy chairman of the commission shall undertake the actions under art. 344, para 1, item 5.

(10) The requirements for the content and the structure of the own capital (capital base) of the insurance companies for unemployment and/or professional qualification and for the minimal liquid resources of the companies and the funds for additional voluntary insurance for unemployment or for professional qualification managed by them shall be determined by the ordinance under art. 121c, para 10.

Name of the company (new, SG 67/03)

Art. 123l. (new, SG 67/03) (1) The name of the insurance company for unemployment and/or professional qualification shall obligatorily contain in combination the words "additional", "voluntary", "insurance", "for unemployment" and "for professional qualification" or their derivatives.

(2) Companies which do not hold licence for carrying out activity on additional voluntary insurance for unemployment and/or professional qualification may not use in the name of the company a combination of the words under para 1 or their equivalents in Bulgarian or foreign language.

Applicable provisions (new, SG 67/03)

Art. 123m. (new, SG 67/03) For unsettled issues regarding the founding, licensing, management, representation and activity of the insurance companies for unemployment and/or professional qualification, including for the contracts with a bank-trustee and with the persons under art. 123c, shall apply the provisions of chapter nine, section II.

Division two.

Additional obligatory pension insurance (new, SG 67/03)

Order for implementation

Art. 124. (amend., SG 67/03) (1) The additional obligatory pension insurance shall be implemented under the conditions and by the order of this division on the basis of a contract of the insured person with a pension insurance company or on the grounds of an official distribution under the conditions of art. 137, para 4 and art. 140, para 4.

(2) Insurance legal terms of relations with the pension insurance company shall occur from the date of conclusion of an insurance contract or from the date of the official distribution in a fund for additional obligatory pension insurance.

Principles

Art. 125. (1) The additional obligatory pension insurance shall be implemented on the basis of the principles of:

1. obligatory participation;
2. legal independence of the pension insurance company and of the universal and the professional pension funds;
3. transparency, separation and exclusivity of the activity;
4. permission regime and state regulating;
5. obligatory regular accounting and presenting of information;
6. loyal competition between the pension insurance companies;
7. representation of the interests of the insured persons.

(2) The additional obligatory pension insurance shall be implemented through pension schemes on principle of capital coverage on the basis of the defined payments.

Management of the resources of the pension fund

Art. 126. (suppl. – SG 17/06) The resources of the pension fund shall be managed by the pension insurance company with the care of the good husbandry observing the principles of reliability, liquidity, profitability and diversification in the interest of the insured persons.

Insured persons

Art. 127. (1) (amend., SG 64/00; amend., SG 67/03) The persons born after December 31, 1959 shall obligatory be insured for additional pension in a universal pension fund if they have been insured under the conditions and by the order of part one.

(2) The persons working under the conditions of first and second category of labour shall obligatory be insured also in a professional pension fund for pension for early retirement regardless of the age.

(3) For the persons of para 1 the individual coefficient of art. 70 shall be decreased on the basis of the ratio between the extent of the insurance payments for the universal pension fund and for fund "Pensions" by an order determined with an act by the Council of Ministers.

(4) (new, SG 119/02; amend., SG 67/03; in force from January 1, 2004) From January 1, 2004 the persons under art. 4, para 1, item 4 shall be insured for an additional pension in a universal pension fund.

(5) (new, SG 67/03; suppl. – SG 43/08, in force from 01.01.2008) The employees of the National Intelligence Service, office "Military information" of the Ministry of Defence, the State National Security Agency and the Special Courier Service of the Ministry of Transport and Communications shall not be insured for an additional pension in a universal pension fund.

Personal insurance

Art. 128. (1) (prev. art. 128 – SG 1/02) The additional obligatory pension insurance shall be personal. Each insured in a universal and in a professional pension fund shall have individual insurance number and individual insurance file.

(2) (new – SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) Regarding the persons of art. 4, para 1, item 4 the National Revenue Agency and the pension insurance companies shall keep the data in individual registers according to the Law for protection of the classified information.

(3) (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006) The data for the persons under para 2 shall be submitted by an order determined by the executive director of the National Revenue Agency and the chairman of the State Commission for Security of the Information.

Individual account (amend., SG 67/03)

Art. 129. (amend., SG 67/03) (1) The payments for additional obligatory pension insurance, and the resources transferred from another fund for additional obligatory pension insurance, shall be registered and accumulated in the individual account of each insured person by the date of the receipt to the account of the fund.

(2) Every insured person may have only one individual account in a universal, respectively in a professional pension fund. Entries shall be made in the individual account for the instalments made, transferred sums and charges.

(3) The individual account shall be in levs and shares. The instalments for additional obligatory pension insurance and the resources transferred from another fund shall be accounted in shares and in parts of shares.

(4) The charges, as a percentage of each insurance instalment, shall be made before determining the shares under para 3.

(5) Each share shall represent a proportional part of the net assets of the fund. The shares of one fund shall be equal in value, determined and announced according to para 9.

(6) The value of all shares and parts of shares of the fund shall be equal to the value of the net assets of the fund.

(7) The revenue from investing the resources of the fund shall be included in determining the value of one share according to para 5.

(8) Not admitted shall be re-distribution of resources and shares between the individual accounts.

(9) The order and the way of calculating and announcing the value of one share, as well as the requirements for keeping the individual accounts shall be determined by the ordinance under art. 181.

(10) On the date of receipt of the first instalment in the fund for additional obligatory pension insurance or on the day of the first accounting of the accumulated resources in the individual accounts in shares the value of one share shall be equal to 1 lev.

(11) The accumulated resources in the individual account of the insured persons shall not be subject to enforcement.

Insured social risks

Art. 130. (revoked, SG 67/03)

Extent of the pension

Art. 131. (prev. art. 131 – SG 1/02) The pension shall be determined on the basis of the accumulated sums in the individual file from the payments made and the incomes from their investment, decreased with the fees and the deductions provided in this division, and depending on the duration of life after retirement in compliance with the bio-metric tables.

(2) (new – SG 1/02) When the extent of the pension is up to 20 percent of the social pension for old age, the sum shall be paid to the pensioner at one time or deferred at the acquiring of the right.

State regulation and control

Art. 132. (revoked, SG 67/03)

Chapter ten.

FUNDS FOR ADDITIONAL OBLIGATORY PENSION INSURANCE (TITLE AMEND., SG 67/03)

Establishing, management and representation of the pension funds

Art. 133. (1) (amend., SG 67/03) The additional obligatory pension insurance shall be implemented through participation in universal and/or professional pension funds established and managed by licensed pension insurance companies by the order of this code.

(2) The universal and the professional pension funds shall be represented in their relations with third persons by only licensed pension insurance companies.

(3) The pension insurance companies and the universal and the professional pension funds shall be separate corporate bodies.

(4) The pension insurance companies shall be able to establish and to manage only one universal and one professional pension fund.

(5) The universal and the professional pension funds shall be established for unlimited time.

Responsibility of the pension insurance funds

Art. 134. (1) (amend., SG 67/03) The pension insurance funds shall be proprietary responsible before the insured persons for losses occurred as a result of unconscientious implementation of their obligations with regard to the management and the representation of the corresponding pension funds. In case of insolvency in the assets of the pension insurance companies shall not be included the sums in the pension reserve of art. 192, para 2.

(2) The pension funds shall not be responsible with their assets for losses occurred as a result of actions of the companies established them as well as for losses from the activity of the pension insurance company that manages and represents them.

Name of the pension fund

Art. 135. (1) The name of the pension fund shall obligatory contain in combination the words "pension", "professional" or "universal" and "fund" or their derivatives as well as indication of its type.

(2) Only a fund registered in compliance with this code can use in its name, in the description of its activities or in advertising in combination the words "pension", "professional" or "universal and "fund" or their derivatives.

Prohibition for acquisition by prescription

Art. 136. Assets of a universal and/or professional pension fund cannot be acquired by prescription.

Universal pension fund

Art. 137. (1) Universal pension fund shall be established by a licensed pension insurance company with a decision of its management bodies.

(2) The licensed pension insurance company can establish only one universal pension fund.

(3) (suppl. – SG 56/06, in force from 15.07.2006) The insured persons shall participate in a universal pension fund with individual application to the pension insurance company, submitted in three months term after the occurrence of the obligation for insurance. The order for submitting the application and the requirements to its form and contents shall be determined by an ordinance of the commission.

(4) (*) (amend., SG 8/03; SG 67/03; amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006) For the persons who have not chosen a universal pension fund by the order of para 3 shall be implemented official distribution in the registered universal pension funds in a way and by order determined by the National Revenue Agency and the commission.

(5) (revoked, SG 67/03)

Minimum number of participants in a universal pension fund

Art. 138. (revoked, SG 67/03)

Rights at insurance in a universal pension fund

Art. 139. (1) The insurance in a universal pension fund shall give right to:

1. (amend., SG 67/03) additional pension for life for age after acquiring right to pension for insured practice and age under part one;

2. (amend. SG 1/02; amend., SG 67/03) one time payment of up to 50 percent of the resources accumulated in the individual account for disability for life over 70,99 percent;

3. one time or deferred payment of sums to the heirs of a deceased insured person and of a pensioner under the conditions of this division.

(2) (revoked, SG 67/03)

Professional pension fund

Art. 140. (1) A professional pension fund shall be established by a licensed pension insurance company with a decision of its management bodies.

(2) The licensed pension insurance company can establish only one professional pension fund.

(3) (suppl. – SG 56/06, in force from 15.07.2006) The insured persons shall participate in a professional pension fund with a personal application to the pension insurance company, submitted in three months term after the occurrence of the obligation for insuring. The order for submitting the application and the requirements to its form and contents shall be determined by the ordinance under art. 137, para 3.

(4) (*) (amend., SG 8/03; amend., SG 67/03; amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006) For the persons who have not chosen professional pension fund by the order of para 3 shall be implemented official distribution in the registered professional funds in a way and by order determined by the National Revenue Agency and the commission.

(5) (revoked, SG 67/030)

Participants in a professional pension

Art. 141. (revoked, SG 67/03)

Rights at insurance in a professional pension fund

Art. 142. (1) The insurance in a professional pension fund shall give right to:

1. fixed in time professional pension for early retirement for those working under the conditions of first and second category of labour according to the category of labour;

2. (suppl. SG 1/02; amend., SG 67/03) one time payment of up to 50 percent of the resources accumulated in the individual account for disability for life over 70,99 percent;

3. (amend., SG 67/03) one time or deferred payment of sums to the heirs of a deceased insured person or a pensioner of the fund under the conditions and by the order of this division.

(2) (revoked, SG 67/03)

Regulation for the organisation and the activity of the fund for additional obligatory pension insurance

Art. 143. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulation for the organisation and the activity of the fund for additional obligatory pension insurance shall be approved by the management bodies of the stock holders of the pension insurance company.

(2) The regulation for the organisation and the activity of the pension fund shall contain:

1. the name of the fund;

2. the name, the residence and the address of management of the pension insurance company managing it;

3. the conditions for additional obligatory pension insurance, differentiated for professional and for universal pension fund;

4. (amend., SG 67/03) the conditions and the order for concluding insurance or pension contracts, the order for the amendments and supplements to them and the conditions for terminating them;

5. (amend., SG 67/03) the conditions and the order for keeping individual accounts and for conceding excerpts from them to the insured person;

6. (suppl., SG 67/03) the periods and the way of distributing the incomes from investments and the basic purposes and restrictions of the investment policy of the fund;

7. the extent of the fees and the deductions collected by the pension insurance company;

8. the conditions, the order and the terms for payment of the pensions and of the one time or the deferred payments;

9. the conditions, the order and the terms for transfer of the accumulated resources to the individual file;

10. the conditions and the order for implementing changes in and additions to

the regulation;

11. explicit mentioning of the way and the order for announcements and messages connected with the activity of the pension fund;

12. the methods of periods for assessment of the assets of the fund;

13. (suppl., SG 67/03) the rights and the obligations of the pension insurance company, of the persons under art. 123d, para 2, of the insured person, the employers and the other insurers.

14. (new, SG 67/03) the order and the way of forming a reserve for payment of lifetime pensions;

15. (new, SG 67/03) the order and the way of guaranteeing a minimal level of profitability from investing the resources of the insured persons.

Amendment and supplement of the regulation of fund for additional obligatory pension insurance

Art. 144. (1) (amend., SG 8/03; amend., SG 67/03) The amendments and the supplements of the regulation of art. 143, para 2 shall be approved by the deputy chairman of the commission. The Agency shall decide in one month after receiving the application. The applicant shall be informed in writing about the decision taken in 7 days term.

(2) (amend., SG 67/03) The pension insurance company shall inform the insured persons about the concrete amendments and the supplements of the regulation for the organisation and the activity of the pension fund, personally or through a publication in two central daily newspapers within one week from receipt of the decision of the deputy chairman of the commission.

Permit for managing a pension fund (amend., SG 67/03)

Art. 145. (amend., SG 8/03; amend., SG 67/03) (1) The permit for managing a universal or professional fund shall be issued by the deputy chairman of the commission. To obtain a permit the licensed pension insurance company shall file in the commission a written request attaching:

1. the decision of the general assembly of the licensed pension insurance company for founding a universal or professional pension fund;

2. the regulations for the organisation and the activity of the universal and of the professional pension fund;

3. actuary plans for the offered pension schemes and the names and personal data of the actuary;

4. samples of insurance and pension contracts;

5. preliminary contracts with a bank-trustee and investment mediator;

6. financial report of the company by the last date of the preceding month;

7. reference for programme and technical provision of the information system of the company

8. reference for the organisational structure of the company and its personnel provision;

9. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the pension insurance company.

(2) the deputy chairman of the commission may also require other data and additional information in connection with the documents under para 1 and set a deadline for their presentation.

Order of considering the request for permit to manage a pension fund (amend., SG 67/03)

Art. 146. (amend., SG 67/03) (1) The deputy chairman of the commission announce a decision within one month after the submitting of the request of art. 145, and when additional reference and documents are required - within one month from their presentation.

(2) For accepted request for issuance of permit with missing or irregular documents the deputy chairman of the commission shall notify, within 14 days, the pension insurance company about the irregularities and shall set a deadline for their correction.

(3) The deputy chairman of the commission shall notify in writing the applicant about the decision under para 1 within 7 days from its taking.

Refusal of giving permit for management of a pension fund (amend., SG 67/03)

Art. 147. (amend., SG 8/03; amend., SG 67/03) (1) The deputy chairman of the commission shall refuse to give consent when:

1. upon expiration of the set deadline under art. 146, para 1 and 2 the additional documents or references are not presented or the irregularities have not been corrected;

2. the requirements of this code have not been met;

3. the necessary financial, personnel or informational provision of the pension insurance company is missing.

(2) In case of a refusal the pension insurance company may extend a new request for obtaining permit for managing a universal or pension fund not earlier than 6 months from the date of the refusal.

Court registration (amend., SG 67/03)

Art. 148. (amend., SG 67/03) (1) The district court at the place of seat of the fund shall enter in its register respectively the universal or professional fund if the pension insurance fund has filed an application for registration within 6 months from receiving the permit of the deputy chairman of the commission.

(2) The application for court registration shall contain:

1. the name, the seat of the company and the address of management of the pension insurance company;

2. the name of the pension fund;

3. the full name and UCC of the persons managing and representing the pension insurance fund.

(3) The universal or professional fund shall be entered in the register of the district court at the place of its seat.

(4) The fund for additional obligatory pension insurance shall exist as a

corporate body from the day of its entering in the court register.

Withdrawal of the permit for managing a fund (amend., SG 67/03)

Art. 149. (amend., SG 8/03; amend., SG 67/03) The deputy chairman of the commission shall withdraw the permits for managing a universal or professional fund for:

1. establishing that the documents, having served as grounds for the issuance of the permit, contain untrue data;
2. not filing the application for court registration within the 6-month period from obtaining the permit for managing a universal or professional fund;
3. transformation of a pension insurance company when the management of the fund is transferred to another pension insurance company;
4. dissolving of the fund because of incorporation or merger with another fund for additional obligatory pension insurance;
5. presence of a real and immediate threat for the interests of the insured persons;
6. withdrawal of the pension licence of the pension insurance company managing the fund.

Documents necessary for entering

Art. 150. (1) For entering of a universal and/or professional pension fund to the court shall be presented the following documents:

1. (amend., SG 8/03; amend., SG 67/03) permit for management of a universal or professional pension fund;
2. (amend., SG 67/03) the regulation for the organisation and the activity of the universal or the professional pension fund;
3. the statutes of the pension insurance company managing and representing the pension fund;
4. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the pension insurance company;
5. (amend., SG 64/00) list of the members of the management bodies of the pension insurance company;
6. pension license of the pension insurance company;
7. (amend., SG 67/03) the decision of the general assembly of the pension insurance company for establishing a fund for additional obligatory pension insurance;
8. the names and the unified civil number of the persons managing and representing the pension insurance company.

(2) In the court register shall be entered the name of the universal and/or the professional pension fund; the name, the residence and the address of management of the pension insurance company established the fund; the way of representation of the pension insurance company.

Term for decision by the court

Art. 151. The court shall consider the application for entering in 14 days term after the date of submitting.

Refusal of entering

Art. 152. The court shall refuse to implement the entering if the requirements determined in this division have not been met.

Obligation for presenting a copy of the court decision

Art. 153. (amend., SG 8/03; amend., SG 67/03) The pension insurance company shall be obliged to present to the commission a certified copy of the court decision for entering in 7 days term after receiving it.

Responsibility for the expenses for the entering

Art. 154. All the expenses for the entering of the universal and/or the professional pension fund and all the undertaken actions for the objectives of its establishing and entering shall be made on behalf and for the account of the pension insurance company.

Obligations of the pension insurance company after withdrawal of the permit for management of a pension fund (new, SG 67/03)

Art. 154a. (new, SG 67/03) (1) After the withdrawal of the permit for managing a universal or professional pension fund the pension insurance company may not conclude other contracts and offer new terms of additional obligatory pension insurance, as well as change the terms of concluded insurance contracts for the respective fund.

(2) The withdrawal of the permit for management of a universal or professional pension fund shall not release the pension insurance company from its obligations under the concluded contracts.

Obligation of the deputy chairman of the commission after the withdrawal of the permit for management of a pension fund (new, SG 67/03)

Art. 154b. (new, SG 67/03) The deputy chairman of the commission shall send a notice for withdrawal of the permit for management of a universal or professional pension fund to the court having made the registration, shall promulgate the announcement in the State Gazette and shall publish it in at least two central daily newspapers.

Trust board

Art. 155. (1) The interests of the insured in the funds shall be represented by a trust board.

(2) The trust board shall include an equal number of representatives of the nationally represented organisations of the workers and employees and of the employers and one representative of the pension insurance company.

(3) (amend., SG 8/03; amend. SG 67/03) The rights and the obligations of the trust board shall be stipulated by an act of the Council of Ministers at the proposal of the commission.

(4) The proposals and the decisions of the trust board shall be of

recommending nature for the pension insurance company.

Supervision

Art. 156. (revoked, SG 67/03)

Chapter eleven. INSURANCE PAYMENTS

Type and size of the insurance payments

Art. 157. (1) (amend. SG 112/2004) The size of the insurance installments for additional obligatory pension insurance shall be:

1. for the universal pension fund:

a) for the year 2005 – 3 per cent;

b) for the year 2006 – 4 per cent;

c) from the year 2007 – 5 per cent;

2. for the professional pension fund:

a) 12 per cent – for the persons working under the conditions of I category of labour;

b) 7 per cent – for the persons working under the conditions of II category of labour;

(2) (new – SG 112/2004) The insurance installments per Art. 6, Para 1 of the persons born before 31 of December 1959 shall be reduced with the size of the insurance installments per Para 1, item 1.

(3) (amend. SG 1/02, prev. para 2- SG 112/2004) The payments for the universal pension funds shall be distributed among the insurers and the insured persons according to the correlation under art. 6, para 3.

(4) (prev. para 3- SG 112/2004) The payments for the professional pension funds shall be entirely for the account of the insurers.

(5) (prev. para 4- SG 112/2004) The self-insured persons shall be insured in a universal pension fund entirely for their account.

(6) (new – SG 1/02, prev. para 5- SG 112/2004) The insurance payments for additional obligatory pension insurance shall be paid for the incomes for which insurance payments are due for the state public insurance, except art. 9, para 6 and 7 and §9, para 2 and 3.

(7) (new, SG 67/03, prev. para 6- SG 112/2004)) The insurance instalments for additional obligatory pension insurance in a professional pension fund for persons who receive pension for insured service and age shall be transferred to fund "Pensions" of the state public insurance

Transfer of insurance payment

Art. 158. The insurance payments for additional obligatory pension insurance shall be transferred simultaneously with the insurance payments for the state public insurance.

Collection of insurance payments

Art. 159. (1) (amend. - SG 105/05, in force from 01.01.2006) The insurance payments for the pension funds shall be collected by the National Revenue Agency.

(2) (amend. - SG 105/05, in force from 01.01.2006) The insurance payments under para 1 shall be transferred to a specialised account for obligatory additional pension insurance of the National Revenue Agency.

(3) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) The National Revenue Agency shall transfer the received payments within 30 days from their receipt from the specialised account to an account of the respective pension fund, announced by the pension insurance company managing it.

(4) (amend. - SG 105/05, in force from 01.01.2006; revoked - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

(5) (amend. - SG 105/05, in force from 01.01.2006; revoked - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

(6) (amend. - SG 105/05, in force from 01.01.2006; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) For unjustified delay of the transfer of the sums under para 3 the National Revenue Agency shall owe a legal interest for the period of delay.

(7) (amend. - SG 105/05, in force from 01.01.2006) The relations between the National Revenue Agency and the pension insurance company shall be settled by a contract.

(8) (amend. - SG 105/05, in force from 01.01.2006) The pension insurance company shall bear responsibility before the insured persons only for the actually transferred insurance payments by the National Revenue Agency.

Chapter twelve. TAX RELIEF

Tax exemption

Art. 160. (1) The proceeds of the universal and the professional pension fund shall not be levied with tax by the order of the Law for the corporate income taxation.

(2) (amend. - 95/06, in force from 01.01.2007) The proceeds from investing the assets of the universal and the professional pension fund, distributed among the individual files of the insured persons shall not be levied with taxes in the context of the Law for the taxes on the income of natural persons.

(3) The services for the additional obligatory pension insurance shall not be levied with tax by the order of the Law for the value added tax.

(4) The financial result of the licensed companies for additional obligatory pension insurance shall be reduced by the pension reserve formed under the conditions of Art. 192, para 2, as well as by the income from its investing.

Deduction of the personal payments from the taxable income

Art. 161. (amend. - 95/06, in force from 01.01.2007) The personal insurance payments for additional obligatory pension insurance in universal pension fund by the individuals shall be deducted from their income before the taxation by a way, order and in amounts determined by the Law for the taxes on the income of natural persons.

Payments for expenses

Art. 162. The payments by the employers for additional obligatory pension insurance shall be acknowledged as expenses for the activity under the Law for the corporate income taxation.

Chapter thirteen. RIGHTS OF THE INSURED PERSONS

Restrictions for insurance in a pension fund

Art. 163. The insured persons shall have the right to insure themselves only in one universal and/or one professional pension fund.

Relief from responsibility for liabilities

Art. 164. The insured persons and the pension fund shall not be responsible for the liabilities of the pension insurance company which has founded and manages it.

Rights of the insured persons (amend., SG 67/03)

Art. 165. (amend., SG 67/03) (1) The persons insured in universal pension fund shall be entitled to an additional pension for old age and the insured in professional pension fund - to a pension for early retirement.

(2) The pensions under para 1 shall be personal.

Kinds of pension

Art. 166. (revoked, SG 67/03)

Right to additional lifetime pension for old age (amend., SG 67/03)

Art. 167. (amend., SG 67/03) (1) The right to an additional lifetime pension for old age shall occur when the insured acquires a right to pension for an insured practice and age under the conditions of Part One of this Code.

(2) Upon request of the insured the fund for additional obligatory pension insurance may pay a lifetime additional pension for old age five years before the completion of the age of acquiring the right to a pension for insured service under art. 68, para 1 - 3, on condition that the accumulated resources in his individual account allow the granting of such a pension of a size not less than the size of the minimal pension for insured service and age under art. 68, para 1 - 3.

Right to professional pension

Art. 168. (1) The right to professional pension for early retirement for those working in the conditions of first and second category of labour shall occur in the presence of:

1. (amend., SG 67/03, amend. – SG 112/2004) no less than 10 years of insurance practice in the conditions of first category of labour and 8 years lower age than the age for acquiring right to retirement for insured practice and age under art. 68, para 1-3;

2. (amend., SG 67/03, amend. – SG 112/2004) not less than 15 years of insurance practice in the conditions of second category of labour and 3 years lower age than the age for acquiring right to retirement for insured practice and age under art. 68, para 1 -3.

(2) (amend., SG 67/03) The professional pension for early retirement shall be received until the moment of acquiring right to pension for insured practice and age under Part One.

Determining the amount of the pensions

Art. 169. (amend., SG 67/03) (1) The amount of the additional lifetime pension for old age shall be determined on the basis of:

1. the accumulated sum in the individual account;
2. the bio-metric tables approved by the deputy chairman of the commission;
3. the technical interest rate approved by the deputy chairman of the commission.

(2) The size of the term professional pension for early retirement shall be determined on the basis of:

1. the accumulated resources in the individual account;
2. the term of receiving;
3. the technical interest rate approved by the deputy chairman of the commission.

Pension contract (new, SG 67/03)

Art. 169a. (new, SG 67/03) (1) On acquiring a right to pension under the conditions of this division a pension contract shall be concluded between the pension insurance company and the pensioner.

(2) The pension contract shall obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006) the name, the seat, the address of management, the commercial registration, number and date of the pension licence and the unified identification code of the pension insurance company;

2. the full name and personal data of the pensioner;
3. the kind and the size of the pension and the way of its re-calculation;
4. term of receiving the pension;
5. the order and the way of payment of the pension;
6. rights of the legatees of the pensioner;
7. the order and the way of submitting information to the pensioner;

8. expenses related to the payment of the pension;
9. terms of termination of the contract.

Rights of the legatees (amend., DG 67/03)

Art. 170. (amend., SG 67/03) (1) In case of death of the insured person, to the legatees - the surviving spouse, the relatives on the ascending and descending line, shall be paid one-time or by schedule the accumulated sum under his individual account, observing the order of inheritance and the size of the inherited shares according to the Law of the inheritance.

(2) In case of death of a pensioner of a universal or professional fund to the legatees under para 1 shall be paid the remainder of the sum of his individual account.

(3) When there are no legatees under para 1 the accumulated resources of the individual account in a universal fund shall be transferred to the pension reserve, and the accumulated resources of the individual account in the professional fund shall be transferred to the state budget.

Right of transfer

Art. 171. (amend., SG 67/03) (1) The insured person shall have the right to change his participation in a fund for additional obligatory pension insurance and to transfer the accumulated sums under the individual account from one to another respective fund managed by another pension insurance company, if two years have elapsed from the date of conclusion of his first insurance contract or from the date of the official distribution upon occurrence of his obligations for insurance.

(2) In cases other than those under para 1 the participation in a fund for additional obligatory pension insurance may be changed upon expiration of one year from the conclusion of the contract for insurance in it.

(3) The insured person may change, without restriction, their participation in the fund in case of disagreement with changes introduced in its regulations if, within three months from the notification under art. 144, para 2 they file application to that effect, if these changes ensue from a change of the normative provisions.

(4) (revoked, SG 112/03)

(5) The order and the way of changing the participation in a fund or transfer of the accumulated resources of the individual account of an insured person from one fund to another respective fund for additional obligatory pension insurance, managed by another pension insurance company, shall be determined by an ordinance of the commission.

Right of drawing the accumulated sums

Art. 172. The insured person shall have the right, at the time of retirement, to draw once or transfer the accumulated sums under the individual file into a universal fund if he has not acquired right to professional pension under the conditions of Art. 168.

Right to free information

Art. 173. (1) The insured person shall be entitled to free information for the accumulated resources under his individual file, for the proceeds from their management and for the pension rights ensuing from the accumulated resources at least once within one calendar year by a way and an order determined by the regulations of the pension insurance company.

(2) In case of death of the insured person the right under para 1 shall be acquired by the persons under Art. 170, para 1.

Signal function

Art. 174. (1) (amend., SG 8/03; amend., SG 67/03) The insured person and the persons under Art. 170, para 1 shall have the right to signal the trust board and the commission about violations of the activity of the pension insurance company.

(2) (amend., SG 8/03; amend., SG 67/03) The trust board, respectively the commission shall be obliged to respond in writing to each complaint within two months from the date of its receipt.

Chapter fourteen. ASSETS AND INVESTMENTS

Principles of investment

Art. 175. The resources of the universal and of the professional pension fund shall be invested in compliance with the principles of reliability, liquidity, profitableness and diversification.

Investment (amend., SG 67/03)

Art. 176. (1) (amend., SG 67/03) The pension insurance company may invest the resources of the fund for additional obligatory pension insurance only in:

1. securities issued or guaranteed by the state, the obligations, which constitute state or state-guaranteed debt;

2. stocks, other than the ones, indicated under item 3 and 9, accepted for trade on regulated market of securities, as well as in rights under § 1, item 3 from the Additional provisions of the Law for public offering of securities;

3. stocks of a special investment company, licensed by the order of the Law of the special investment companies as well as in rights under § 1, item 3 from the Additional provisions of the Law for public offering of securities, issued at increase of the capital of the company;

4. municipal securities, issued by Bulgarian municipalities pursuant to the Law on the municipal debt;

5. (*) bank deposits in banks with credit rating, acquired a permission to carry out bank activity on the territory of the Republic of Bulgaria;

6. mortgage bonds, issued by local banks according to the Law of the mortgage bonds, accepted for trade on regulated market of securities;

7. corporate bonds, other than the ones, indicated under item 6, accepted for trade on regulated market of securities.

8. secured corporate bonds, for which in the decision of the general assembly of the stock-holders and in the proposal for conclusion of bond loan an obligation is undertaken for them to be registered for trade on regulated market of securities within a term no longer than 6 months from their issuing and for which it is provided for the provisions of the Law of the public offering of securities to be applied respectively with regards to the agent of the bond holders and to securing of public issue of bonds.

9. stocks and/or shares, issued by collective investment schemes by the order of the Law for the public offering of securities;

10. (*) debt securities, issued or guaranteed by:

a) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Member States or their central banks;

b) countries, indicated in an ordinance of the commission, or by their central banks;

c) the European Central Bank or by the European Investment Bank;

11. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (*) securities, accepted for trade on regulated markets of securities in Member states:

a) debt securities, issued by foreign municipalities;

b) debt securities, other then the ones, indicated in letter "a" and item 10;

c) stocks, included in indices of regulated markets of securities;

12. (*) securities, accepted for trade on regulated markets of securities in countries, indicated in an ordinance of the commission:

a) qualified debt securities, issued by foreign municipalities;

b) qualified debt securities, other then the ones, indicated in letter "a" and item 10;

c) stocks, included in indices of regulated markets of securities;

13. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (*) stocks and/or shares, issued by collective investment scheme, which invests only in securities and deposits under item 1 – 8, 10, 11, 12 and 14 and whose headquarters or the headquarters of its managing body is located in a Member State, respectively in a country, pointed out in an ordinance of the commission;

14. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (*) bank deposits in banks with credit rating, which have acquired a permission to carry out banking activity in accordance with the legislation of Member State, or of country, pointed out in an ordinance of the commission;

15. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (*) investment properties in the country, in a Member State.

(2) The commission shall determine with an ordinance:

1. the minimum level of the ratings under par. 1, items 5 and 14 and the rating agencies, which award them;

2. the states under par. 1, item 10, letter "b", items 12, 13 and 14 and the regulated markets in these countries, on which the securities are traded;

3. the indices under par. 1, item 11, letter "c" and item 12, letter "c".

(3) The managing body of the pension insurance company shall approve internal rules for the procedures on monitoring, measurement and management of the risk, connected with the investments of a fund for additional obligatory pension insurance and shall present them to the deputy chairman of the commission within 7 days from their approval, respectively amendment and supplement.

Investment prohibition and restrictions of the transactions with assets of a fund for additional obligatory pension insurance (Title amend. – SG 17/06)

Art. 177. (1) (prev. text of art. 177 - amend., SG 76/03, amend. - SG 17/06)

The pension insurance company cannot invest the assets of a fund for additional obligatory pension insurance in securities:

1. which are not paid in full;
2. issued by pension insurance company which manages it, or by related persons.
3. issued by the bank-trustee of the fund, by the persons under art. 123c, para 1 or by related persons.

(2) (new, SG 67/03) Assets of a fund for additional obligatory pension insurance may not be acquired by:

1. the pension insurance company, managing it, except for the cases, provided in this code;
2. fund for additional obligatory pension insurance, managed by the pension insurance company;
3. a member of the managing or the control body of the pension insurance company;
4. a person under art. 123c, par. 4 or a member of the managing or control body of that person;
5. persons related to the ones under items 1 - 4.

(3) Fund for additional obligatory pension insurance cannot acquire assets from the persons under par. 2.

(4) The prohibition for acquisition under par. 2 and 3 shall not be applied to the cases of trade of securities on regulated market.

(5) The pension insurance company cannot acquire or transfer to regulated market of securities on behalf and for the account of fund for additional obligatory pension insurance, managed by it, securities through cross transactions and transactions, which are subject to registration on this market only, according to the rules for trading on the respective regulated market.

(6) The use of the investment properties, which are owned by the fund for additional obligatory pension insurance, for the necessities of the pension insurance company, managing it, and the persons, related to it, shall not be admitted.

Investments in one issuer

Art. 177a. (new - SG 17/06) (1) The pension insurance company and the funds for additional obligatory pension insurance, managed by it, can not acquire separately more than 7 percent of the stocks of one issuer or a participation, by which

the company or the funds – jointly or separately can determine directly or indirectly more than half of the members of the managing body or to exercise in another way decisive influence on the decision-making in connection to the issuer` activity.

(2) The pension insurance company and a fund for additional pension insurance, managed by it, cannot acquire stocks issued by one issuer.

Restrictions of investment

Art. 178. (amend., SG 8/03; amend., SG 67/03, amend. - SG 17/06) (1) The total value of the investments of a fund for additional obligatory pension insurance in securities, issued by one issuer, may not exceed 5 percent of the assets of the fund. The restriction does not refer to the investments in securities under art. 176, par. 1, items 1 and 10.

(2) Not more than 20 percent of the assets of a fund for additional obligatory pension insurance pension insurance can be invested together in securities under art. 176, par. 1, items 2, 11, letter "b" and item 12, letter "c".

3) Not more than 5 percent of the assets of a fund for additional obligatory pension insurance pension insurance can be invested together in securities under art. 176, par. 1, item 2.

(4) Not more than 15 percent of the assets of a fund for additional obligatory pension insurance pension insurance can be invested together in securities under art. 176, par. 1, items 4, 11, letter "a" and item 12, letter "a".

(5) Not more than 25 percent of the assets of a fund for additional obligatory pension insurance pension insurance can be invested together in bank deposits under art. 176, par. 1, items 5 and 14, provided that the investments in bank deposits in one bank may not exceed 5 percent of the assets of the fund

(6) No more than 30 percent of the assets of a fund for additional obligatory pension insurance may be invested in mortgage bonds, as the investments in mortgage bonds under art. 176, par. 1, item 6.

(7) No more than 25 percent of the assets of a fund for additional obligatory pension insurance may be invested in municipal bonds issued together in securities under art. 176, par. 1, items 7, item 11, letter "b" and item 12, letter "b".

(8) No more than 5 percent of the assets of a fund for additional obligatory pension insurance may be invested in securities under art. 176, par. 1, items 7, item 8.

(9) No more than 15 percent of the assets of a fund for additional obligatory pension insurance may be invested together in securities under art. 176, par. 1, items 9 and 13, provided that the investments in securities of collective investment schemes, managed by one and the same managing company, may not exceed 5 percent of the fund`s assets.

(10) No more than 20 percent of the assets of a fund for additional obligatory pension insurance may be denominated in a currency, other than BGN and euro.

(11) No more than 5 percent of the assets of a fund for additional obligatory pension insurance may be invested in investment properties under art. 176, par. 1, item 15.

Prohibition of receiving and granting loans (Title amend. - SG 17/06)

Art. 179. (amend. - SG 17/06) The pension insurance company cannot grant as well as receive loans on behalf and for the account of the fund or be a guarantor to third persons with the assets of fund.

Repo transactions and reverse repo transactions

Art. 179a. (new - SG 17/06) The pension insurance company may conclude on behalf and for the account of the fund for additional obligatory pension insurance, managed by it, repo transactions and reverse repo transactions with securities under art. 176, par. 1 in total amounting up to 15 percent of the assets of the fund, fixed by the end of the working day, preceding the date of conclusion of the last repo transaction or the last reverse repo transaction.

Transactions for reduction of the investment risk

Art. 179b. (new - SG 17/06) (1) With the purpose of reducing the investment risk, connected to the assets of the pension funds, the pension insurance company may conclude transactions, which provide delay of the fulfilment of the obligations on them till fixed future date or term.

(2) Transactions under par. 1 are:

1. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the transactions with futures, traded on regulated markets of securities in the Republic of Bulgaria, in Member States, or on regulated markets of securities in countries, pointed out by an ordinance of the commission;

2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the transactions with options, traded on regulated markets of securities in the Republic of Bulgaria, in Member States or on regulated markets of securities in countries, pointed out by an ordinance of the commission;

3. the forward currency contracts;

4. the interest swap transactions;

(3) The commission shall adopt an ordinance for the conditions for conclusion of transactions under par. 1, as well as for the requirements and the restrictions to them.

Information announcement (Title amend. - SG 17/06)

Art. 180. (amend., SG 67/03; amend. - SG 17/06) (1) Annually till the 31st of march the pension insurance company shall be obliged to publish on its Internet site information about the amount and the structure of the investments by types of assets and issuers of securities for each fund for additional obligatory pension insurance, managed by it. The information shall be compiled using data from the end of the previous year.

(2) The deputy chairman of the commission shall approve requirements to the pension insurance company with regards to:

1. the contents of the information under par. 1;

2. the determination and the public announcement by the pension insurance

company of the investment results achieved at the management of a fund for additional obligatory pension insurance.

Violation of the restrictions (new, SG 67/03)

Art. 180a. (new, SG 67/03, amend. - SG 17/06) (1) The pension insurance company shall be obliged to set the assets of the fund for additional obligatory pension insurance in compliance with the requirements of art. 178 and 179a and with the quantitative restrictions to these assets, determined in the Regulations for organization and the activity of the fund within three months term from the date of exceeding the respective investment restriction, in case it is due to:

1. a change of the market price or of the price, used for implementation of subsequent evaluation of the fund's assets;
2. a change of the total value of the assets of the fund;
3. acquisition of rights under § 1, item 3 from the Additional provisions of the Law of public offering of securities by the fund in its capacity as an stock-holder of a certain issuer;
4. reduction of the capital of a certain issuer.

(2) In the cases of para 1, till bringing the assets of the fund for additional obligatory pension insurance in compliance with the legal requirements, the pension insurance company may not acquire for the account of the fund assets under art. 176, par. 1, with regards to which the restriction is violated.

Assessment of the assets

Art. 181. (amend., SG 8/03; amend., SG 67/03) The way and the order of assessment of the assets and liabilities of the funds for additional pension insurance and of the pension insurance companies, of the value of the net assets of the fund, the calculation and the announcement of the value of one share, as well as the requirements for the keeping of the individual accounts shall be determined by an ordinance of the commission.

Contract with investment mediator

Art. 182. (revoked, SG 67/03)

Contract with banks-depositors

Art. 183. (revoked, SG 67/03)

Actuary services

Art. 184. (revoked, SG 67/03)

Chapter fifteen.
ACCOUNTANCY

Requirements for the accountancy of the pension funds and of the pension insurance company (amend., SG 67/03)

Art. 185. (amend., SG 67/03) (1) The pension insurance company shall organise and keep the accountancy and shall work out their accountancy statements and the accountancy statements for the funds for additional obligatory pension insurance managed by it, in compliance with the requirements of the Accountancy Law, the applicable accountancy standards and the provisions of this code.

(2) The deputy chairman of the commission shall determine the type, the form and the contents of the statements and of the applications to them, which shall be presented to the commission by the companies for additional pension insurance.

Accountancy of the Pension Fund

Art. 186. (amend., SG 67/03) The pension insurance company shall keep an individual accountancy of each pension fund for additional pension insurance managed by it and shall work out an individual financial statements for them.

Monthly statements (new, SG 67/03)

Art. 186a. (new, SG 67/03) (1) (suppl, SG 112/03) The company shall be obliged to present to the deputy chairman of the commission its monthly report and monthly statements for the funds for additional obligatory pension insurance managed by it within 20 days from the end of each month.

(2) The monthly statement shall include a financial statement with the contents of art. 26, para 1 of the Accountancy Law and appendixes.

Annual accountancy statement

Art. 187. (amend., SG 67/03) (1) The annual accountancy statements of the pension insurance company and of the pension funds managed by it shall be inspected and endorsed by two registered auditors or by a specialised audit enterprise approved by the general assembly of the company.

(2) The registered auditors and the specialised audit enterprises shall be obliged to carry out conscientious and objective inspection and to keep the official secret.

Management statement (amend., SG 67/03)

Art. 188. (amend., SG 67/03) The report on the management and the annual financial statement of the pension fund shall be adopted by the general assembly of the pension insurance company.

Promulgation of the statement

Art. 189. (amend., SG 67/03) The financial statements of the pension insurance company and of the pension funds managed by it, accepted by the general assembly, shall be promulgated simultaneously in the State Gazette.

Obligation for presentation of the statements

Art. 190. (1) (amend., SG 8/03; amend., SG 67/03; amend., SG 112/03) The pension insurance company shall present to the deputy chairman of the commission the annual financial statements of the company and of the funds managed by it, inspected and certified by the order of art. 187, para 1, audit reports and a statement for the management within three months after the end of the financial year.

(2) (amend., SG 8/03; amend., SG 67/03) The pension insurance companies shall be obliged to present, upon request by the commission, financial statements which reflect their financial status and the status of the pension funds managed by them.

Chapter sixteen. PENSION RESERVES

Guarantees for fulfilment of the obligations

Art. 191. The pension insurance company managing a universal or professional pension fund shall guarantee by its assets the fulfilment of the obligations to the persons insured in the fund.

Reserves of the pension insurance company

Art. 192. (1) The pension insurance company shall obligatorily create general reserves by the order of the Commercial Law.

(2) (amend., SG 8/03; suppl., SG 67/03) The pension insurance company managing universal pension fund shall obligatorily create pension reserve by an ordinance of the commission.

(3) The pension reserve shall cover the payment of the pensions to persons who have lived longer than the preliminary actuary calculations.

(4) The pension insurance companies cannot allocate dividends to their stock holders before forming the reserves.

Minimal profitability (amend., SG 67/03)

Art. 193. (amend., SG 67/03) (1) (amend., SG 8/03) The pension insurance companies shall be obliged to achieve a minimal level of profitability in managing the assets of the funds for obligatory pension insurance.

(2) The minimal profitability shall be determined by the deputy chairman of the commission by the end of each quarter in a percentage, individually for the universal and professional pension funds, on the basis of the achieved profitability of the management of the assets of all funds of the respective kind for the preceding 24-month period.

(3) The minimal profitability of the respective pension funds shall be 60 percent of the average achieved profitability, or by 3 percent points less than the average - whichever is the less.

(4) The minimal profitability shall be announced by the deputy chairman of the commission by the end of each month following the quarter of account.

(5) When the achieved profitability of a fund for additional obligatory pension insurance is lower than the minimal one the pension insurance company, managing the fund, shall be obliged, within 10 days from its announcement, to cover the difference up to the minimal one by the reserves created for that purpose.

(6) For guaranteeing the minimal profitability shall be created reserves in the pension fund and in the pension insurance company.

(7) (suppl., SG 112/03) When the achieved profitability by a universal or a professional fund is over 40 percent higher than the achieved profitability of the respective kind of pension fund or exceeds by 3 percent points the average one, whichever is the largest figure, the resources from the profitability over this percentage shall be allocated as a reserve by the respective fund. The value of the reserve may not exceed 1 percent of the assets of the fund.

(8) The pension insurance company shall form, by own resources, a reserve for each fund for additional obligatory pension insurance managed by it, amounting to no less than 1 percent and not more than 3 percent of the assets of the respective fund.

(9) If the achieved profitability of the universal and professional pension fund is under the guaranteed minimum the difference shall be covered by the reserve of the fund. When the resources of the reserve of the fund are insufficient the pension insurance company shall cover the shortage by the resources of the reserve under para 8.

(10) The resources of the reserves under para 7 and 8 shall be invested by observing the provisions of art. 175 - 180.

(11) The deductions for creation of the reserve under para 8 shall be recognised as expenses of the pension insurance company and shall not be levied with tax by the order of the Law of the corporate income taxation.

(12) The way and the order of determining the minimal profitability, of covering the difference up to the minimal profitability and of formation and using the reserves under para 7 and 8 shall be settled by an ordinance of the commission.

Chapter seventeen.

TRANSFORMATION, TERMINATION, LIQUIDATION AND BANKRUPTCY OF THE FUNDS FOR ADDITIONAL OBLIGATORY PENSION INSURANCE (revoked, SG 67/03)

Transformation of the pension fund
Art. 194. (revoked, SG 67/03)

Bankruptcy proceedings
Art. 195. (revoked, SG 67/03)

Rights of the assignee in bankruptcy
Art. 196. (revoked, SG 67/03)

Rights of the insured

Art. 197. (revoked, SG 67/03)

Obligations of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision (amend., SG 8/03)

Art. 198. (amend., SG 8/03; revoked, SG 67/03)

Term of exercising the rights of the insured

Art. 199. (revoked, SG 67/03)

Applicability of the Law for the additional voluntary pension insurance

Art. 200. (revoked, SG 67/03)

Chapter eighteen. FEES AND DEDUCTIONS

Obligatory fees

Art. 201. (1) For carrying out the activity on additional obligatory pension insurance and for management of the pension funds shall be introduced fees and deductions in favour of the pension insurance companies as follows:

1. a percentage of each insurance instalment - in a way, order and amounts established by the regulations for the organisation and activity of the pension fund, as the maximal amount cannot exceed 5 percent of the sum transferred to the pension fund;

2. (amend., SG 67/03) investment fee amounting to one percent annually of the value of the net assets depending on the period during which they have been managed by the pension insurance company.

(2) (amend., SG 8/03; amend., SG 67/03) The deduction under para 1, item 2 shall be made by an order determined by the commission.

Additional fees

Art. 202. (amend., SG 67/03) (1) The pension insurance company may collect additional fee amounting to 20 BGN for each transfer of the accumulated resources under the individual account from one fund to another. The fee shall be paid by the insured person.

(2) The fee under para 1 shall not be paid for transfer due to non-acceptance of amendments in the regulations of the fund for additional obligatory pension insurance.

Lawfulness of the fees

Art. 203. The pension insurance companies cannot collect other fees and deductions other than the ones stipulated in this chapter.

Chapter nineteen.
ADMINISTRATIVE PUNITIVE RESPONSIBILITY (revoked, SG
67/03)

Section I.
Responsibility for violation of the provisions of the legislation
regarding the state public insurance (revoked, SG 67/03)

Grounds

Art. 204. (revoked, SG 67/03)
(3) (revoked, SG 64/00)

Establishment of the violations

Art. 205. (revoked, SG 67/03)

Section II.
Responsibility for the violations of the provisions of the legislation
regarding the additional obligatory pension insurance (revoked, SG
67/03)

Responsibility for activity without pension licence

Art. 206. (revoked, SG 67/03)

Responsibility for offences and non-fulfilment of prescriptions (New, SG
8/03)

Art. 206a. (New, SG 8/03; revoked, SG 67/03)

Establishment of the violations

Art. 207. (revoked, SG 67/03)

Applying enforcement administrative measures (New, SG 8/03)

Art. 208. (New, SG 8/03; revoked, SG 67/03)

Division three.
ADDITIONAL VOLUNTARY PENSION INSURANCE (new, SG
67/03)

Chapter twenty .

GENERAL (new, SG 67/03)

Principles (new, SG 67/03)

Art. 209. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional voluntary pension insurance shall be carried out in a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes, called hereinafter "funds for additional voluntary pension insurance" on the grounds of the principles of:

1. voluntariness of participation;
2. corporate independence of the pension insurance company and of the funds for additional voluntary pension insurance;
3. transparency, severalty and exclusivity of the activity;
4. permit regime and state regulation;
5. obligatory periodical reporting and disclosure of information;
6. loyal competition between the pension insurance companies.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance in the funds for additional voluntary pension insurance shall be carried out on the principle of capital coverage on the basis insurance instalments determined in advance.

(3) (suppl. – SG 17/06; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The resources of the funds for additional voluntary pension insurance shall be managed by the pension insurance company with the care of a good entrepreneur in observance of the principles of reliability, liquidity, profitability and diversification to the interest of the insured persons.

Insured persons (new, SG 67/03)

Art. 210. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Every individual having accomplished 16 years of age may voluntarily insure himself or be insured in funds for additional voluntary pension insurance under the conditions and by the order of this division.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional voluntary pension insurance shall be personal. Every insured in a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes shall have an individual insurance number and individual account.

Participation in funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 211. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry

into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The participation in funds for additional voluntary pension insurance shall run from the moment of conclusion of the insurance contract.

Rights by insurance in funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 212. (new, SG 67/03) (1) (prev. text of art. 212 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance in a fund for additional voluntary pension insurance shall give a right to:

1. a personal pension - for old age or disability;
2. hereditary pension - on death of the insured person who receives pension under this division;
3. one-time or deferred payment of the accumulated resources of the individual account;
4. one-time or deferred payment of resources to the legatees of a deceased insured person or of a pensioner.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance under professional pension schemes of enterprises insurers, established according to the legislation of the Republic of Bulgaria, shall give right to:

1. term pension for old age;
2. one-time or deferred payment of the accumulated resources of the individual account;
3. one-time or deferred payment of resources to the legatees of a deceased insured person or of a pensioner.

Reserves of the pension insurance company (new, SG 67/03)

Art. 213. (new, SG 67/03) (1) The pension insurance company shall obligatorily create general reserves by the order of the Commercial Law and pension reserves.

(2) The pension insurance company managing the fund for additional voluntary pension insurance and paying lifetime pensions shall obligatorily create a pension reserve by an order determined by the commission.

(3) The pension reserve under para 2 shall cover the payment of pensions to the persons who have lived longer than the advance actuary expectations.

(4) The pension insurance companies may not distribute dividends to their stock holders before the formation of the reserves.

Technical reserves

Art. 213a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) In order to guarantee punctual fulfilment of the obligations under concluded pension contracts, the pension insurance company, managing a fund for additional voluntary

pension insurance under professional schemes shall:

1. maintain at any moment assets, corresponding to the financial liabilities in amount;

2. obligatorily form technical reserves in the cases, when covering biometrical risks, ensure minimal level of profitability or amount of the pensions.

(2) The assets for covering technical reserves under para 1, item 2 shall be formed and maintained at the fund for additional voluntary pension insurance under professional schemes as specified property, separated from the rest of the assets of the fund, for which individual accountancy shall be kept.

(3) The types of reserves, the procedure and the methods of their formation, as well as the maximum amount of the technical rate of interest shall be determined by an ordinance of the commission.

(4) The calculation of the technical reserves shall be carried out annually and shall be certified by the liable actuary of the pension insurance company. The actuary methods used and the order and the manner of the calculation of the reserves shall be specified by the ordinance under para 3.

(5) The calculation of the technical reserves shall be carried out in such a manner, that:

1. the minimal amount of the technical reserves shall be determined by means of reliable and fair actuary calculations and admissions, indicating all obligations, ensuing from the concluded pension contracts; the minimal amount shall be sufficient for payment of all granted pensions;

2. the adopted economic and actuary admissions for assessment of the obligations shall be selected reasonably, provided that a suitable limit for the unfavourable deviations shall be indicated;

3. the amount of the technical rate of interest shall be specified in appliance with the requirements of the ordinance under para 3, provided that shall be accounted:

a) the profitability of the assets, covering the technical reserves, and the anticipated degree of returns on investments and/or

b) the market profitability of qualified debt instruments, issued or guaranteed by government of a Member state.

4. the biometrical tables, used for the calculation of the technical reserves, shall be determined, taking into consideration the basic characteristics of the persons with pensions granted under professional schemes with biometrical risk covered, as well as the anticipated future development of the risks;

5. the method and the actuary admissions at the calculation of the technical reserves may not be altered, except in the cases of changes in the legal, demographic or the economic circumstances, on which the admissions are based.

Financing the technical reserves

Art. 213b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The pension insurance company at any moment shall provide sufficient and suitable assets, covering the technical reserves, specified in the Ordinance under art. 213a, para 3, with regards to all obligations undertaken with covered risks.

(2) The technical reserves shall be covered entirely at any moment for all

managed professional schemes. In case of violation of this obligation the deputy chairman of the commission shall apply the measure under art. 344, para 1, item 17.

Chapter twenty one. FUNDS FOR ADDITIONAL VOLUNTARY PENSION INSURANCE (new, SG 67/03)

Definition (new, SG 67/03)

Art. 214. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be established and managed by licensed pension insurance companies.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be established by a decision of the general assembly of the pension insurance company.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) A pension insurance company may constitute and manage one fund for additional voluntary pension insurance and one fund for additional voluntary pension insurance under professional schemes.

(4) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be managed and represented by the pension insurance company.

(5) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company and the funds for additional voluntary pension insurance are separate corporate bodies.

(6) The funds for additional voluntary pension insurance shall be established for an indefinite period of time.

(7) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The seat and the address of management of the funds for additional voluntary pension insurance shall obligatorily coincide with the seat and the address of management of the pension insurance company.

Liability of the pension insurance company (new, SG 67/03)

Art. 215. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall bear proprietary liability to the insured persons for losses having occurred as a result of unconscientious fulfilment of its obligations regarding the management and the representation of the funds for additional voluntary pension insurance.

(2) The pension insurance company shall guarantee by its assets the fulfilment of its obligations to the insured persons and pensioners.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall not be liable for the obligations and for the losses of the pension insurance company managing and representing them.

Name (new, SG 67/03)

Art. 216. (new, SG 67/03) (1) The name of the fund for additional voluntary pension insurance shall obligatorily contain in a combination the name of the pension insurance company and the words "pension", "voluntary" and "fund" or their derivatives.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The name of the fund for additional voluntary pension insurance under professional schemes shall include not only the content under para 1, but also the words "professional schemes".

(3) (prev. text of para 2, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Only funds registered in compliance with this code may use in their name in a combination the words under para 1 and 2 or their equivalent in Bulgarian or foreign language.

Prohibition of title by prescription (new, SG 67/03)

Art. 217. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The assets of the funds for additional voluntary pension insurance may not be acquired by prescription.

Permit for management of funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 218. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) A permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes shall be issued by the deputy chairman of the commission.

(2) To obtain a permit under para 1 the licensed pension insurance company shall file in the commission a written request, to which shall be enclosed:

1. the decision of the general assembly of the licensed pension insurance company for establishing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes;
2. the regulations for the organisation and activity of the fund;
3. actuary plans for the offered pension schemes and the names and personal data of the actuary;
4. samples of insurance and pension contracts;

5. preliminary contract with a bank-trustee and an investment mediator;
6. financial report of the company by the last date of the preceding month;
7. reference for programme and technical provision of the informational system of the company;

8. reference for the organisational structure of the company and its personnel;
9. a document for paid fee for consideration of documents.

(3) Besides the documents under para 2 the deputy chairman of the commission may also require additional information in connection with them and set a deadline for its presentation.

Term of considering the request for permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 219. (new, SG 67/03) (1) The deputy chairman of the commission shall announce his decision within one month from filing the request under art. 218, and when additional information and documents are required - within one month from their presentation.

(2) Where the request for issuance of permit accepted with missing or irregular documents the deputy chairman of the commission shall inform, within 14 days, the pension insurance company about the irregularities and shall set a deadline for their correction.

(3) The deputy chairman of the commission shall inform in writing the applicant about the decision under para 1 within 7 days from its being taken.

Refusal to issue permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 220. (new SG 67/03) (1) The deputy chairman of the commission shall refuse to issue permit where:

1. after the expiration of the set deadline under art. 219, para 1 and 2 the additional documents or information have not been presented or the irregularities have not been corrected;

2. the requirements of this code have not been met;

3. there is necessary financial, personnel or informational provision of the pension insurance company.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case of a refusal the pension insurance company may file a new request for obtaining a permit for managing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes not earlier than 6 months from the date of the refusal.

Court registration (new, SG 67/03)

Art. 221. (SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The district court at the place of the seat of the fund for additional voluntary pension insurance or the fund for additional voluntary pension insurance under professional schemes shall enter in its register the fund if the pension insurance company has filed an application for registration within 6 months from obtaining the permit from the deputy chairman of the commission.

(2) The application for court registration shall contain:

1. the name, the seat and the address of management of the pension insurance company;
2. name of the pension fund;
3. full name and united citizen number of the persons who manage and represent the pension insurance company.

(3) Attached to the application under para 2 shall be:

1. a certified copy of the licence of the pension insurance company for carrying out activity of additional pension insurance;
2. the statutes of the pension insurance company;
3. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the pension insurance company;
4. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the decision of the general assembly of the pension insurance company for establishing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes;
5. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the regulations for the organisation and activity of the fund for additional voluntary pension insurance or the fund for additional voluntary pension insurance under professional schemes;
6. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the permit of the deputy chairman of the commission for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes.

(4) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Entered in the register of the district court shall be the name of the fund for additional voluntary pension insurance or of the fund for additional voluntary pension insurance under professional schemes; the name, the seat and address of management of the pension insurance company having established the fund; the way of representation of the pension insurance company.

(5) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The fund for additional voluntary pension insurance or the fund for additional voluntary pension insurance under professional schemes shall occur as a corporate body from the day of the entry in the court register.

Deadline for the court decision (new, SG 67/03)

Art. 222. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The court shall consider the application for registration of the fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes within 14 days from the date of its filing.

Submission of a copy of the court decision (new, SG 67/03)

Art. 223. (SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall be obliged to submit to the commission a certified copy of the court decision for entry of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes within 7 days from its receipt.

Responsibility regarding the expenses related to the registration (new, SG 67/03)

Art. 224. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) All expenses related to establishing, obtaining permit for management and for registration of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes shall be for the account of the pension insurance company.

Withdrawal of the permit for management of a fund (new, SG 67/03)

Art. 225. (new, SG 67/03) (1) (prev. text of art. 225, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The deputy chairman of the commission shall withdraw the permit for managing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes for:

1. finding that the documents having serves as grounds for issuance of the permit contain untrue data;

2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) not filing the application for court registration within 6 months from obtaining the permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes;

3. transformation of the pension insurance company when the management of the fund is transferred to another pension insurance company;

4. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) dissolving of the fund due to merger or incorporation with another fund for additional voluntary pension insurance or fund for additional voluntary pension insurance under professional schemes;

5. presence of real and immediate threat for the interests of the insured

persons;

6. withdrawal of the pension licence of the pension insurance company managing the fund.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The deputy chairman of the commission may also withdraw the permit for management of a fund for additional voluntary pension insurance under professional schemes in case of systematic violations of the applicable labour and insurance legislation, the normative requirements, related to the investment activity and the disclosure of information.

Obligations of the pension insurance company after withdrawal of the permit for managing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 226. (new, (SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) After the withdrawal of the permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes the pension insurance company may not conclude new contracts and offer new terms of additional voluntary pension insurance, as well as change the conditions, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the permit shall not release the pension insurance fund from its obligations on concluded contracts.

Obligation of the deputy chairman of the commission after the withdrawal of a permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 227. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The deputy chairman of the commission shall send a notification for the withdrawal of the permit for managing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes to the court having made the registration, shall promulgate the notification in the State Gazette and shall publish it in at least two central daily newspapers.

Regulations for the organisation and activity of a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union).

Art. 228. (new, SG 67/01) (1) (amend. and suppl. - SG 56/06, in force from

the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of a fund for additional voluntary pension insurance or of a fund for additional voluntary pension insurance under professional schemes shall be adopted by the management bodies of the pension insurance company.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of the fund for additional voluntary pension insurance shall contain:

1. the name of the fund;
2. the name, the seat and the address of management of the pension insurance company managing it;
3. the requirements for additional voluntary pension insurance;
4. the conditions and the order of concluding insurance or pension contracts, the order for the amendments and supplements in them and the conditions of their termination;
5. the kinds of pension schemes and their description;
6. the order of raising insurance instalments;
7. the persons entitled to hereditary pension;
8. the conditions and the order of keeping individual accounts and of submitting excerpts of them to the insured persons;
9. (amend. - SG 17/06) the investments policy and the basic objectives and restrictions of the investment activity;
10. (new - SG 17/06) the quantitative restriction (in percent of the assets of a fund for additional voluntary pension insurance) of each investment under art. 176, par. 1, which the pension insurance company observes at management of the fund's assets;
11. the size of the fees and charges collected by the pension insurance company;
12. the conditions, the order and the deadlines for payment of the pensions and of the one-time or deferred payments;
13. the conditions, the order and the deadlines for transfer of the accumulated resources of the individual account;
14. the conditions and the order of introducing amendments and supplements in the regulations;
15. explicit presentation of the way and the order for notices and announcements related to the activity of the pension fund;
16. the methods and periodicity of assessment of the assets of the fund;
17. the right and the obligations of the pension insurance company, of the insured person, of the employers and of the other insurers.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of the fund for additional voluntary pension insurance under professional schemes shall contain:

1. the information under para 2, items 1, 2, 4, 8 – 10, 12 - 15;
2. the order and the terms for payment of the pensions and of the one-time or

the deferred payments;

3. the rights and the obligations of the pension insurance company, the insurers and the insured persons.

Amendment and supplement of the regulations of the funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 229. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The amendments and supplements of the regulations under art. 228, para 2 and 3 shall be approved by the deputy chairman of the commission. The deputy chairman of the commission shall announce a decision within one month from receipt of the application. The applicant shall be informed in writing about the decision within 7 days.

(2) The pension insurance company shall notify the insured persons about the concrete amendments and supplements of the regulations and activity of the pension fund personally or through a publication in two central daily newspapers within one week from receipt of the permit of the deputy chairman of the commission.

Documents required for registration of professional scheme

Art. 229a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The pension insurance company, respectively the foreign institution shall submit to the deputy chairman of the commission, according to a form, approved by the latter, an application in writing for registration of professional scheme, to which shall be applied:

1. a copy-excerpt of the terms of the collective agreement, respectively of the collective contract, related to the professional scheme;

2. a copy of the insurance contract between the enterprise insurer and the company, respectively the foreign institution.

(2) The application under para 1 shall be submitted within 10-days period from concluding the insurance contract.

(3) The deputy chairman of the commission may also require other information in connection to the documents under para 1 and to fix a term for its submission not longer than 14 days.

(4) Upon each change in the documents and the circumstances under para 1 the pension insurance company, respectively the foreign institution shall notify the deputy chairman of the commission within 14-days from coming of knowledge of the change.

Registration of professional scheme

Art. 229b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) In 7-days term from the submission of the application under art. 229a, para 1 or the

notification under art. 229a, para 4 the deputy chairman of the commission shall issue an order for registration of the professional scheme in a public register of the professional schemes.

(2) The commission shall keep a public register of the professional schemes, for which an order is issued under para 1. In the register shall be entered:

1. name, seat of business and registered office, commercial registration and unified identification code of the enterprise insurer or the relevant data for the foreign enterprise insurer;

2. name, seat of business and registered office, commercial registration and unified identification code and number of the personal license of the pension insurance company or the relevant data for the foreign institution.

Activity of a pension insurance company abroad

Art. 229c. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) A pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes, may carry out activity abroad, by concluding insurance contract with a foreign enterprise insurer. The relations between the foreign enterprise insurer and the insured persons shall be regulated by the labour and the insurance legislation of the other Member state. The management of the scheme shall be carried out according to the labour and the insurance legislation, applicable to the insurance of the other Member state and within the frames of the permit for management of a fund for additional voluntary pension insurance under professional schemes, issued by the deputy chairman of the commission.

(2) Prior to conclusion of the contract under para 1 the pension insurance company shall notify in writing the deputy chairman of the commission of:

1. the assuming Member state;

2. the name and the address of the foreign enterprise insurer in the assuming Member state;

3. the basic characteristics of the professional scheme, which shall be managed by the company.

(3) Within a term of three months from receiving the notification under para 2 the deputy chairman of the commission shall send the information, contained in it, to the competent supervisory body in the assuming Member state and shall immediately inform the pension insurance company, which has submitted the application, of its sending.

(4) In the cases of mandatory administrative measures, imposed on the pension insurance company by the order of art. 344, para 1, item 3, 14 – 17, para 2, items 1 and 3, as well as in other cases, determined by a law, the information under para 3 shall not be sent to the competent supervisory body and the pension insurance company cannot conclude an insurance contract under para 1.

(5) After receiving from the competent supervisory body of the assuming Member state, whose labour and insurance legislation is applicable to the scheme, the relevant provisions of the labour and insurance legislation of this state, as well as all other applicable provisions, related to the investment activity and the disclosure of information, the deputy chairman of the commission shall send immediately the

information, received from the competent supervisory body, to the pension insurance company.

(6) The pension insurance company may start managing the professional scheme immediately after receiving the information under para 5, and in case it has not received such – in two months term. The company shall notify the deputy chairman of the commission in case it starts managing professional scheme, and shall periodically present information of its management.

(7) Regardless of the receipt of the information under para 5 at management of professional scheme, the pension insurance company shall observe the provisions of the labour and insurance legislation of the other Member state relevant to the insurance under these schemes, as well as all applicable provisions, related to the investment activity and the disclosure of information.

(8) At carrying out activity abroad the pension insurance company shall be obliged to inform the insured persons, the pensioners and the other persons, who have rights under professional scheme, according to the requirements of the legislation of the assuming Member state.

(9) The competent supervisory body of the assuming Member state shall notify the deputy chairman of the commission of each amendment of the applicable labour and insurance legislation, which may influence the characteristics of the professional scheme, as far as it affects its action, as well as of the amendment of the relevant provisions, related to the investment activity and the disclosure of information, in connection to the scheme, managed by the pension insurance company. The deputy chairman of the commission shall immediately notify the pension insurance company of the amendments.

(10) The competent supervisory body of the assuming Member state shall exercise supervision with respect to observance of the respective labour and insurance legislation and the provisions, related to the investment activity and the disclosure of information at management of professional scheme.

(11) At establishing violations of the applicable legislation and the provisions, indicated in art. 10, the competent supervisory body of the assuming Member state shall immediately notify the deputy chairman of the commission.

(12) After receiving the notification under para 11, the deputy chairman of the commission in coordination with the competent supervisory body of the assuming Member state shall undertake the measures necessary for discontinuance of the violation by the pension insurance company.

(13) In case the pension insurance company does not fulfil the mandatory administrative measures applied or such measures have not been imposed by the deputy chairman of the commission, the competent body of the assuming Member state may impose suitable measures in compliance with its national legislation after informing the deputy chairman of the commission.

(14) All permits under para 1 shall keep a special register in administration "Insurance supervision" of the commission.

(15) The procedure and the manner of the provision of the data under para 6 shall be determined by the deputy chairman of the commission.

Management of professional scheme by a foreign institution

Art. 229d. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) An enterprise insurer may provide the management of professional scheme to a foreign institution, observing the labour and insurance legislation of the Republic of Bulgaria and the concluded collective agreement or collective contract.

(2) Within a term of two months from receiving the information under art. 229c, para 2, items 1 - 3 from the competent supervisory body, at the seat of business of the foreign institution, the deputy chairman of the commission shall send to it the provisions of the labour and insurance legislation of the Republic of Bulgaria, relevant to the insurance under professional scheme, and all provisions, applicable to the occasion, related to the investment activity and the disclosure of information. The deputy chairman of the commission shall notify the competent supervisory body, at the seat of business of the foreign institution, of every change in the Bulgarian labour and insurance legislation, as well as of change in the relevant provisions, connected to the investment activity and the disclosure of information, with respect to the scheme, managed by the foreign institution.

(3) The deputy chairman of the commission shall exercise supervision for observing the Bulgarian labour and insurance legislation and the applicable provisions, related to the investment activity and the disclosure of information by the foreign institution. In case of established violation he/she shall immediately notify the competent supervisory body, at the seat of business of the foreign institution and shall co-ordinate the measures necessary for discontinuance of the violation by this institution, proposed by the competent supervisory body.

(4) In case that regardless of the measures implemented by the competent supervisory body at the seat of business of the foreign institution or as a result of the lack of suitable measures in this country, the foreign institution continues to offend the provisions, indicated in para 1, the deputy chairman of the commission, after informing the competent supervisory body, may:

1. apply:
 - a) mandatory administrative measures;
 - b) sanctions;
2. forbid the foreign institution to manage professional scheme of the respective insurer.

Chapter twenty two.

INSURANCE INSTALMENTS AND INDIVIDUAL ACCOUNT (new, SG 67/03)

Insurance instalments (new, SG 67/03)

Art. 230. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Insurance instalments shall be made for insurance in the funds for additional voluntary pension insurance.

(2) The instalments under para 1 shall be in cash and they may be monthly, for another period, or one-time.

(3) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Instalments under para 1 in a fund for additional voluntary pension insurance may be made by:

1. individuals - for their account;
2. employers who are insurers - for their workers and employees;
3. bodies who are insurers for:
 - a) civil servants;
 - b) (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entries and the court employees;
 - c) (amend. - SG 82/06) the military servicemen according to the law of the defence and the armed forces of the Republic of Bulgaria, civil servants under the Law on the Ministry of Interior and the civil servants under the Law of execution of penalties;
 - d) assignors who are insurers - for the persons with whom a contract has been concluded for management or control;
4. other insurers - individuals or corporate bodies - in favour of third persons.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Instalments in a fund for additional voluntary pension insurance under professional schemes may be made by:

1. enterprises insurers, established under the terms of the legislation of the Republic of Bulgaria and the one of any other Member state – regarding the persons, insured by them under professional scheme;
2. natural persons, insured under professional scheme.

(5) (prev. text of para 4, amend. and suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments by the insurers under para 3 shall be made to the individual account of the insured person and shall be kept separately from the personal instalments and from the instalments of the other insurer for this person.

(6) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments by the enterprise insurer under para 4 shall be made to the individual account of the insured person and shall be kept separately from the personal instalments.

(7) (prev. text of para 5, suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The payment of insurance instalments by the insurers and the enterprises-insurers shall not oblige the insured person to make instalments for his account.

(8) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments for pension insurance under professional scheme, established in the Republic of Bulgaria, shall continue to be made by or for an insured person, sent on a business trip, who participates in such scheme, during his/her business trip in another Member state.

(9) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case with regards to one person the instalments continue to be made under professional scheme in another Member state, the insured person, sent on a business trip, and where

applicable – the enterprise insurer, shall be exempt from all kind of obligations for making insurance instalments under professional scheme in Bulgaria.

Prohibition of discrimination (new, SG 67/03)

Art. 231. (new, SG 67/03) (1) (prev. text of art. 231 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurer may not refuse additional voluntary pension insurance to workers and employees on the grounds of nationality, origin, sex, sexual orientation, race, colour of skin, age, political or other convictions, religious or belief, membership in trade unions and other public organisations and movements, marital, public and material status and presence of psychic and physical disabilities.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At observing the provision of para 1 in case of insurance under professional scheme any discrimination - direct or indirect, on the grounds of sex, especially with regards to the marriage or the family status- shall also be prohibited, in particular to:

1. the application field of the schemes and the terms of access to them;
2. the obligation for deposition of the insurance payments and their calculation;
3. the calculation of the pension payments, including the increase, due to husbands and persons, entitled to maintenance, and the conditions, determining the duration and the retention of the right of pension payment.

Team employment negotiations (new, SG 67/03)

Art. 232. (new, SG 67/03) (1) (prev. text of art. 232 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional pension insurance carried out by the employer may be subject to the team employment negotiations.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance under professional schemes shall obligatorily be settled in a collective agreement or in a collective contract, having the minimum content as per art. 237, para 3.

Obligation for transfer of insurance instalments (new, SG 67/03)

Art. 233. (new, SG 67/03) (1) (prev. text of art. 233 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurers shall be obliged, at a request of the insured person, to deduct from his remuneration for the respective month the insurance instalment for his account, and to transfer it to the respective fund for additional voluntary pension insurance.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The enterprises insurers shall deduct the insurance instalment from the remuneration of the insured person for the respective month at his/her expense and shall remit it to the fund for additional voluntary pension insurance under professional schemes.

Individual account (new, SG 67/03)

Art. 234. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments in the funds for additional voluntary pension insurance and the resources transferred from another fund for additional voluntary pension insurance shall be entered and accumulated in the individual account of every insured person by the date of their receipt in the account of the fund.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Every insured person may have only one individual account in a fund for additional voluntary pension insurance and/or one – in a fund for additional voluntary pension insurance under professional schemes. Entries shall be made in the individual account for the instalments made, for the transferred sums and for the charges.

(3) The individual account shall be kept in levs and shares. The instalments for additional pension insurance and the resources transferred from other fund shall be accounted as shares and parts of shares.

(4) The charges, as a percentage of each insurance instalment shall be made before their accounting as shares under para 3.

(5) Every share shall represent a proportional part of the net assets of the fund. The shares of one fund shall be equal in value, determined and announced according to para 9.

(6) The value of all shares and parts of shares of the fund shall be equal to the value of the net assets of the fund.

(7) The revenue from investing the resources of the fund shall be included in determining the value of one share according to para 5.

(8) Not admitted shall be re-distribution of resources between the individual accounts.

(9) The order and the way of calculating and announcing the value of one share, as well as the requirements for keeping the individual account shall be determined by an ordinance of the commission.

(10) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) On the day of receipt of the first instalment in each of the funds for additional voluntary pension insurance or on the day of the first registration of the accumulated resources in the individual account in shares, the value of one share shall be equal to one lev.

(11) The accumulated resources in the individual accounts of the insured persons shall not be subject to enforcement.

(12) During the time of accumulation of resources in the individual accounts of the insured persons other deductions besides those stipulated by this code shall not be made.

(13) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At granting pension under professional scheme with insured biometrical risks and/or guaranteed minimum level of profitability and/or definite amount of the pension, the accumulated resources under the individual account of the insured person or a part of the shall be transferred to the assets under art. 213a, para 2 according to the conditions of the

insurance contract and of the professional scheme.

Chapter twenty three. CONTRACTS (new, SG 67/03)

Conclusion of insurance contract (new, SG 67/03)

Art. 235. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The contract for additional voluntary pension insurance shall settle the relations regarding the voluntary pension insurance and it shall be concluded between:

1. the pension insurance company, on one hand, and the insured person, the insurer or the other insurer, on another – regarding insurance in a fund for additional voluntary insurance.

2. the pension insurance company, on one hand, and the enterprise insurer, on the other - regarding insurance in a fund for additional voluntary pension insurance under professional schemes.

(2) When the insurance contract is concluded between an insurer and a pension insurance company it shall be in favour of the insured persons.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In the cases of para 1, item 1 on conclusion of the contract, the prior written consent of the person in whose favour the contract is concluded, shall be required.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In the cases of insurance in a fund for additional voluntary pension insurance under professional schemes at conclusion of the insurance contract the enterprise insurer shall present to the pension insurance company the collective agreement, respectively copy-excerpt of the collective agreement, with the conditions of the professional scheme and a list of the insured persons, included in this scheme.

Restrictions of the rights of the insured persons (new, SG 67/03)

Art. 236. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary insurance may restrict the right of the insured person:

1. to draw or transfer resources installed in his favour for additional voluntary pension insurance for the account of another insurer;

2. to transfer the resources for voluntary pension insurance installed in his favour for the account of the employer or persons under art. 230, para 3, item 3.

(2) The restrictions under para 1, item 2 shall not apply where:

1. the insurance contract has been terminated;

2. the legal terms of employment, the official legal terms of relation or the contract for management or control have been terminated.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In the cases of insurance under professional scheme the restrictions of the rights of the insured persons and their dropping out shall be entirely settled by the collective contract, respectively by the collective agreement for the professional scheme.

Content of the insurance contract (new, SG 67/03)

Art. 237. (new, SG 67/03) (1) (prev. text of - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract shall obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the names and addresses of the parties to the contract, the commercial registration and the unified identification code of the fund for additional voluntary pension insurance or of the fund for additional voluntary pension insurance under professional schemes, the pension licence and the commercial registration of the pension insurance company managing the fund for additional voluntary pension insurance and the unified identification code or the respective information of the foreign institution;

2. the subject and the scope of the insurance;

3. the size of the insurance instalment;

4. the conditions, the order and the way of payment of the insurance instalment and of the additional pension by the fund;

5. the date of conclusion and enactment of the insurance contract;

6. the terms of termination of the contract;

7. the size of the fees and charges.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Except the information under para 1, the insurance contract for insurance in a fund for additional voluntary pension insurance under professional schemes shall also contain the full description of the scheme.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The professional scheme shall specify:

1. the conditions and the scope of the insurance;

2. the kinds of pension payments;

3. the amount of the insurance instalment.

Term (new, SG 67/03)

Art. 238. (new, SG 67/03) The insurance contract shall be termless and shall be drawn up and signed in as much copies as the parties to it are.

Obligation for submitting the regulations of the fund (new, SG 67/03)

Art. 239. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European

Union) On conclusion of a contract for voluntary pension insurance or in a fund for additional voluntary pension insurance under professional schemes the insured person, the insurer or other insurer shall receive, on request, a certified copy of the regulations of the fund, in effect by the date of conclusion of the contract.

Termination of the insurance contract (new, SG 67/03)

Art. 240. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary pension insurance or in a fund for additional voluntary pension insurance under professional schemes may not be terminated unilaterally by the pension insurance company except in the cases stipulated by this code.

(2) The insurance contract shall be terminated obligatorily in the following cases:

1. for death of the insured;
2. when the insured, by his own will, chooses another pension insurance company;
3. for one-time drawing of the whole accumulated sum of the individual account;
4. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) in case of death of another insurer – natural person.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary pension insurance under professional schemes shall be terminated in case of transfer of the professional scheme in another fund for additional voluntary pension insurance under professional schemes.

Pension contract (new, SG 67/03)

Art. 241. (new, SG 67/03) (1) On acquiring a right of pension under the requirements of this division a pension contract shall be concluded with the pension insurance company.

(2) The pension contract shall obligatorily contain the details under art. 169a, para 2.

Consultative Council (new, SG 67/03)

Art. 242. (new, SG 67/03) (10) The interests of the insured persons in a fund for additional voluntary pension insurance shall be represented by a consultative council.

(2) The requirements for the members, rights and obligations of the consultative council shall be determined by an ordinance of the Council of Ministers on a proposal of the commission.

Chapter twenty four. RIGHTS OF THE INSURED PERSONS (new, SG 67/03)

Personal pension for old age (new, SG 67/03)

Art. 243. (new, SG 67/03; amend., SG 112/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The right of a personal pension for old age at insurance in a fund for additional voluntary pension insurance shall occur in acquiring a right of pension for insured practice and age by the order of Part One.

(2) By a choice of the insured person the fund for additional voluntary pension insurance may pay a personal pension on accomplishment of the age for acquiring pension right for insured practice and age under art. 68, para 1 – 3, or up to five years before the accomplishment of this age.

(3) The pension in case of insurance in a fund for additional voluntary pension insurance may be for life or for a fixed term by a choice of the insured person.

(4) The right of personal pension for old age in case of insurance in a fund for additional voluntary pension insurance under professional schemes shall arise at accomplishing 60 years of age for the women and the men.

(5) The pension under para 4 shall be with a fixed term according to the conditions of the professional scheme.

(6) According to the conditions of the professional scheme, settled in the collective contract, respectively in the collective agreement, the fund for additional voluntary pension insurance under professional schemes may pay off to the insured person the pension for old age for up to 5 years prior to accomplishment of 60 years of age.

Personal disability pension (new, SG 67/03)

Art. 244. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The right of personal disability pension at insurance in a fund for additional voluntary pension insurance shall occur on the date of the occurrence of the disability indicated by the decision of the territorial expert physicians commission or of the National expert physicians commission.

(2) The personal disability pension may be for life or for a fixed term, depending on the decision of the bodies under para 1.

Rights of the legatees (new, SG 67/03)

Art. 245. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The persons entitled to a hereditary pension from a fund for additional voluntary pension insurance, shall be determined by the regulations of the fund and shall be indicated in the insurance contract.

(2) Upon the death of the insured person and, when there are no persons under para 1, the accumulated resources of the individual account shall be due to the

legatees by law.

(3) If there are no persons under para 1 and there are no legatees by law the accumulated resources of the individual account shall remain in the reserve for payment of a lifetime pension.

(4) On the death of a pensioner, and where there are no persons under para 1, the remainder of the resources of his individual account shall be paid to his legatees by law.

(5) Where there are no persons under para 1 and legatees of a deceased pensioner the due resources shall remain in the pension reserve.

(6) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The persons, who are entitled to one-time or deferred payment from a fund for additional voluntary pension insurance under professional schemes in the event of death of the insured person or a pensioner, shall be determined in the collective agreement or the collective contract.

(7) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case there are no persons under para 6, the accumulated resources at the individual account shall be due according to the Law for the inheritance.

Size of the pension (new, SG 67/03)

Art. 246. (new, SG 67/03) (1) The size of the lifetime pension under this division shall be determined on the basis of:

1. the accumulated resources of the individual account;
2. the biometrical tables approved by the deputy chairman of the commission;
3. the technical interest rate approved by the deputy chairman of the commission.

(2) The size of the pension for a fixed period under this division shall be determined on the basis of:

1. the accumulated sum of the individual account;
2. the period of receiving;
3. the technical interest rate approved by the deputy chairman of the commission.

(3) (new – SG 100/07, in force from 20.12.2007) Using the sex as an actuary factor when estimating the amount of the lifetime pension shall be allowed, provided that the pension insurance company uses reliable and regularly updated public statistic information, in which the determining significance of the sex is obvious.

(4) (new – SG 100/07, in force from 20.12.2007) The pension insurance company shall update the tables referred to in Para 1, Item 2 in case of:

1. significant changes of the official statistical information they rely on;
2. arising, in their discretion, of significant changes in the length of life of the insured persons in the aggregate of the fund for additional voluntary pension insurance.

(5) (new – SG 100/07, in force from 20.12.2007) The updated tables shall be made available for approval to the deputy chairman of the commission together with the actuary research reasoning the changes.

(6) (new – SG 100/07, in force from 20.12.2007) In case of significant changes to the official statistical information, on which the tables referred to in Para 1, Item 2 are based, the deputy chairman of the commission may oblige the pension insurance company to make the necessary changes therein and make them available for approval.

(7) (new – SG 100/07, in force from 20.12.2007) In the cases referred to in Para 5 and 6 the deputy chairman of the commission shall deliver a decision within one month from receipt of the tables and shall notify the pension insurance company in writing on his decision within 7 days from its delivery.

(8) (new – SG 100/07, in force from 20.12.2007) The deputy chairman shall refuse the approval of the changes of the tables referred to in Para 1, Item 2 when:

1. the changes do not correspond to the current official statistical information for the country;
2. the actuary research presented by the pension insurance company does not justify the requested changes;
3. appropriate actuary methods for their preparation have not been used;
4. technical mistakes in the calculations and other inconsistencies have been made.

Right of transfer from a fund for additional voluntary pension insurance or from a fund for additional voluntary pension insurance under professional schemes (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)

Art. 247. (new, SG 67/03) (1) The insured person shall have the right to transfer the accumulated resources of the individual account, or a part of them, to another fund for additional voluntary pension insurance, established and managed by another pension insurance company, but not more than once within one calendar year.

(2) In cases other than those under para 1 the insured person shall have the right to transfer the accumulated resources of the individual account to another fund, managed by another pension insurance company, on disagreement with introduced changes in the regulations for the organisation and activity of the fund if, within three months from the notification under art. 229, para 2, he files an application to that end, unless these changes ensue from amendments of the normative provision.

(3) The insured person shall have the right, not more than once within a calendar year, to transfer the resources accumulated in his individual account from personal insurance instalments or parts of them, to an individual account in the same or another fund for additional voluntary pension insurance of a spouse or relatives on the direct line up to second degree.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At termination of the legal relations between the enterprise insurer and the insured person, the latter shall be entitled to transfer the accumulated resources from personal insurance instalments to the individual account or a part of them from one fund for additional voluntary pension insurance under professional schemes in other such fund, managed by another pension insurance company.

(5) (new - SG 56/06, in force from the date of entry into effect of the Treaty

of the Accession of the Republic of Bulgaria to the European Union) Professional scheme may be transferred from one fund for additional voluntary pension insurance under professional schemes in other relevant fund, managed by another pension insurance company on the grounds of additional agreement between the parties to the collective agreement, respectively to the collective contract.

(6) (prev. text of para 4, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The order and the way of transfer of the accumulated resources to the individual account shall be determined by the ordinance under art. 171, para 5.

Right of drawing and payment of accumulated resources (new, SG 67/03)

Art. 248. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The insured person shall have the right to draw:

1. the resources of personal insurance instalments accumulated in the individual account at any time – at insurance in a fund for additional voluntary pension insurance;

2. the resources accumulated by instalments of the insurer - only on acquiring right of personal pension for old age or disability.

(2) On acquiring a right of personal pension for old age or disability from funds for additional voluntary pension insurance, the insured shall have the right to a choice between the respective kinds of pension under the conditions of this division or to a one-time or deferred payment of the accumulated resources of his individual account.

Retention of rights at movement between Member states

Art. 248a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The persons, insured under professional scheme, with regards to whom the deposition of instalment payments under this scheme is stopped as a result of their relocation from the Republic of Bulgaria to another Member state, shall retain their rights in the same degree as the persons, with regards to whom instalment payments are no longer deposited, who, however, remain in the Republic of Bulgaria.

(2) Paragraph 1 shall also be applied to other persons, who have rights according to the respective professional scheme.

Payments abroad

Art. 248b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Payments for persons insured under professional scheme, as well as for other persons, who have rights according to such scheme, shall be carried out in other Member states after deduction of the taxes due and the expenses for the transfer.

Chapter twenty five.

INVESTMENTS (new, SG 67/03)

Order of investing (new, SG 67/03)

Art. 249. (new, SG 67/03, amend. - SG 17/06; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Applied for the investments of funds for additional voluntary pension insurance shall be the provisions of Chapter Fourteen, except for art. 178 and art. 180a.

Investment of the resources (new, SG 67/03)

Art. 250. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In investing the resources of funds for additional voluntary pension insurance shall not apply the requirements for a minimal profitability.

Investment restrictions (new, SG 67/03)

Art. 251. (new, SG 67/03, amend. - SG 17/06) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Not more than 5 percent of the assets of the funds for additional voluntary pension insurance may be invested in securities issued by one issuer, provided that not more than 10 percent of the assets may be invested in securities, issued by one issuer and persons, related to him. The restriction shall not apply to the investments in securities under art. 176, par. 1, item 1 and 10.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 5 percent of the assets of the funds for additional voluntary pension insurance may be invested in bank deposits in one bank.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 30 percent of the assets of the funds for additional voluntary pension insurance may be denominated in currency, other than BGN and euro.

(4) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 10 percent of the assets of the funds for additional voluntary pension insurance may be invested in securities under art. 176, par. 1, item 3.

(5) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 10 percent of the assets of the funds for additional voluntary pension insurance may be invested in securities under art. 176, par. 1, item 8.

(6) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 10 percent of the assets of the funds for additional voluntary pension insurance may be invested in securities of collective investment schemes, managed by one and the same managing company.

(7) (amend. - SG 56/06, in force from the date of entry into effect of the

Treaty of the Accession of the Republic of Bulgaria to the European Union) No more than 10 percent of the assets of the funds for additional voluntary pension insurance may be invested in investment properties under art. 176, par. 1, item 15, provided that the investment in one property may not exceed 5 percent of the funds' assets.

(8) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Not more than 5 percent of the resources, accumulated under definite professional scheme, may be invested in securities, issued by the enterprise insurer.

(9) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Not more than 10 percent of the resources, accumulated under definite professional scheme, may be invested in securities, issued by the enterprise insurer, which has created the scheme, and the persons related to it.

(10) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Foreign institution may invest the resources, related to activity under art. 229d, observing the following restrictions:

1. not more than 30 percent of the resources may be invested in securities, which are not accepted for trade on a regulated market of securities;
2. not more than 5 percent of the resources may be invested in securities, issued by one issuer;
3. not more than 10 percent of the resources may be invested in securities, issued by one issuer and the persons, related to him/her;
4. not more than 30 percent of the resources may be denominated in a currency, other than BGN and euro.

Violation of the restrictions

Art. 251a. (new - SG 17/06) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall be obliged to set the assets of the funds for additional voluntary pension insurance in compliance with the requirements of art. 179a and 251 and with the quantitative restrictions to these assets, determined in the regulations for the organization and the activity of the funds, within three months term from the date of exceeding the respective investment restriction, in case it is due to:

1. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) change in the market price or in the price, used for carrying out subsequent assessment of the funds' assets;
2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) change in the total value of the assets of the funds;
3. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) acquisition of rights under § 1, item 3 from the Additional provisions of the Law for the public offering of securities by the funds in its capacity as a stock-holder of a certain issuer.

4. reduction of the capital of a certain issuer.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In the cases of para 1, till bringing the assets of the funds for additional voluntary pension insurance in compliance with the legal requirements, the pension insurance company may not acquire for the account of the funds assets under art. 176, par. 1, with regards to which the restriction is violated.

Investment of the resources for covering the technical reserves

Art. 251b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The resources for covering the technical reserves under art. 213a, para 1, item 2 shall be invested in correspondence with the nature and the duration of the provided for pension payments.

(2) The assets under para 1 may not be pawned, mortgaged and encumbered with other encumbrances.

(3) The assets for covering the technical reserves shall be differentiated and allocated in such a manner that not a single category of them, the market, on which they are traded or individual investment is of considerable share.

(4) An investment in category of assets, which have high percent of risk because of their essence or the characteristics of the issuer, as well as the share of the assets for covering technical reserves, which has low liquidity, must be reduced to prudent levels.

(5) The order and the manner of investing assets for covering technical reserves, the restrictions at their investment and the rules for determination and assessment of the assets for covering the reserves shall be defined by ordinance of the commission.

Investment policy

Art. 251c. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) A pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes, shall adopt and reassess in every three years, as well as immediately after every essential change, investment policy for the management principles of the fund with minimum content, determined by the deputy chairman of the commission, which includes the methods of risk assessment of the investments, implemented techniques of risk management and strategic allocation of the assets with respect to the nature and the duration of the pension liabilities, as well as other terms of importance for the managed schemes. The investment policy shall be presented to the deputy chairman of the commission within a term of three months following the end of the respective financial year.

Chapter twenty six. ACCOUNTANCY (new, SG 67/03)

Accountancy of a fund for additional voluntary pension insurance (new, SG 67/03)

Art. 252. (new, SG 67/03) (1) (prev. text of art. 252, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall organise and carry out the accountancy and shall draw up the financial reports of the funds for additional voluntary pension insurance in compliance with the provisions of Chapter Fifteen.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company or the foreign institution shall work out annual report on each professional scheme, containing accountancy data on the accumulated resources and the taxes and deductions made. The type, form and the contents of the annual report shall be specified by the deputy chairman of the commission.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The annual reports under para 2 shall be presented to the enterprise insurer under the professional pension scheme and to the deputy chairman of the commission within a term of three months following the end of the respective financial year.

Chapter twenty seven. TAX RELIEF (new, SG 67/03)

Tax exemption (new, SG 67/03)

Art. 253. (new, SG 67/03) (1) The revenue of the fund for additional voluntary pension insurance shall not be levied with tax by the order of the Law of the corporate income taxation.

(2) (amend. - 95/06, in force from 01.01.2007) The revenue from investment of the assets of the fund for additional voluntary pension insurance, distributed among the individual accounts of the insured persons, shall not be levied with tax by the order of the Law for the taxes on the income of natural persons.

(3) The services on additional pension insurance shall not be levied with tax by the order of the Law of the value added tax.

(4) The financial result of the pension insurance company shall be reduced by:

1. the own resources of the company covering a shortage of the pension reserves;
2. the revenue from investment of the resources of the pension reserves.

Deduction of the personal instalments from the taxable revenue (new, SG 67/03)

Art. 254. (new, SG 67/03; amend. - 95/06, in force from 01.01.2007) The personal instalments for additional voluntary pension insurance of the individuals shall be deducted from their income before taxation by an order, in a way and in sizes

determined by the Law for the taxes on the income of natural persons.

Recognition of expense (new, SG 67/03)

Art. 255. (new, SG 67/03) The instalments of the insurers for additional voluntary pension insurance shall be recognised as expense by an order, in a way and in sizes determined by the Law of the corporate income taxation.

Chapter twenty eight. FEES AND CHARGES (new, SG 67/03)

Legally established fees and charges (new, SG 67/03)

Art. 256. (new, SG 67/03) The pension insurance company shall collect fees and charges for the management of the funds for additional voluntary pension insurance as follows:

1. one-time introductory fee for opening an individual insurance account - not more than 10 BGN;
2. charge as a percentage of each insurance instalment - up to 7 percent;
3. investment fee amounting to 10 percent of the income realised by the investment of the resources.

Additional fees (new, SG 67/03)

Art. 257. (new, SG 67/03) (1) The pension insurance company may collect additional fees in the following cases:

1. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) for each transfer of accumulated resources of individual insurance account from one fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes to another respective fund managed by other pension insurance company;
2. for each drawing (in full or partially) of the accumulated resources of the individual insurance account before the acquisition of the right of personal pension for old age or disability;
3. when the insured person requests an abstract for the state of his individual account more than once a year.

(2) The fees under para 1, item 1 and 2 shall not be paid:

1. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) for transfer or drawing because of disagreement with amendments of the regulations of the funds for additional voluntary pension insurance;
2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) for transformation or termination of the pension insurance company or of the funds for additional voluntary pension insurance;
3. by the legatees of a deceased insured person or pensioner.

Size of the fees and charges (new, SG 67/03)

Art. 258. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The concrete size of the fees and charges under this chapter shall be determined by the regulations of the funds for additional voluntary pension insurance.

(2) The fees under art. 257, para 1 shall be up to 20 BGN.

Lawfulness of the fees (new, SG 67/03)

Art. 259. (new, SG 67/03) The pension insurance companies may not collect other fees and charges besides those stipulated in this chapter.

Division four.
ADDITIONAL VOLUNTARY INSURANCE FOR
UNEMPLOYMENT AND/OR PROFESSIONAL
QUALIFICATION (new, SG 67/03)

Chapter twenty nine.
GENERAL (new, SG 67/03)

Principles (new, SG 67/03)

Art. 260. (new, SG 67/03) (1) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out in observance of the principles of:

1. voluntariness of participation;
2. corporate independence of the insurance company and of the fund for additional voluntary insurance for unemployment and/or professional qualification;
3. transparency, severalty and exclusivity of the activity;
4. permit regime and state regulation;
5. obligatory periodical reporting and disclosure of information;
6. loyal competition between the insurance companies.

(2) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out on principle of capital coverage on the basis insurance instalments determined in advance in the contract with the insurance company.

Management of the resources of the funds for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)

Art. 261. (new, SG 67/03) The resources of the fund for additional voluntary insurance for unemployment or professional qualification shall be managed with the care of a good entrepreneur in observance of the principles of reliability, liquidity, profitability and diversification, to the interest of the insured persons.

Insured persons (new, SG 67/03)

Art. 262. (new, SG 67/03) (1) In the funds for additional voluntary insurance for unemployment or professional qualification may voluntarily insure themselves or be insured:

1. workers and employees;
2. civil servants;
3. (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entry and court employees;
4. (amend. - SG 82/06) military servicemen according to the Law of defence and armed forces of the Republic of Bulgaria, civil servants under the law on the Ministry of the Interior and civil servants under the Law of execution of the penalties;
5. contractors under contracts for management and control of trade companies;
6. (amend., SG 112/03) persons registered as practising free lance profession, craftsmanship or agricultural producers or tobacco producers;
7. persons practising labour activity as sole entrepreneurs, owners or partners in trade companies;
8. persons sent to work abroad by a Bulgarian mediator;
9. persons carrying out other labour activity without legal terms of employment.

(2) The persons under para 1 shall be insured through conclusion of a contract with an insurance company for unemployment and/or professional qualification under the conditions and by the order of this Division.

Participation in a fund for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)

Art. 263. The participation in a fund for additional voluntary insurance for unemployment or professional qualification shall run from the moment of conclusion of the insurance contract.

Rights related to insurance in a fund for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)

Art. 264. (new, SG 67/03) (1) The insurance in a fund for additional voluntary insurance for unemployment gives a right to a monetary indemnification for unemployment.

(2) The insurance in a fund for additional voluntary insurance for professional qualification shall give the right to payment of resources for training upon declared necessity by the insured person or by the insurer - jointly or severally.

(3) The insured person shall have the right to administer the resources accumulated in their individual account, under the conditions and by the order of this Division, the regulations of the funds and the insurance contracts.

(4) The insurers shall have the right to administer the resources accumulated in their account under the conditions and by the order of this Division, the regulations of the funds and the insurance contracts.

Chapter thirty .
FUNDS FOR ADDITIONAL VOLUNTARY INSURANCE FOR
UNEMPLOYMENT OR PROFESSIONAL QUALIFICATION
(new, SG 67/03)

Establishment, management and representation (new, SG 67/03)

Art. 265. (new, SG 67/03) (1) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out through participation in a fund for additional voluntary insurance for unemployment or professional qualification which shall be established and managed by licensed insurance companies for unemployment and/or professional qualification.

(2) The fund for additional voluntary insurance for unemployment or professional qualification shall be established by a decision of the general assembly of the insurance company for unemployment and/or professional qualification, which shall also adopt regulations of the fund.

(3) One insurance company for unemployment and/or professional qualification may establish and manage one fund each for additional voluntary insurance for unemployment and one fund for additional insurance for professional qualification.

(4) The fund for additional voluntary insurance for unemployment or professional qualification shall be managed and represented by the managing bodies of the insurance company.

(5) The insurance company for unemployment and/or professional qualification and the fund for additional voluntary insurance for unemployment or the fund for additional insurance for professional qualification shall be separate corporate bodies.

(6) The funds for additional voluntary insurance for unemployment or professional qualification shall be established for an indefinite period.

(7) The seat and the address of management of the fund for additional voluntary insurance for unemployment or professional qualification shall obligatorily coincide with the seat and address of management of the insurance company.

Liability of the insurance company for unemployment and/or professional qualification (new, SG 67/03)

Art. 266. (new, SG 67/03) (1) The insurance company for unemployment and/or professional qualification shall bear proprietary liability to the insured persons for losses having occurred as a result of unconscientious fulfilment of their obligations regarding the management and representation of the fund for additional voluntary insurance for unemployment or professional qualification.

(2) The insurance company under para 1 shall guarantee by its assets the fulfilment of its obligations to the insured persons.

(3) The fund for additional voluntary insurance for unemployment or professional qualification shall not be liable for the obligations and for the losses of the insurance company managing and representing it.

Name of a fund for insurance for unemployment or professional qualification (new, SG 67/03)

Art. 267. (new, SG 67/03) (1) The name of a fund for insurance for unemployment or professional qualification shall obligatorily contain, in a combination, the words "additional", "voluntary", "insurance", "for unemployment", "for professional qualification" and "fund" or their derivatives, as well as indication for the kind of the fund.

(2) Only a fund, registered in compliance with this code, may use in its name, in a combination, the words under para 1 or their equivalents in Bulgarian or foreign language.

Prohibition of title by prescription (new, SG 67/03)

Art. 268. (new, SG 67/03) The assets of the fund for additional voluntary insurance for unemployment or professional qualification may not be acquired by prescription.

Permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 269. (new, SG 67/03) (1) The permit for management of a fund for additional voluntary insurance for unemployment or professional qualification shall be issued by the deputy chairman of the commission. To obtain a permit the licensed insurance company for unemployment and/or professional qualification shall file a written request enclosing:

1. the decision of the general assembly of the insurance company for establishing a fund for additional voluntary insurance for unemployment or professional qualification;
2. the regulations for the organisation and activity of the fund;
3. samples of insurance contracts;
4. preliminary contract with a bank-trustee and investment mediator;
5. reference for the programme and technical provision of the informational system of the fund;
6. financial report of the company by the last day of the preceding month;
7. reference for the organisational structure of the company and its personnel;
8. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the insurance company.

(2) The deputy chairman of the commission may also require other data and additional information in connection with the documents under para 1 and set a deadline for their submission.

Term of consideration of the request for permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 270. (new, SG 67/03) (1) The deputy chairman of the commission shall give or refuse a permit within one month from filing the request under art. 269 and, when additional information and documents are required - within one month from

their presentation.

(2) Where the request for issuance of permit accepted with missing or irregular documents the deputy chairman of the commission shall inform, within 14 days, the insurance company about the irregularities and shall set a deadline for their correction.

(3) The deputy chairman of the commission shall inform in writing the applicant about the decision under para 1 within 7 days from its being taken.

Refusal to issue permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 271. (new SG 67/03) (1) The deputy chairman of the commission shall refuse to issue permit where:

1. after the expiration of the set deadline under art. 270, para 1 and 2 the additional documents or information have not been presented or the irregularities have not been corrected;

2. the requirements of this code have not been met;

3. there is no necessary financial, personnel or informational provision of the insurance company.

(2) In case of a refusal the insurance company may file a new request for obtaining a permit for managing a fund for additional voluntary insurance for unemployment or professional qualification not earlier than 6 months from the date of the refusal.

Court registration (new, SG 67/03)

Art. 272. (SG 67/03) (1) The district court at the place of the seat of the fund for additional voluntary insurance for unemployment or professional qualification shall enter in its register the fund if the insurance company has filed an application for registration within 6 months from obtaining the permit from the deputy chairman of the commission.

(2) The application for court registration shall contain:

1. the name, the seat and the address of management of the insurance company;

2. name of the fund for unemployment or professional qualification;

3. full name and united citizen number of the persons who manage and represent the insurance company.

(3) Attached to the application shall be:

1. a certified copy of the licence of the insurance company for insurance for unemployment and/or professional qualification;

2. the statutes of the insurance company for insurance for unemployment and/or professional qualification;

3. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the insurance company for insurance for unemployment and/or professional qualification;

4. the decision of the general assembly of the company for establishing a fund for insurance for unemployment and/or professional qualification;

5. the regulations of the fund for insurance for unemployment and/or professional qualification;

6. the permit of the deputy chairman of the commission for management of the fund for insurance for unemployment and/or professional qualification;

(4) Entered in the register of the district court shall be the name of the fund for insurance for unemployment and/or professional qualification; the name, the seat and address of management of the company having established the fund; the way of representation of the company.

(5) The fund for insurance for unemployment and/or professional qualification shall occur as a corporate body from the day of the entry in the court register.

Deadline for the court decision (new, SG 67/03)

Art. 273. (new, SG 67/03) The court shall consider the application for registration of the fund for insurance for unemployment and/or professional qualification within 14 days from the date of its filing.

Submission of a copy of the court decision (new, SG 67/03)

Art. 274. (SG 67/03) The insurance company for unemployment and/or professional qualification shall be obliged to submit to the commission a certified copy of the court decision for entry of a fund for insurance for unemployment or professional qualification within 7 days from its receipt.

Expenses related to the registration (new, SG 67/03)

Art. 275. (new, SG 67/03) All expenses related to establishing, obtaining permit for management and for registration of a fund for insurance for unemployment or professional qualification shall be for the account of the insurance company for additional voluntary insurance for unemployment and/or professional qualification.

Withdrawal of the permit for management of a fund (new, SG 67/03)

Art. 276. (new, SG 67/03) The deputy chairman of the commission shall withdraw the permit for managing fund for additional voluntary insurance for unemployment and/or professional qualification for:

1. finding that the documents having serves as grounds for issuance of the permit contain untrue data;

2. not filing the application for court registration within 6 months from obtaining the permit for management of a fund for additional voluntary insurance for unemployment and/or professional qualification;

3. transformation of the insurance company when the management of the fund is transferred to another insurance company;

4. dissolving of the fund due to merger or incorporation with another fund for additional voluntary insurance for unemployment or professional qualification;

5. presence of real and immediate threat for the interests of the insured persons;

6. withdrawal of the licence of the insurance company managing the fund.

Obligations of the insurance company after withdrawal of the permit for managing fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 277. (new, (SG 67/03) (1) After the withdrawal of the permit for management of a fund for additional voluntary insurance for unemployment or professional qualification the insurance company for unemployment and/or professional qualification may not conclude new contracts and offer new terms of additional voluntary insurance for unemployment or professional qualification, as well as change the conditions, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the permit shall not release the insurance fund from its obligations on concluded contracts.

Obligation of the deputy chairman of the commission after the withdrawal of a permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 278. (new, SG 67/03) The deputy chairman of the commission shall send a notification for the withdrawal of the permit for managing fund for additional voluntary insurance for unemployment or professional qualification to the court having made the registration, shall promulgate the notification in the State Gazette and shall publish it in at least two central daily newspapers.

Regulations for the organisation and activity of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 279. (new, SG 67/01) (1) The regulations for the organisation and activity of fund for additional voluntary insurance for unemployment or professional qualification shall be adopted by the general assembly of the stock holders of the insurance company for unemployment and/or professional qualification.

(2) The regulations for the organisation and activity of the fund shall contain:

1. the name of the fund;
2. the name, the seat and the address of management of the insurance company managing it;
3. the conditions and the order of concluding insurance contracts, the order for the amendments and supplements in them and the conditions of their termination;
4. the conditions and the order of keeping individual accounts of the insured persons for unemployment and/or professional qualification and accounts of the insurer for professional qualification and submitting abstracts from them;
5. the period and the way of distribution of the revenue from investments and the basic objectives and restrictions of the investment policy of the fund;
6. the size of the fees and charges collected by the insurance company;
7. the conditions, the order and the deadlines for payment of the indemnification for unemployment and resources for training;
8. the conditions, the order and the deadlines for transfer of the accumulated

resources of the individual account and of the account of the employer;

9. the conditions and the order of introducing amendments and supplements in the regulations;

10. the way and the order of making notices and announcements related to the activity of the fund;

11. the methods and periodicity of assessment of the assets of the fund;

12. the rights and the obligations of the insurance company, of the insured person and of the insurers.

Amendment and supplement of the regulations of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 280. (new, SG 76/03) (1) The amendments and supplements of the regulations under art. 279, para 2 shall be approved by the deputy chairman of the commission. The deputy chairman of the commission shall announce a decision within one month from receipt of the application. The applicant shall be informed in writing about the taken decision within 7 days.

(2) The insurance company for unemployment and professional qualification shall notify the insured persons about the concrete amendments and supplements of the regulations and activity of the fund personally or through a publication in two central daily newspapers within one week from receipt of the permit of the deputy chairman of the commission.

Chapter thirty one.

INSURANCE INSTALMENTS AND ACCOUNTS (new, SG 67/03)

Kind and size of the insurance instalments (new, SG 67/03)

Art. 281. (new, SG 67/03) (1) Insurance instalments shall be made for insurance in a fund for additional voluntary insurance for unemployment or professional qualification by the insured person and/or his insurer.

(2) The insurance instalments under para 1 shall be in cash and they may be monthly, for another period, or one-time.

Insurance payments

Art. 282. (new, SG 67/03) (1) Instalments under art. 281 may be made by:

1. individuals - for their account;

2. employers who are insurers - for their workers and employees;

3. bodies who are insurers for:

a) civil servants;

b) (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entries and the court employees;

c) (amend. - SG 82/06) the military servicemen according to the law of the defence and the armed forces of the Republic of Bulgaria, civil servants under the Law on the Ministry of Interior and the civil servants under the Law of execution of penalties;

d) assignors who are insurers - for the persons with whom a contract has been concluded for management or control;

e) assignors who are insurers - for the persons with whom a contract has been concluded for practising other activity without legal terms of employment.

(4) The insurance instalments by the insurer shall not obliged the insured person to make instalments for his account.

Prohibition of discrimination (new, SG 67/03)

Art. 283. (new, SG 67/03) The insurer may not refuse additional voluntary insurance for unemployment or professional qualification to workers and employees on the grounds of nationality, origin, sex, sexual orientation, race, colour of skin, age, political or other convictions, religious or belief, membership in trade unions and other public organisations and movements, marital, public and material status and presence of psychic and physical disabilities.

Team employment negotiations (new, SG 67/03)

Art. 284. (new, SG 67/03) The additional insurance for unemployment and/or professional qualification carried out by the employer, with or without the participation of the worker or employee, may be subject to the team employment negotiations.

Obligation for transfer of insurance instalments (new, SG 67/03)

Art. 285. (new, SG 67/03) When the insurance instalments are made simultaneously by the insured person and by the insurer, or only by the insured person, at his choice, the insurer shall deduct from the remuneration for the respective month the insurance instalment which is for the account of the insured person, and shall transfer it to the fund for unemployment and/or professional qualification.

Individual account and account of the insurer (new, SG 67/03)

Art. 286. (new, SG 67/03) (1) The personal insurance instalments made by the insured person and the insurance instalments made by the insurer for additional voluntary insurance for unemployment shall be accumulated in an individual account of the insured person and shall be kept in separate accounts.

(2) The personal insurance instalments for additional voluntary insurance for professional qualification shall be accumulated in an individual account of the insured person.

(3) The insurance instalments for professional qualification made by the insurer shall be accumulated in an account of the insurer.

Chapter thirty two. RIGHTS OF THE INSURED PERSONS AND OF THE INSURERS (new, SG 67/03)

Section I.

Rights of the persons insured for unemployment (new, SG 67/03)

Cash indemnification (new, SG 67/03)

Art. 287. (new, SG 67/03) (1) The person insured in a voluntary fund for unemployment shall be entitled to a cash indemnification for unemployment for a period not longer than 12 months, up to the size of the accumulated resources in the individual account by personal insurance instalments and the instalments of the insurer and the revenue from their investment, reduced by the fees and charges stipulated by this Division.

(2) (amend. - SG 82/06; amend. – SG 64/07) On termination of the legal term of relation with the insurer, by the choice or with the consent, or due to a guilty conduct of the insured person, pursuant to art. 325, item 1 and 2, art. 326 and 330 of the Labour Code, art. 103, para 1, item 1, 2 and 5, art. 105 and 107 of the Law of the civil servant, art. 128, item 1, 7 and 8, art. 128a and art. 128c, item 2 of the Law of the defence and the armed forces of the Republic of Bulgaria and art. 245, para 1, item 4, 6 and 8 of the Law of the Ministry of Interior, art. 165, para 1, item 2, 3 and 5 and art. 271, item 2, 3 and 5 of the Law of the judicial authority, the indemnification for unemployment shall be determined in a size up to the accumulated resources in the individual account of personal insurance instalments and the revenue from their investing, reduced by the fees and charges stipulated by this Division, and 10 percent of the accumulated resources from the insurance instalments of the insurer and the revenue from their investing, reduced by the fees and charges stipulated by this Division, for a period not longer than 12 months.

(3) At the choice of the insured person the sum under para 1 or 2 may be paid to him in one payment.

Occurrence of the right to cash indemnification (new, SG 67/03)

Art. 288. (new, SG 67/03) The right to cash indemnification for unemployment of the persons under art. 262, para 1, item 1 - 5 and item 9 shall occur on the date of termination of the legal terms of relations, and for the persons under art. 262, para 1, item 6 - 8 - from the date of termination of the activity.

Rights of the legatees upon death of the insured person (new, SG 67/03)

Art. 289. (new, SG 67/03) (1) Upon death of the insured person the resources of personal insurance instalments accumulated in his individual account and the insurance instalments made by the insurer shall be paid one-time to the legatees.

(2) Where there are no persons under para 1 the accumulated resources in the individual account shall remain in the state budget.

Right to transfer resources to another fund for additional voluntary insurance for unemployment (new, SG 67/03)

Art. 290. (new, SG 67/02) The person insured for unemployment shall have the right to transfer the resources accumulated in his individual account by personal

insurance instalments, or a part of them, from one to another fund for additional voluntary insurance for unemployment, established and managed by another insurance company for unemployment and/or professional qualification if one year from the conclusion of the insurance contract has elapsed.

Right to transfer resources to a spouse or a relative on the direct line (new, SG 67/03)

Art. 291. (new, SG 67/03) The insured person shall have the right, not more than once during a calendar year, to transfer resources accumulated in his individual account by personal insurance instalments or a part of them to an individual account in the same or in another fund for additional voluntary insurance for unemployment to a spouse or a relative on the direct line up to second degree.

Right to draw resources accumulated in the individual account (new, SG 67/03)

Art. 292. (new, SG 67/03) The person insured for unemployment shall have the right to draw, at any time, resources accumulated in the individual account by personal insurance instalments.

Reallocation of resources (new, SG 67/03)

Art. 293. (new, SG 67/03) In the cases of art. 287, para 2 the remainder of the resources accumulated in the individual account of the insured person by insurance instalments of the insurer shall be reallocated to the accounts of the remaining persons insured by this insurer, by an order and in a way determined by the insurance contract.

Section II.

Rights of the persons insured for professional qualification (new, SG 67/03)

Resources for training (new, SG 67/03)

Art. 294. (new, SG 67/03) The person insured in a fund for additional voluntary insurance for professional qualification shall be entitled to resources for training for:

1. initial professional qualification of persons who do not have such qualification;
2. additional qualification;
3. re-qualification;
4. education of higher degree.

Right to using and size of the resources for training (new, SG 67/03)

Art. 295. (new, SG 67/03) (1) The right to using resources for training from the individual account of the insured person in a fund for additional voluntary insurance for professional qualification shall occur upon a declared necessity by the

insured person of acquiring initial professional qualification, additional qualification, re-qualification or education of a higher degree.

(2) The payments under para 1 shall be made in a size of up to the accumulated resources in the individual account of the insured person by insurance instalments and the revenue from their investment, reduced by the fees and charges stipulated by this Division, on the grounds of expenditure and other documents presented by the educating organisation.

(3) The right to using resources for training from the account of the insurer in a fund for additional voluntary insurance for professional qualification shall occur upon declared necessity by the insurer for the necessity of acquiring initial professional qualification, additional qualification, re-qualification or education of a higher degree, by a written consent of the insured person.

(4) The payments under para 3 shall be made in a size up to the accumulated resources in the account of the insurer by the insurance instalments and the revenue from their investment, reduced by the fees and charges stipulated by this Division, on the grounds of expenditure and other documents presented by the educating organisation.

(5) The maximal size of the sums under para 4 for one insured person may not exceed the 5-fold average size of the accumulated resources for the insured persons made by this insurer.

Rights of the legatees upon death of the insured person (new, SG 67/03)

Art. 296. (new, SG 67/03) (1) Upon death of the person insured for professional qualification the resources accumulated in his individual account by personal insurance instalments shall be paid one-time to the legatees.

(2) Where there are no persons under para 1 the accumulated resources in the individual account shall remain in the state budget.

Right to transfer of resources to other fund for additional voluntary insurance for professional qualification (new, SG 67/03)

Art. 297. (new, SG 67/03) The insured person shall have the right to transfer resources, or a part of them, accumulated in his individual account to another fund for additional voluntary insurance for professional qualification, established and managed by another insurance company for unemployment and/or professional qualification, if one year from the conclusion of the insurance contract has elapsed.

Right to transfer resources to a spouse or a relative on the direct line (new, SG 67/03)

Art. 298. (new, SG 67/03) The insured person shall have the right, not more than once during a calendar year, to transfer resources accumulated in his individual account by personal insurance instalments or a part of them to an individual account in the same or in another fund for additional voluntary insurance for professional qualification to a spouse or a relative on the direct line up to second degree.

Right to draw resources accumulated in the individual account (new, SG 67/03)

Art. 299. (new, SG 67/03) The person insured for professional qualification shall have the right to draw, at any time, resources accumulated in the individual account by personal insurance instalments.

Section III. Rights of the insurers (new, SG 67/03)

Reallocation of the resources of the account of the insurer (new, SG 67/03)

Art. 300. (new, SG 67/03) (1) In the event of termination of the insurance for professional qualification the accumulated resources in the account of the insurer and the revenue from their investment, reduced by the fees and charges stipulated by this Division shall be reallocated to the individual accounts of the insured persons by an order and in a way determined by the insurer.

(2) In cases where the insured person has no opened individual account the insurance company shall open such an account.

(3) The insurance company shall notify the insurer and the insured persons about the transfer under para 1 or about the opening of an individual account under para 2.

Right to transfer of resources to another fund for additional voluntary insurance for professional qualification (new, SG 67/03)

Art. 301. (new, SG 67/03) The insurer shall have the right to transfer resources accumulated in his account by insurance instalments for the insured persons or a part of them to another fund for additional voluntary insurance for professional qualification, established and managed by another insurance company for unemployment and/or professional qualification, but not more than one within a calendar year.

Order of transfer (new, SG 67/03)

Art. 302. The order and the way of transferring the resources under art. 290, 297 and 301 shall be determined by an ordinance of the commission.

Right to information (new, SG 67/03)

Art. 303. (new, SG 67/03) The insurer shall be entitled to free information once a year for the resources accumulated in his account, for the profitability of their investment and for the insurance rights ensuing from the accumulated resources upon a written request.

Chapter thirty three. CONTRACTS (new, SG 67/03)

Conclusion of insurance contracts (new, SG 67/03)

Art. 304. (new, SG 67) (1) The contract for additional voluntary insurance for unemployment and/or professional qualification shall be concluded in writing and shall settle the relations on the voluntary insurance for unemployment and/or professional qualification between the insurance company for unemployment and/or professional qualification, on one hand, and the insured person and the insurer, on the other.

(2) When the insurance contract is concluded between the insurer and the insurance company for unemployment and/or professional qualification it shall be in favour of the insured persons.

(3) Required, for the conclusion of the insurance contract under para 2 shall also be a preliminary written consent of the person in whose favour the contract is concluded.

(4) The insurance contract for additional voluntary insurance for unemployment and/or professional qualification shall be termless.

Content of the insurance contract (new, SG 67/03)

Art. 305. (new, SG 67/03) The insurance contract shall obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006) the names and addresses of the parties to the contract, the court registration and the code of BULSTAT of the fund for additional voluntary insurance for unemployment or professional qualification, the licence the commercial registration of the insurance company managing the fund for additional voluntary insurance for unemployment or professional qualification and the unified identification code;

2. subject and scope of the insurance;

3. size of the insurance instalment;

4. the conditions, the order and the way of payment of the insurance instalment, the cash indemnification for unemployment, the resources for training and the reallocation of the resources under art. 293 and 300;

5. the date of conclusion and enactment of the insurance contract;

6. the terms for termination of the contract;

7. the size of the fees and charges.

Chapter thirty four. INVESTMENTS (new, SG 67/03)

Order of investing (new, SG 67/03)

Art. 306. (new, SG 67/03) (1) Applied for the investments of the fund for additional voluntary insurance for unemployment or professional qualification shall be the provisions of Chapter Fourteen, inasmuch as this chapter does not stipulate otherwise.

(2) In investing the resources of the fund for additional voluntary insurance for unemployment or professional qualification shall not apply the requirements for minimal profitability.

Investing the resources (new, SG 67/03)

Art. 307. (new, SG 67/03) The resources of the fund for additional voluntary insurance for unemployment or professional qualification may be invested only in:

1. securities issued and guaranteed by the state;
2. securities accepted for trading on the regulated markets of securities;
3. bank deposits;
4. mortgage bonds issued by local banks according to the Law of the mortgage bonds;
5. municipal bonds.

Investment restrictions (new, SG 67/03)

Art. 308. (new, SG 67/03) (1) No more than 80 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in securities issued or guaranteed by the state.

(2) No more than 60 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in bank deposits, but not more than 10 percent in one bank.

(3) No more than 30 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in mortgage bonds, whereas the investments in mortgage bonds issued by one bank may not exceed 10 percent of the assets of the fund.

(4) No more than 10 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in municipal bonds, whereas the investments in municipal bonds, issued by one municipality, may not exceed 5 percent of the assets of the fund.

(5) No more than 10 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in stocks issued by Bulgarian issuers and traded on regulated markets.

(6) No more than 20 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in corporate bonds issued by Bulgarian issuers and traded on regulated markets.

Chapter thirty five. ACCOUNTANCY (new, SG 67/03)

Accountancy of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)

Art. 309. (new, SG 67/03) The insurance company for unemployment and/or professional qualification shall organise and carry out the accountancy and shall organise and carry out the accountancy and the financial reports of the funds for additional voluntary insurance for unemployment or professional qualification managed by it in compliance with the provisions of Chapter Fifteen.

Chapter thirty six.

TAX RELIEF (new, SG 67/03)

Tax exemption (new, SG 67/03)

Art. 310. (new, SG 67/03) (1) The revenue of the fund for additional voluntary insurance for unemployment or professional qualification shall not be levied with tax by the order of the Law of the corporate income taxation.

(2) (amend. - 95/06, in force from 01.01.2007) The revenue from investment of the assets of the fund for additional voluntary insurance for unemployment or professional qualification, distributed among the individual accounts of the insured persons, shall not be levied with tax by the order of the Law for the taxes on the income of natural persons.

(3) The services on additional voluntary insurance for unemployment and/or professional qualification shall not be levied with tax by the order of the Law of the value added tax.

Deduction of the personal instalments from the taxable revenue (new, SG 67/03)

Art. 311. (new, SG 67/03; amend. - 95/06, in force from 01.01.2007) The personal instalments for additional voluntary insurance for unemployment and/or professional qualification of the individuals shall be deducted from their income before taxation by an order, in a way and in sizes determined by the Law for the taxes on the income of natural persons.

Recognition of expense (new, SG 67/03)

Art. 312. (new, SG 67/03) The instalments of the insurers for additional voluntary insurance for unemployment and/or professional qualification shall be recognised as expense by an order, in a way and in sizes determined by the Law of the corporate income taxation.

Chapter thirty seven.

FEES AND CHARGES (new, SG 67/03)

Legally established fees and charges (new, SG 67/03)

Art. 313. (new, SG 67/03) The insurance company for unemployment and/or professional qualification shall collect fees and charges for the management of the funds for additional voluntary insurance for unemployment or professional qualification as follows:

1. one-time introductory fee for opening an individual insurance account - not more than 10 BGN;
2. charge as a percentage of each insurance instalment - up to 5 percent for each fund individually;
3. investment fee amounting to 10 percent of the income realised by the investment of the resources of the fund for additional voluntary insurance for

unemployment or professional qualification.

Additional fees (new, SG 67/03)

Art. 314. (new, SG 67/03) (1) The insurance company for unemployment and/or professional qualification may collect additional fees in the following cases:

1. for each transfer of accumulated resources of individual insurance account from one funds for additional voluntary insurance for unemployment or professional qualification to another respective fund managed by other insurance company;
2. for each drawing (in full or partially) of the accumulated resources of the individual account.

(2) The fees under para 1 shall not be paid for transfer or drawing because of disagreement with amendments of the regulations of the fund for funds for additional voluntary insurance for unemployment or professional qualification, transformation or termination of the funds for additional voluntary insurance for unemployment or professional qualification.

Size of the fees and charges (new, SG 67/03)

Art. 315. (new, SG 67/03) (1) The concrete size of the fees and charges under this chapter shall be determined by the regulations of the funds for additional voluntary insurance for unemployment or professional qualification.

(2) The fees under art. 314, para 1 shall be up to 20 BGN.

Lawfulness of the fees (new, SG 67/03)

Art. 316. (new, SG 67/03) The insurance companies for unemployment and/or professional qualification may not collect other fees and charges besides those stipulated in this chapter.

Division five.

TRANSFORMATION, WINDING UP AND BANKRUPTCY OF THE COMPANIES AND FUNDS FOR ADDITIONAL SOCIAL INSURANCE (new, SG 67/03)

Chapter thirty eight.

TRANSFORMATION, WINDING UP AND BANKRUPTCY (new, SG 67/03)

Terms of transformation of a company for additional social insurance (new, SG 67/03)

Art. 317. (new, SG 67/03) (1) Transformation of a company for additional social insurance shall be carried out upon a preliminary permit of the commission under the following conditions:

1. proven solvency after the transformation;

2. preservation of the rights of the insured persons and of the pensioners.

(2) For merger or acquisition of a company for additional social insurance an advance permit by the Commission for protection of the competition shall be required.

(3) Upon a decision of the general assembly of the stock holders for transformation the company shall inform the deputy chairman of the commission within 7 days from the date of the decision.

Transformation of a company for additional social insurance (new, SG 67/03)

Art. 318. (new, SG 67/03) (1) The companies for additional social insurance may be transformed through merger, acquisition, separation and division.

(2) On transformation through merger, separation or division the newly established legal subjects shall be joint-stock companies with subject of activity additional pension insurance, respectively insurance for unemployment and/or professional qualification.

(3) On merger or acquisition of companies for additional social insurance the funds for additional social insurance managed by them shall be merged or acquired by the respective kinds of funds. If the managed funds differ in kind the activity of their management shall pass on to the receiving company - in acquisition, or to the newly established company - in merger.

(4) In the cases of separation or division of companies for additional social insurance the funds for additional social insurance shall not be transformed, whereas their management shall be taken over by one of the companies, or each of them shall take over for management funds of definite kind.

Requirements for the pension reserves on transformation of pension insurance companies (new, SG 67/03)

Art. 319. (new, SG 67/03) On transformation of pension insurance companies the formed pension reserves:

1. shall retain their purpose in the company where they are transferred;
2. may not be divided or separate from themselves other reserve;
3. may acquired by or merged with other reserves with the same purpose.

Transformation of funds for additional social insurance (new, SG 67/03)

Art. 320. (new, SG 67/03) (1) A fund for additional social insurance may be transformed only through merger or acquisition, on condition that the rights of the insured persons and pensioners are retained.

(2) A fund for additional social insurance may not be divided or separate from itself another fund, as well as to be transformed into a trade company, non-profit association or cooperation.

(3) On merger or acquisition of funds for additional social insurance the receiving or newly established fund shall be legal successor of the winding up funds.

(4) If the company for additional social insurance is not transformed and fund for additional social insurance managed by it may be transformed only through acquisition by another fund managed by another company for additional social insurance, upon a prior permit of the Commission for protection of the competition.

Permit for transformation of a company for additional social insurance (new, SG 67/03)

Art. 321. (new, SG 67/03) (1) To obtain permit for transformation the company for additional social insurance shall file a request with the commission enclosing:

1. decision of the general assembly;
2. permit of the Commission for protection of the competition - in the cases of art. 317, para 2;
3. transformation plan;
4. other necessary documents.

(2) The request under para 1 shall be filed not later than 3 months from the date of the decision of the general assembly of the stock holders for transformation of the company.

(3) The newly established companies as a result of the transformation shall be licensed by the order of art. 122a - 122d.

(4) (suppl., SG 112/03) When, as a result of the transformation of the companies it is necessary to issue a permit for management of funds for additional social insurance the provisions of art. 145, art. 218 and 269 shall apply respectively.

(5) In the cases of para 3 and 4 the documents for licensing and for obtaining permit for management of a fund shall be filed along with the request for obtaining permit for transformation.

Order of issuing permit for transformation of a company for additional social insurance (new, SG 67/03)

Art. 322. (new, SG 67/03) (1) Within two months from receipt of the request under art. 321, para 1 the deputy chairman of the commission shall present to the commission a proposal for giving or refusal to give permit for transformation and proposals for issuance of licences in the cases of art. 321, para 3.

(2) If the deputy chairman of the commission has requested additional information and documents, or he has given instructions for correction of discrepancies with the law, the term under para 1 may be extended by one month.

(3) Within one month from filing the proposal under para 1 the commission shall announce a motivated decision for giving or refusal to give a permit for transformation.

(4) The commission shall refuse to issue a permit for transformation when:

1. some of the required documents is missing or they contain irregularities;
2. the requirements of this code and the acts for its implementation have not been fulfilled.

(5) Along with the permit under para 3 the commission shall issue licences to the newly established companies.

(6) Within one week from the issuance of the permit under para 3 the deputy chairman of the commission shall:

1. issue a permit for management of the newly established funds for additional social insurance;
2. withdraw the issued permits of the winding up funds.

(7) The company for additional social insurance shall be obliged to observe

the plan for transformation and it may not introduce changes to it.

Order of issuing a permit for transformation of a fund for additional social insurance (new, SG 67/03)

Art. 323. (new, SG 67/03) (1) Transformation of a fund for additional social insurance under the conditions of art. 320, para 4 shall be carried out by a permit of the deputy chairman of the commission.

(2) To obtain a permit under para 1 the company, upon a decision of its competent bodies, shall file a request to the deputy chairman of the commission, enclosing a plan for transformation of the fund, a permit of the Commission for protection of the competition and other necessary documents.

(3) The deputy chairman of the commission shall announce a decision within one month from filing the request under para 2 and, when additional information and documents are required - within one month from their receipt.

Winding up of a company for additional social insurance (new, SG 67/03)

Art. 324. (new, SG 67/03) A company for additional social insurance shall wind up:

1. voluntarily - by a decision of the general assembly of the stock-holders;
2. compulsory - by a withdrawal of the pension licence or of the licence for additional voluntary insurance for unemployment and/or professional qualification;
3. for declaring insolvency.

Winding up of a company for additional social insurance by a decision of the general assembly (new, SG 67/03)

Art. 325. (new, SG 67/03) (1) Under the conditions of art. 324, item 1 a company for additional social insurance shall wind up through liquidation, and the funds for additional social insurance managed by it - through acquisition by respective funds managed by other companies for additional social insurance.

(2) On winding up by the order of para 1 the formed pension reserves shall retain their purpose, they may not be divided and acquired by reserves with the same purpose in other pension insurance companies.

Terms of voluntary winding up (new, SG 67/03)

Art. 326. (new, SG 67/03) (1) Voluntary winding up of companies for additional social insurance shall be carried out by a prior permit of the commission under the following conditions:

1. proven solvency;
2. preserving the rights of the insured persons and pensioners.

(2) Upon a decision taken by the general assembly of the stock holders for winding up the company shall inform the deputy chairman of the commission within 7 days from the date of the decision.

Permit for voluntary winding up (new, SG 67/03)

Art. 327. (new, SG 67/03) (1) To obtain a permit for winding up the company for additional social insurance shall file a request to the commission enclosing:

1. decision of the general assembly;
2. permit of the Commission for protection of the competition;
3. liquidation plan;
4. other necessary documents.

(2) The liquidation plan of companies for additional social insurance shall obligatorily contain an annex setting the conditions, the order and the way of acquisition of the pension reserves and of transferring the resources of the individual accounts of the insured persons and the guarantees for the pensioners.

(3) The request under para 1 shall be filed not later than two months from the date of the decision of the general assembly of the stock holders for winding up the company.

Order of issuing permit (new, SG 67/03)

Art. 328. (new, SG 67/03) (1) Within two months from receipt of the request the deputy chairman of the commission shall present to the commission a proposal for giving or refusal to give permit for voluntary wind up.

(2) If the deputy chairman of the commission has required additional information or documents the term under para 1 may be extended by one month.

(3) Within one month from presenting the proposal under para 1 the commission shall announce a motivated decision for giving or refusal to give a permit for voluntary wind up of the company.

(4) The commission shall refuse to issue a permit for transformation when:

1. some of the required documents is missing or they contain irregularities;
2. the requirements of this code and the acts for its implementation have not been fulfilled.

(5) Along with the permit the commission shall withdraw the licence of the company.

(6) Within one week from the issuance of the permit under para 3 the deputy chairman of the commission shall withdraw the permits for management of the funds.

Court proceedings (new, SG 67/03)

Art. 329. (new, SG 67/03) The company for additional social insurance shall file the necessary documents in the district court at the place of its seat immediately upon obtaining the decisions under art. 328, para 3 and 6 for winding up the company, for instituting proceedings on liquidation and writing off the funds managed by it, presenting also certified copies of the decisions.

Monthly reports (new, SG 67/03)

Art. 330. (new, SG 67/03) The liquidator shall inform the deputy chairman of the commission about the process of the proceedings and shall present to him a financial account and report on his activity monthly, not later than the 15th of every month.

Compulsory wind up (new, SG 67/03)

Art. 331. (new, SG 67/03) (1) Proceedings for compulsory wind up shall be instituted for every company for additional social insurance of whom the licence for carrying out activity of additional social insurance has been withdrawn pursuant to art. 122f, para 1, item 2 and 6 and para 2.

(2) After the withdrawal of the licence the commission shall appoint a receiver until the appointment of a liquidator.

(3) The proceedings shall be instituted by the district court at the place of seat of the company at a request of the commission. The request shall state only the grounds for withdrawal of the licence, accompanied by a certified copy of the decision for withdrawal of the licence.

(4) If the request meets the requirements of para 1 the court shall institute proceedings for liquidation of the company for additional social insurance and shall appoint a liquidator.

(5) Within 3 months from his appointment the liquidator shall work out and present to the deputy chairman of the commission a liquidation plan with the annex under art. 327, para 2, and shall conclude contracts with other companies for additional social insurance for:

1. acquisition by the funds managed by them of funds of the winding up company;

2. transfer of the resources of the individual accounts of the insured persons and of the pensioners to respective funds managed by companies for additional social insurance, under conditions and by an order determined by an ordinance of the commission.

(6) Within one month from the receipt of the liquidation plan the deputy chairman of the commission shall announce a decision approving the conditions, the order and the way of satisfying the insured persons and pensioners, stipulated by it and by the annex, or he shall determine otherwise imperatively.

(7) For withdrawal of a permit for managing a fund for additional social insurance shall apply para 2 - 6 respectively.

Retaining the purpose of the pension reserves (new, SG 67/03)

Art. 332. (new, SG 67/03) On winding up a pension insurance company by the order of art. 331 the formed pension reserves shall retain their purpose and shall be acquired by reserves with the same purpose in the respective pension insurance companies according to the plan and the contracts under art. 331, para 5.

Bankruptcy of a company for additional social insurance (new, SG 67/03)

Art. 333. (new, SG 67/03) (1) Proceedings for bankruptcy of a company for additional social insurance shall be instituted upon withdrawal of its licence for carrying out activity of additional social insurance pursuant to art. 122f, para 1, item 5.

(2) The company for additional social insurance shall be considered insolvent when:

1. for a period longer than 7 working days it has not fulfilled an exigible monetary liability, or

2. the total size of its liabilities exceeds the total value of its assets.

(3) Only the commission may request the court to institute bankruptcy proceedings for a company for additional social insurance.

(4) The request of the commission shall state the grounds on which the licence has been withdrawn. It shall be accompanied by a certified copy of the decision for withdrawal of the licence.

(5) During the proceedings for the bankruptcy of the company for additional social insurance may not apply a recovery plan.

(6) The commission shall appoint a recipient until the appointment of assignee in bankruptcy by the court.

Bankruptcy proceedings (new, SG 67/03)

Art. 334. (new, SG 67/03) (1) The court shall institute the case on the day of receiving the request of the commission under art. 333, para 3 and shall set a sitting not later than 10 days after its instituting.

(2) The court shall consider the request with the participation of a prosecutor in a sitting in camera, with summoning the commission and the company for additional social insurance.

(3) By its decision the court shall:

1. declare the insolvency of the company and shall determine its initial date;
2. open bankruptcy proceedings;
3. declare bankruptcy of the company for additional social insurance;
4. terminate the legal authorities of the bodies of the company;
5. rule a floating charge and distraint;
6. divest the company of the right to manage and administer the property, included in the bankruptcy estate;
7. rule for the start of the sale of the property included in the bankruptcy estate and allocation of the sold property;
8. appoint assignee in bankruptcy.

Restrictions for the assignee in bankruptcy (new, SG 67/03)

Art. 335. (new, SG 67/03) An assignee in bankruptcy of a company for additional social insurance may not be a person who is an interim assignee in bankruptcy or an assignee in bankruptcy of another entrepreneur. This circumstance shall be established by a declaration filed by the assignee in bankruptcy on his appointment by the court.

Obligations of the assignee in bankruptcy (new, SG 67/03)

Art. 336. (new, SG 67/03) (1) Within three months from his appointment the assignee in bankruptcy shall work out and present to the deputy chairman of the commission a plan for:

1. acquisition of funds for additional social insurance of the bankrupt company by respective funds managed by other companies for additional social insurance;
2. transfer of resources of individual accounts of the insured persons and

pensioners from the funds managed by the bankrupt company to other respective funds for additional social insurance, under conditions and by an order determined by an ordinance of the commission.

(2) Within one month from receiving the plan of the assignee in bankruptcy the deputy chairman of the commission shall announce a decision approving the conditions, the order and the way of satisfying the insured persons and pensioners stipulated by it, or determine otherwise imperatively.

(3) For bankruptcy of a pension insurance company the formed pension reserves shall retain their purpose and shall be acquired by reserves with the same purpose in the respective pension insurance companies according to the plan of para 1.

(4) The assignee in bankruptcy shall present to the court and to the deputy chairman of the commission every month, by the 20th, and upon request - immediately, a report on his activity. The deputy chairman of the commission may carry out inspections on the spot for verification of the reports.

Control over the activity of the assignee in bankruptcy (new, SG 67/03)

Art. 337. (new, SG 67/03) (1) The deputy chairman of the commission shall have the right to control the activities of the assignee in bankruptcy regarding the management of the property of the company for additional social insurance and inspect the commercial books and the contents of the safe.

(2) For established violation the deputy chairman of the commission may extend proposals to the court for release of the assignee in bankruptcy and for appointment of a new assignee in bankruptcy.

Sale of the company as an enterprise (new, SG 67/03)

Art. 338. (new, SG 67/03) (1) On request of the assignee in bankruptcy or of the commission the court may permit the sale of the company for additional social insurance as an enterprise.

(2) The court may permit the transaction under para 1 upon receipt of a positive written statement of the commission. The commission shall announce a decision within 30 days from receipt of the request of the court.

(3) The court shall verify whether the transaction does not contradict the law and whether it does not harm the interests in the managed funds of the insured persons and pensioners.

(4) Transfer of ownership before the final payment of the price shall not be admitted.

(5) The enterprise of the company for additional social insurance may be sold only to another licensed company for additional social insurance.

(6) The transaction shall also be admissible when the joint-stock company is established for that purpose, if it obtains from the commission a licence for carrying out activity of additional social insurance. In this case the court shall approve the transaction after the issuance of the licence.

(7) If the company under para 6 meets the requirements the commission shall issue a licence which shall entitle it to carry out activity of additional social insurance. The licence shall be issued only if the applicant possesses a capital which would allow

it to carry out activity of additional social insurance according to the established requirements, after having satisfied the receivables of the creditors under the terms of the transaction.

(8) The buyer shall be responsible only for the liabilities he has undertaken according to the terms of the transaction approved by the court. The remaining receivables and rights not exercised shall be acquitted.

(9) The court shall terminate the bankruptcy proceedings after the conclusion of the transaction.

(10) The acts of the court under para 1 - 9 shall not be subject to appeal.

Conclusion of the bankruptcy proceedings (new, SG 67/03)

Art. 339. (new, SG 67/03) (1) The bankruptcy proceedings shall be concluded by a decision of the court when the property of the company for additional social insurance has been allocated.

(2) By its decision under para 1 the court shall rule for the writing off of the company in the commercial register.

Rights of the insured persons, pensioners and insurers on transformation and winding up (new, SG 67/03)

Art. 340. (new, SG 67/03) (1) On transformation or wind up of a company for additional social insurance or of a fund for additional social insurance the company to whose fund was transferred the individual account of the insured person shall obligatorily inform him about the transfer and about his rights within one week from the transfer.

(2) Informed, by the order of para 1, about the transfer shall also be the pensioners and the insurers when they make instalments for their account.

(3) In the cases of para 1, within one month from the notification, the insured persons shall have the right:

1. to transfer the resources of their individual accounts to another fund of the same kind - for additional obligatory pension insurance;

2. to transfer the resources of their individual accounts to another voluntary fund for additional social insurance or draw in full the accumulated resources of their individual accounts by personal instalments - for additional voluntary social insurance.

(4) In the cases of para 1, within one month from the notification, the insurers shall have the right to transfer the resources of their accounts to another voluntary fund for unemployment or professional qualification.

(5) It shall be considered, for persons who have not exercised their rights under para 3 within the set period that they have silently confirmed their participation in the fund for additional social insurance where the individual account has been transferred as a result of the transformation or wind up.

(6) The restrictions for transfer shall not apply in the cases of para 3.

Applicability of the Commercial Law (new, SG 67/03)

Art. 341. (new, SG 67/03) Inasmuch as this chapter does not stipulate special provisions the provisions of the Commercial Law shall apply respectively for the

transformation, wind up and bankruptcy of the company for additional social insurance.

Archiving (new, SG 67/03)

Art. 342. (new, SG 67/03) (1) On transforming a company or a fund for additional social insurance the managing body shall be in charge of submitting the official documentation of the company and of the managed funds and their inventory to the company - legal successor within 6 months from the transformation.

(2) On liquidation of a company for additional social insurance the documents subject to permanent storing shall be submitted to the respective state archive by the established order, within 6 months from the liquidation, as well as:

1. the written records and the decisions of the bodies of management;
2. the dossiers of the insured persons, pensioners, insurance mediators and employees of the company;
3. the contracts under art. 123, 123b and 123c;
4. banking, safe and accountancy documentation.

Determination of the requirements (new, SG 67/03)

Art. 343. (new, SG 67/03) The commission shall determine by an ordinance the requirements for the contents of:

1. the plan for transformation of a company for additional social insurance and of a fund for additional social insurance;
2. the annex to the plan for liquidation of the company for additional social insurance;
3. the plan of the assignee in bankruptcy in case of bankruptcy of a company for additional social insurance;
4. the documents under art. 321, para 1, item 4, art. 323, para 2 and art. 327, para 1, item 4.

Part three.

MANDATORY ADMINISTRATIVE MEASURES AND ADMINISTRATIVE PENAL RESPONSIBILITY (new, SG 67/03)

Chapter thirty nine.

MANDATORY ADMINISTRATIVE MEASURES (new, SG 67/03)

Types (new, SG 67/03)

Art. 344. (new, SG 67/03) (1) For prevention and stopping violations of Part Two of this code and of the acts for its implementation, for prevention and removal of the harmful consequences from them, as well as when the control activity is obstructed, untrue or misleading data are presented or the interests of the insured persons and pensioners are threatened the deputy chairman of the commission may apply the following mandatory administrative measures:

1. give obligatory prescriptions for undertaking concrete measures within a period set by him;
2. give obligatory prescriptions for necessary changes in the regulations of the funds for additional social insurance;
3. prohibit the conclusion of new insurance contracts for a definite period;
4. convene the general assembly of the stock holders or set a sitting of the managing and supervisory board (board of directors) for taking a decision for the measures to be undertaken;
5. oblige in writing the pension insurance company to increase its capital within a set period;
6. prohibit temporarily the payment of dividends;
7. prohibit temporarily to a stock holder to exercise his voting right if the requirements of art. 121g, para 1 and 2 are violated;
8. order in writing to a stock holder to transfer the stocks he possesses within a set period if the requirements of art. 121g, para 1 and 2 have been violated;
9. oblige the company for additional social insurance to terminate its contractual relations with a bank-trustee, with an investment mediator or with an insurance mediator if they do not meet the requirements stipulated by the code;
10. stop the fulfilment of a decision or an order of the managing bodies of the company for additional social insurance which regards the activity of additional social insurance, should they violate the requirements of the normative acts for additional social insurance;
11. stop the using and circulation of documents which have not been approved by the respective order;
12. stop the circulation of advertisements and informational materials, as well as the holding of lotteries if they do not meet the requirements of art. 123i;
13. appoint an outside auditor for the account of the company for additional social insurance;
14. withdraw a permit for management of a fund for additional social insurance;
15. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) forbid or restrict activity of a pension insurance company;
16. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) prohibit pension insurance company from accepting and managing resources under relevant professional scheme;
17. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) forbid or restrict activity of a pension insurance company abroad.

(2) The commission, at a proposal of the deputy chairman of the commission may apply the following mandatory administrative measures:

1. appoint a receiver in the cases stipulated by this code;
2. order in writing the release of one or more persons authorised to manage and represent the company for additional social insurance;
3. withdraw a licence for additional social insurance.

(3) The commission may inform the public about the implied measures under para 1 and 2 or about an activity threatening the interests of the insured persons and pensioners.

(4) The measures under para 1 and 2 shall apply regarding the controlled persons, their employees, persons carrying out managerial functions in the company for additional social insurance or persons authorised to conclude insurance contracts and to accept applications for insurance, as well as persons possessing ten or over ten percent of the capital of the company.

(5) (amend. - SG 59/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) For systematic violations of this code and of the acts for its implementation by a bank-trustee the commission may propose to the Bulgarian National Bank the application of measures under art. 103, para 2 of the Law of the credit institutions.

(6) (new – SG 41/07) The Deputy Chair of the Commission may upon request of a supervisory body of a Member State of a seat of an international institution prohibit the established in the territory of the Republic of Bulgaria bank-trustee to follow an instruction of the institution with regard to deposited by the institution assets of the professional schedule. In this case the Deputy Chair of the Commission shall advise immediately the Bulgarian National Bank.

(7) (amend. - SG 30/06, in force from 12.07.2006; prev. par. 6 – SG 41/07) In applying mandatory administrative measures under para 1 and 2 the provisions of the Administrative procedure code regarding the explanations and objections of the interested persons shall not apply.

Proceedings (new, SG 67/03)

Art. 345. (new, SG 67/03) (1) The mandatory administrative measures under art. 344, para 1 shall apply by a written motivated order of the deputy chairman of the commission which shall be announced to the interested person within seven days from its issuance.

(2) The mandatory administrative measures under art. 344, para 2 shall be applied by a written motivated decision of the commission which shall be announced to the interested person within seven days from its issuance.

Appeal (new, SG 67/03)

Art. 346. (new, SG 67/03) (1) (amend. - SG 30/06, in force from 12.07.2006) The order under art. 345, para 1 may be appealed only through administrative channels before the commission by the order of the Administrative procedure code.

(2) The decision under art. 345, para 2 shall be subject to immediate fulfilment and it may not be appealed by court order.

Mandatory administrative measures towards a foreign institution

Art. 346a (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) In the event of non-observance of the provisions of the Bulgarian labour and insurance legislation, relevant to professional scheme, including the ones, related to the

investment activity and the disclosure of information, the deputy chairmen of the commission may apply with regards to the foreign institution, managing the scheme, the following mandatory administrative measures:

1. order in writing the violations admitted to be stopped and the harmful consequences from them to be removed;

2. prohibit the institution from managing the professional scheme.

(2) The measures under para 1 shall be applied if the circumstances under art. 229d, para 3 and 4 are present.

Chapter fourty . RECEIVER (new, SG 67/03)

Receiver (new, SG 67/03)

Art. 347. (new, SG 67/03) (1) The receiver is an individual.

(2) The receiver shall meet the requirements of art. 121e, para 2, as well as;

1. not to have relations with the company for additional social insurance, which give rise to a grounded doubt of his objectivity;

2. not be a spouse, a relative on the direct or collateral line up to sixth degree or by marriage up to third degree of a member of a managing or control body of the company for additional social insurance, whose legal authorities have been terminated by the act for appointment of the receiver;

3. not to be a bankrupt debtor with reinstated rights.

(3) The receiver shall declare in writing before the commission the circumstances under para 2. he shall be obliged to inform immediately the commission for changes of these circumstances.

Rights and obligations of the receiver (new, SG 67/03)

Art. 348. (new, SG 67/03) (1) With the appointment of a receiver all legal authorities of the supervisory and of the managing board, respectively of the board of directors of the company for additional social insurance, shall be terminated and they shall be exercised by the receiver, inasmuch as the act for appointment does not stipulate restrictions.

(2) Actions and transactions carried out on behalf and for the account of the company for additional social insurance, without prior authorisation by the receiver, shall be null and void.

(3) The receiver shall have unlimited access to the premises of the company for additional social insurance, to accountancy and other documentation and to its property.

(4) The employees of the company for additional social insurance shall be obliged to assist the receiver in exercising his legal capacity.

(5) The receiver shall exercise his legal capacity with the care of a good husbandry and shall take all necessary measures for protection of the interests of the insured persons. The receiver shall bear responsibility for the damages deliberately caused by him.

(6) The receivers shall report on their activities only to the commission and, upon request, shall immediately present a report.

(7) The receiver shall receive, for his work, a remuneration to be determined by the commission, which shall be for the account of the company for additional social insurance.

(8) The legal capacities of the receivers shall be terminated upon appointment of a liquidator or an assignee in bankruptcy.

(9) The commission may, at any time, terminate the legal capacity of a receiver and appoint another one in his place.

(10) The commission may give obligatory prescriptions to the receiver in connection with his activity.

Chapter fourty one.

ADMINISTRATIVE PENAL RESPONSIBILITY (new, SG 67/03)

Section I.

Responsibility for violation of the provisions of the legislation regarding the state public insurance (new, SG 67/03)

Grounds (new, SG 67/03)

Art. 349. (New, SG 67/03) (1) (*) (suppl., SG 112/03, suppl. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007)) Who violates the provisions of Part One of this code or of the normative acts for its implementation or does not fulfill an obligatory prescription of a control body shall be fined by 50 to 1000 BGN, unless it is subject to a more severe penalty.

(2) (revoked – SG 105/05, in force from 01.01.2006)

(3) (amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007)) Who draws up a document of untrue contents or provides incorrect information under Art. 4, par. 4 for the purpose of unjustified receiving of insurance payments, shall be punished by a fine of 500 BGN for each individual case, unless subject to a more severe penalty.

(4) For repeated violation under para 1 and 3 the guilty person shall be punished by a fine of 500 to 2000 BGN.

Art. 349a (new - SG 104/05, in force from 27.12.2005) (1) A legal person which does not hand in the original documents of terminated insurers without a successor, on the grounds of which insured practice and income shall be found, at the local unit of the National Insurance Institute, shall be punished with a property sanction amounting from 500 to 2000 BGN.

(2) A natural person who does not hand in the original documents of terminated insurers without a successor, on the grounds of which insured practice and income shall be found, at the local unit of the National Insurance Institute, shall be punished with a fine from 50 to 1000 BGN.

Establishing the violation (new, SG 67/03)

Art. 350. (new, SG 67/03) (1) (suppl. – SG 105/06, in force from 01.01.2007)
The offences under art. 349 and Art. 349a shall be established by acts issued by the control bodies of the National Insurance institute.

(2) The penal provisions shall be issued by the head of the territorial division of the National Insurance Institute or by an official authorized by him.

(3) The establishment of offences, the issuance, the appeal and the execution of the penal provisions shall be carried out by the order of the Law of the administrative offences and sanctions.

Section II.

Responsibility for violations of the provisions of the legislation regarding the additional social insurance (new, SG 67/03)

Responsibility for violations of the normative provision (new, SG 67/03)

Art. 351. (new, SG 67/03) (1) (suppl., SG 112/03) Who commits or admits the commitment of violations of the provisions of part two of this code or of the normative acts for their implementation shall be punished by a fine of 200 to 10 000 BGN, unless subject to a more severe penalty.

(2) For violations under para 1 the corporate bodies shall be punished by a proprietary sanction of 10 000 to 50 000 BGN.

(3) For repeated offence under para 1 the punishment shall be a fine of 500 to 20 000 BGN, and under para 2 - respectively a proprietary sanction of 20 000 to 100 000 BGN.

(4) The income acquired from illegally practised activity shall be seized in favour of the state to the degree to which they cannot be reimbursed to the affected persons.

Responsibility for non-fulfilment of a mandatory administrative measure (new, SG 67/03)

Art. 352. (new, SG 67/03) (1) Who does not fulfil a mandatory administrative measure imposed by the commission or by the deputy chairman of the commission shall be fined by 1000 to 10 000 BGN.

(2) For offences under para 1 a proprietary sanction of 10 000 to 50 000 BGN shall be imposed on corporate bodies.

Responsibility for activity without a licence (new, SG 67/03)

Art. 353. (new, SG 67/03) (1) A corporate body carrying out activity of additional social insurance without holding the necessary licence and permits for management of funds for additional social insurance shall be punished by a proprietary sanction from 10 000 to 100 000 BGN.

(2) A person who deliberately creates conditions for conclusion of insurance contracts with a corporate body without a licence and permits for management of funds for additional social insurance shall be fined by 1000 to 20 000 BGN.

Acts, penal provisions and appeal (new, SG 67/03)

Art. 354. (new, SG 67/03) (1) The violation of the provisions of Part Two of this code shall be established by acts issued by officials authorised by the deputy chairman of the commission.

(2) The penal provisions shall be issued by the deputy chairman of the commission or by an official authorised by him.

(3) The establishing of the offences, the issuance, appeal and execution of penal provisions shall be carried out by the order of the Law of the administrative offences and sanctions.

Section III.

Responsibility for non-fulfillment of the liabilities for declaring information before the National Revenue Agency and for depositing obligatory insurance installments (new - SG 105/05, in force from 01.01.2006)

Art. 355. (new - SG 105/05, in force from 01.01.2006) (1) (amend. – SG 105/06, in force from 01.01.2007) The one, who violates the provisions of art. 5, para 4, art. 8, par. 8, art. 7 and art. 8, para 2, item 1 and the provisions of the legal acts related to their application, shall be punished by a fine from 50 to 500 BGN, unless subject to a more severe penalty.

(2) The one, who draws up a document with untrue contents or presents untrue data under art. 5, para 4 for the purpose of avoiding the payment of obligatory insurance installments, shall be punished by a fine of 250 BGN for each individual case, unless subject to a more severe penalty.

(3) An official, who allows the payment of remuneration, without having deposited all due obligatory insurance installments, shall be punished by a fine amounting to the extent of the unpaid insurance installments, but not more than 20 000 BGN.

(4) For repeated violation under para 1 the penalty shall be a fine from 500 to 2000 BGN, and under para 2 – a fine of 500 BGN for each individual case, but not more than 10 000 BGN.

(5) The acts for establishing the administrative offences shall be drawn up by the bodies of the National Revenue Agency, and the penal provisions shall be issued by the executive director of the National Revenue Agency or by an official, authorized by him.

(6) The establishment of the offences, the issuance, the appeal and the execution of the penalties shall be carried out by the order of the Law of the administrative offences and penalties.

Additional provisions

§ 1. (amend., SG 67/03) (1) In the meaning of part One of this code:

1. "Enterprise" is every place where hired labour is performed.
2. (amend. - 95/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007) "Net remuneration" is the received remuneration after deduction by the paid or calculated remuneration with the determined in a law obligatory insurance instalments for the account of the persons and by the due taxes according to the Law for the taxes on the income of natural persons.
3. (new – SG 105/06, in force from 01.01.2007) "Insured person" is a natural person, carrying out labour activity, for which he/she shall be subject to obligatory insurance under Art. 4 and for whom insurance installments have been paid or are due. The person shall be deemed insured also during the periods of Art. 9, par. 2, item 1 – 3. Self-insured persons shall be deemed insured for the time, during which they have deposited the due insurance installments.
4. (prev. item 3 – SG 105/06, in force from 01.01.2007) The consolidated budget of the state public insurance shall include the budgets of fund "Pensions", fund "General disease and motherhood", fund "Labour accident and professional disease", fund "Unemployment", fund "Pensions, not connected with labour activity" and the budget of the National Insurance Institute.
5. (*) (amend., SG 112/03; prev. item 4 – SG 105/06, in force from 01.01.2007)) "Registered agricultural producers and tobacco producers" are the individuals who produce vegetal and/or animal products designated for sale and who are registered by the established order.
6. (prev. item 5 – SG 105/06, in force from 01.01.2007) "Related persons" are:
 - a) the persons, one of which participates in the management of the other or of his affiliate company;
 - b) the persons in whose managing or control body participates one and the same corporate body or individual, including when the corporate body is a representative of a corporate body;
 - c) (amend. - SG 104/05, in force from 01.01.2006) a company or an individual possessing more than 50 percent of the shares and stocks issued with a voting right in the company;
 - d) the persons whose activity is controlled by a third person or by his affiliate company;
 - e) the persons who jointly control a third person or his affiliate company;
 - f) the partners, including in the companies under art. 357 of the law of the obligations and contracts.
7. (prev. item 6 – SG 105/06, in force from 01.01.2007) "Control" in the meaning of item 5 shall be present when the controller:
 - a) possesses, including through an affiliate company, or by virtue of an agreement, jointly with another person, over 50 percent of the number of votes of the general assembly of one company or other corporate body, or
 - b) may determine directly or indirectly more than half of the members of the managing body of one corporate body.
8. (prev. item 7 – SG 105/06, in force from 01.01.2007) "Insurance instalments of large size" are those exceeding 3000 BGN.
9. (prev. item 8. – SG 105/06, in force from 01.01.2007) (*) (new, SG

112/03) "Unprocessed vegetal and animal products" is every primary product obtained from plants and animals, used in its natural state, without being subjected to technological treatment and processing, as a result of which physical and chemical changes of the composition might occur.

(2) In the meaning of Part Two of this code:

1. "Pension scheme" is a concrete financial mechanism of determining pension obligations and payments calculated by statistic (actuary) methods.

1a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Professional scheme" are rules for additional voluntary pension insurance, contracted in collective agreement or in collective contract between the enterprise insurer and the persons under art. 4, para 1 and para 3, items 5 and 6.

2. "Statistic (actuary) methods" is a combination of statistic methods and rules applied for determining the expected revenue from future instalments and investments, as well as for determining the due sums for payment of future pensions by the pension insurance company.

2a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Collective agreement" is every agreement, reached between the parties under the professional scheme, whose subject is the settlement of the rights and the obligations under such scheme.

3. "Related persons" are:

a) (amend. - SG 17/06) the persons, one of which controls the other person or his affiliate company;

b) persons whose activity is controlled by a third person;

c) persons who jointly control a third person;

d) (amend. - SG 17/06) the spouses, relatives on direct line without restriction, relatives on collateral line up to fourth degree, including the relatives by marriage up to third degree including.

e) (new - SG 17/06) The persons, one of which possesses directly or through controlled person 20 or more percent of the capital or of the number of votes in the general assembly of another legal person.

4. (amend. - SG 17/06) "Control" shall be present when a person:

a) possesses, including through an affiliate company, or by virtue of an agreement with another person, over 50 percent of the number of votes of the general assembly of one company or other corporate body, or

b) can determine directly or indirectly more than half of the members of the managing or control body of one corporate body, or

c) by virtue of a law, structural act or agreement manages, represents and/or defines the administrative policy of another person, or

d) may in another way exercise decisive influence on the decision-making in connection to the activity of the legal person.

5. "Guarding activity" is a commercial activity providing protection of individuals and corporate bodies or their property against illegal encroachment.

6. "Similar to the guarding activity" is this activity for which a grounded conclusion can be made that it is similar or covers a guarding activity.

7. "Technical interest rate" is the interest applied in calculating the size of the pensions and of the pension reserves.

8. (revoked - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union).

9. "Systematic violations" are 3 or more violations of this code and of the acts for its implementation within one calendar year.

10. "Other insurer" is an individual or a corporate body making insurance instalments in a fund for additional voluntary pension insurance in favour of an individual with whom he has no legal terms of employment or official terms of relations, or with whom he has no concluded contract for assignment of control or management.

11. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Insured person" is an individual, in whose name and in whose account have been paid or are paid insurance instalments for additional pension in a fund for additional pension insurance or a fund for additional voluntary pension insurance under professional schemes, under conditions and by an order determined by a law, the regulations for the structure and activity of the fund and the insurance contract, collective agreement or collective contract.

11a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Enterprise insurer" is an insurer within the meaning of art. 5 or an enterprise, or any other organisation, which includes or consists of one or more natural or legal persons, which acts as an employer, assignor or as self-employed person or combines these three characteristics and which pays instalments to an institution for professional payment insurance, and with respect to which is applicable the labour and the insurance legislation of another Member state.

12. "Pensioner" is an individual receiving a personal or hereditary additional pension from a fund for additional pension insurance.

13. "Additional pension" is a termless or dated monthly payment by a fund for additional pension insurance to a pensioner, to legatees of an insured person or to legatees of a pensioner.

14. (new - SG 17/06) "Secured corporate bonds" shall be bond emission, for which a security in amount no less than 100 percent of the value of the takings on the principal is provided for.

15. (new - SG 17/06) "Repo transaction" and "Reverse repo transaction" shall be every agreement, at which securities are being transferred, provided that a commitment is made for their reverse buy out (or exchange with securities, having the same characteristics) at a set price on a fixed future date or on a date, which shall be fixed by the transferor. The agreement shall be a repo transaction for the party, selling the securities, and a reverse repo transaction for the party, buying them.

16. (new - SG 17/06) "Collective investment scheme" shall be an enterprise within the meaning of § 1, item 26 from the Additional provisions of the Law for the public offering of securities.

17. (new - SG 17/06) "Cross transaction" shall be transaction with two opposite executable orders, introduced by one and the same member of regulated

market of securities.

18. (new - SG 17/06) "Qualified debt securities" shall be debt securities with investment credit rating, awarded by internationally acknowledged rating agency.

19. (new - SG 17/06) "Option" shall be a security, expressing the right of purchasing or sale of a definite number of securities at a preliminarily fixed price till the expiry of a set term or a fixed date.

20. (new - SG 17/06) "Futures" is a security, which expresses the right and the obligation for purchasing or sale of a definite number of securities at a preliminarily fixed price on a set date.

21. (new - SG 17/06) "Forward currency contract" is a contract for purchase and sale of a definite amount of foreign currency on a set future date at a preliminarily determined exchange rate and conditions for fulfilment.

22. (new - SG 17/06) "Investment property" shall be land, real right over land, building and/or parts of building, which are acquired with the purpose of receiving incomes form:

a) rent, leasing, lease;

b) sale;

c) increasing the value via building up, adding to buildings and superstructing or implementing improvements with the purpose of provision of the property for management.

23. (new - SG 17/06) "Interest swap transaction" shall be a contract between two parties for exchange of interest payments, based on conditioned principal, for a set period of time.

24. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Member state" is a country – member of the European Union or another country – party to the European Economic Area Agreement.

25. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Foreign institution" is every organisation in a Member state, regardless of its legal form, which:

a) is established separately from the employer;

b) carries out activities, directly connected to the pension insurance;

c) works on principle of capital coverage;

d) provides pension compensations, connected to the professional activity on the grounds of agreement or contract, signed individually or collectively:

aa) between the employer (employers) and the worker (workers) or the relevant representatives of theirs;

bb) with self-employed persons according to the legislation of the Member state at the seat of business of the foreign institution and in compliance with the Bulgarian legislation.

26. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Member state at the seat of business of the foreign institution" is the Member state, where the institution is registered and where its main office is located or where is situated the main office of the institution in the cases, when it is not registered.

27. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Assuming Member state" is a Member state, whose relevant labour and insurance legislation in the field of professional insurance systems shall be applied in the relations between the enterprise insurer and the insured persons.

28. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Biometrical risks" are the risks, related to death or accident, and with regards to professional schemes abroad – also related to the risk of disability.

(3) In the meaning of Part Three of this code:

1. "repeated violation" is the violation committed within one year from the enactment of the penal provision by which the offender has been punished for a violation of the same kind.

Transitional and concluding provisions

§ 2. (1) The persons whose legal terms of employment have been terminated by December 1999 and have acquired right to pension according to the revoked Pension Law can, by June 30, 2000, retire under the conditions of the revoked law if this is more favourable for them.

(2) The monetary compensations for the persons found on leave for temporary incapacitation or for pregnancy and childbirth by January 1, 2000 shall be paid within the amount and the terms according to the revoked Part III of the Labour Code of 1951, if this is more favourable for them.

(3) (Amend., SG 74/02) In calculating the monetary compensations for temporary incapacity or for pregnancy and childbirth of the persons insured according to Art. 4, para 1, item 4 taken into consideration shall be the remuneration received for the respective occupation by December 31, 1999 including.

§ 3. (1) (prev. § 3 - SG 64/00) By December 31, 2003 including, the persons under Art. 6 and 7 of the revoked Pension Law can retire under the conditions of the provisions of these articles.

(2) (new - SG 64/00) The officers and sergeants under art. 7 of the revoked Law for the pensions whose ranks are removed and who acquire a status of civil servants - civilians according to § 89, para 1 of the transitional and concluding provisions of the Law for amendment and supplement of the Law for the Ministry of Interior (SG, No 29 of 2000) can retire under the conditions and within the period under para 1. At the time of retirement the practice of these persons shall be considered as practice at officer's and sergeant's occupations.

(3) (new, SG 67/03) The officers and sergeants of the Ministry of Interior who, by December 31, 2003 including, have the necessary time of practice for acquiring a right to pension under art. 7 of the revoked Law of the pensions, may retire under the conditions of this article by December 31, 2005. The pension shall be granted from the date of retirement in compliance with the provision of art. 94.

§ 4. (1) (amend., SG 64/00; amend. - SG 33/08) By December 31, 2010 including, the persons who have worked for 10 years under the conditions of first category of labour or 15 years under the conditions of second category of labour can retire if they meet the requirements for a sum of insurance time of service and age according to Art. 68, but not earlier than 47 years for the women and 52 years for the men for first category of labour and 52 years for the women and 57 years for the men for second category of labour.

(2) (amend., SG 64/00; amend. - SG 33/08) By December 31, 2010 including the persons who have 10 years of insured practice under the conditions of Art. 104, para 3 can retire before accomplishment of the age under Art. 68 on condition that they have a sum of the age and the insured time of service 90 and 52 years of age for the men and 47 years of age for the women.

(3) (new - SG 64/00, amend. SG 38/05; amend. - SG 33/08) By December 31, 2014, including, if the employment contract of the persons working under the conditions of art. 104, para 3 is terminated on the grounds of art. 328, para 1, item 1 and 2 of the Labour Code can retire not later than accomplishment of 45 years of age if they meet the conditions under para 2.

(4) (prev. para 3 - SG 64/00, amend. SG 1/02) In case that the persons under para 1, 2 and 3 have exercised their rights the raised resources in the professional pension fund shall be transferred to fund "Pensions" of the state public insurance.

(5) (new – SG 38/05) Till December 31, 2006 the persons who have at least 10 years insurance practice under the conditions of art. 104, para 3 and to whom pension has been granted for labour accident or professional decease for decreased ability to work over 70.99 percent in connection with the implemented work under these conditions shall acquire right to pension for insurance practice and age at rounding 45 years of age.

§ 5. (1) (amend., SG 67/03) By December 31, 2009, inclusive, the teachers shall acquire a right to retirement for insured time of service and for age for teachers' insured time of service 30 years for the men and 25 years for the women and 3 years earlier than the age under Art. 68, para 1 and 2.

(2) (amend. SG 1/02; amend., SG 67/03, amend. -SG 112/2004) To the persons under para 1 shall be paid term pension for early retirement by the teachers pension fund in amount determined by the order of Art. 70 and reduced by 0.2 percent for every month not sufficient for the person until accomplishment of his age under Art. 68, para 1 and 2.

(3) (amend., SG 64/00, amend. SG 112/2204) To the teachers who have acquired right to pension under the conditions of para 1 and retire under the conditions of art. 68, para 1 - 3 shall be paid pensions for insured practice and age by fund "Pensions" and an extra from the teachers pension fund amounting to 0.2 percent of the pension for every month for which there is an insurance instalment in the fund after the accomplishment of the age under para 1.

(4) (new, SG 67/03) To teachers, having an insured teacher's practice of 30 years for the men and 25 years - for the women, and they retire after accomplishment of the age under art. 68, para 1 and 2, a pension shall be paid in full by the teachers Pension Fund until the fulfilment of the requirements for acquiring a right to pension

under art. 68, para 1 - 3, but not later than the accomplishment of 65 years of age. Upon fulfilment of the requirements under art. 68, para 1 - 3, or accomplishment of 65 years of age the pension shall be paid for the account of fund "Pensions".

(5) (prev. para 4 - SG 67/03) The insurance instalment for the Teacher's pension fund shall be determined annually by the Law for the budget of the state public insurance.

§ 5a. (new, SG 64/00 - in force from August 1, 2000; amend., SG 112/03; amend. - SG 104/05, in force from 01.01.2006) By December 31, 2006 the insurance instalments for the registered agricultural producers and tobacco producers who practice only agricultural activity shall be for insurance income, which is not less than 25 percent of the minimum monthly extent of the insurance income.

§ 6. (*) (amend., SG 112/03) (1) (amend. – SG 112/2004; amend. – SG 105/06, in force from 01.01.2007) The maximal size of the received one or more pensions, granted by December 31, 2009, without the extras to them, shall be determined as from 1 July of each calendar year in the amount of 35 percent of the maximal insurance income for the previous calendar year, determined by the Law of the budget of the state public insurance.

(2) The extra under art. 84 shall be calculated by the amount restricted according to para 1.

(3) Para 1 and 2 shall not apply for the persons who have been president and vice president of the Republic of Bulgaria, Chairman of the National Assembly, Prime Minister or judge in the Constitutional Court.

(4) The pensions granted for special contribution shall be paid for each calendar year in the size determined by para 1.

(5) Para 1 and 2 shall not apply for military disabled on accomplishment of the age under art. 68.

§ 7. (1) The pensions granted by December 31, 1999 including, shall be recalculated according to the provisions of this code without changing the individual coefficient.

(2) The recalculation shall be made if this is more favourable for the pensioner.

(3) (New, SG 35/01) The individual coefficient of the persons whose pensions have been granted according to the revoked Law for the pensions and include insurance income for the period after December 31, 1996 shall be recalculated one time, as the average monthly insurance income of the person for the period after December 31, 1996 shall be referred to the average monthly insurance income for the country for the same period.

(4) (New, SG 35/01) The pensions of the persons under para 3 shall be recalculated ex-officio from July 1, 2001 according to art. 70, para 1 of this code.

§ 7a. (new - SG 69/07) (1) The employment service pensions granted by 31 December 2007 shall be recalculated as from 1 October 2008 by multiplying the

personal coefficient of the individual by the average monthly insurance income for the country for 2007 - BGN 398,17, after which the amount of the pension shall be determined according the conditions and order of Art. 70, 75 and 79.

(2) The recalculation of the pensions referred to in Para 1 shall be made, if it benefits the individual.

§ 8. The pensions and the extras to them received by December 31, 1999, granted pursuant to revoked laws, shall continue to be received.

§ 9. (amend. - SG 102/05, in force from 20.12.2005) (1) The time acknowledged as time of service and time of service at retirement by December 31, 1999 according to the provisions in effect until then shall be acknowledged as insured time of service according to this code.

(2) As insured time of service for retirement shall be considered the time of training of the persons who have graduated higher education or college if they pay on their account insurance instalments calculated on the minimal insurance income for the self-insuring persons, as defined by the Law of the budget of the State Social Insurance to the date of making the instalments. The insured time of service shall be acknowledged for the time for which the instalments have been made but for no longer than the term of education stipulated by the academic plan for the graduated speciality.

(3) As insurance service period at pensioning shall be recognised the time for which the persons have become of the age of Art. 68, Para 1 and 2 but to which 5 years insurance service miss to obtain rights of pension and instalments are paid calculated on the minimal insurance income for the self-insuring persons, as defined by the Law of the Budget of the State Social Insurance to the date of deposing the instalments, if this time is nor recognised as insurance service period on another ground under this code.

(4) The insurance instalments under para 3 may be disbursed:

1. by bank payment.

2. (amend. – SG 105/06, in force from 01.01.2007) by monthly deductions of the released pension, as defined under a plan of rescheduled payment, approved by the official at the territorial unit of the National Insurance Institute, to which the managing of the pension insurance is assigned; deferred payment periods are

a) up to 5 years – if the missing insurance practice is up to 3 years;

b) up to 8 years – if the missing insurance practice is from 3 to 5 years;

(5) For obtained insurance service period under the procedure of Para 3 the right of pension shall arise from the date of deposing of the insurance installments or from the date of approval of the plan of their rescheduled payment.

(6) In case of death of the person before the pay off of the insurance installments owed under the procedure of Para 4, item 2, they shall not be collected form his/her heirs. In event of release of hereditary pension, for insured service period shall be considered only the time for which insurance installments have been paid as per the approved plan for rescheduled payment.

(7) The right under Para 2 and 3 may be exercised within the period to 31st of December 2015.

(8) (amend. – SG 105/06, in force from 01.01.2007) In event that insurance

installments have been deposited under Para 2 for periods of education, the person shall have the right to deposit insurance installments under Para 3 for the rest 5-years period.

(9) The insurance instalments under Para 2 and 3 shall be in amount determined for fund "Pensions".

§ 9a. (new - SG 104/05, in force from 01.01.2006) The provision of Art. 20, Para 2 item 9 shall be applied for year 2006.

§ 10. (revoked – SG 1/02).

§ 10a. (New, SG 45/02) Articles 117a and 118a shall also apply regarding pending disputes before the chief of the territorial division of the National Insurance Institute and before the courts. The request for stopping the execution by the taxable persons can be filed within 14 days from the enactment of the amendments of the code adopted on April 23, 2002.

§ 11. (revoked – SG 1/02).

§ 11a. (new, SG 112/03, amend. - SG 112/2004) The persons under art. 4, para 1, item 4, with exception of those under art. 127, para 5, having chosen before January 1, 2003 a universal pension fund, shall participate from January 1, 2004 in the fund respectively chosen by them. For these persons the term per Art. 171, Para 1 shall start on the 1st of January 2004.

§ 11b. (new – SG 103/05, in force from 01.01.2006) (1) The ordinance under Art. 122i, Para 2 item 5 and Para 3 shall be adopted within one-year period from entering in force of the Insurance Code. The first examination for obtaining actuary capability shall be conducted within six months from the entering of the ordinance in force.

(2) Within three years term from the entering of the Insurance Code in force, the pension-insurance companies shall be obliged to conclude contracts for actuary servicing with persons with recognized capability of liable actuary.

(3) Till the elapse of the term under Para 2, the persons who have obtained a license of actuary under Ordinance No. 14/2004 of the order and procedure for licensing actuaries of pension-insurance companies and of the managed by them funds for additional pension insurance (SG 46/04), may execute the obligations of liable actuary upon performance of actuary servicing of pension-insurance companies and of the managed by them funds for additional pension insurance, as well as to be elected for liable actuaries of pension-insurance companies and of the managed by them funds for additional pension insurance.

§ 11c. (new – SG 100/07, in force from 20.12.2007) (1) By 30 September

2012 the Financial Supervision Commission shall adopt a report on the application of Art. 246, Para 3 containing conclusions regarding the use of the sex as an actuary factor in the calculation of lifetime pensions, taking under consideration the latest actuary data and statistical information, as well as the report of the European Commission on the application of Art. 5 of Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services.

(2) The report referred to in Para 1 shall be presented to the Minister of Labour and Social Policy for the purpose of notifying the European Commission.

§ 12. This code revokes:

1. Part III of the Labour Code of 1951.
2. The Law for the pensions.
3. the law for depriving from the right of pension persons who have carried out fascist activity.

§ 13. (1) Edict No 265 for mutual insurance of the members of cooperative societies is revoked.

(2) The activity of the public insurance of the Council for mutual insurance of the cooperative societies, as well as its assets and liabilities for the takings of insurance instalments shall be transferred to the state public insurance.

(3) The remaining assets and liabilities of the Council for mutual insurance of the members of the cooperative societies shall be transferred to the Central Union of the cooperative societies.

(4) The time during which the persons have insured themselves according to the Edict for the mutual insurance of the members of cooperative societies shall be acknowledged as time of service regardless of its duration.

§ 14. (1) The Law for fund "Public insurance" (prom., SG No 104/1995; amend., No 55 and 123/1997, No 59 and 155 of 1998, No 12/1999) is revoked.

(2) the administering of the real estates under § 5, para 2 of the revoked Law for fund "Public insurance" shall be carried out by the supervisory council of the National Insurance Institute.

§ 15. The following amendments are introduced to the Labour Code of 1986:
Art. 114 is revoked.

2. Art. 163, para 1 is amended as follows:

"Art. 163. (1) The worker or employee shall be entitled to a leave for pregnancy and childbirth amounting to 135 days for every child of which 45 days before the childbirth."

3. In Art. 333, para 1 and 3 the words "Art. 330, para 2, item 5" are replaced by "Art. 330, para 2, item 6".

§ 16. The following amendments are introduced to the Law for protection in

cases of unemployment and encouragement of employment (prom., SG, No 120 of 1997; amend., SG 155 of 1998, No 26, 50, 65, 67, 68 and 84 of 1999):

1. In Art. 20, para 2, first sentence, the words "correlation 7:1" are replaced by "correlation as follows:

- a) for 2000 - 2001 - 80:20;
- b) for 2002 - 75:25;
- c) for 2003 - 70: 30;
- d) for 2004 - 65:35;
- e) for 2005 - 60:40;
- f) for 2006 - 55:45;
- g) for 2007 and the next years - 50:50."

2. Art. 109 is revoked.

§ 17. In the Law for the voluntary pension insurance (prom., SG No 65 of 1999) in Art. 109 the word "fine" is replaced by "proprietary sanction".

§ 18. The following amendments and supplements are introduced to the law for the health insurance (prom., SG 70 of 1998; amend., No 93 and 153 of 1998, No 62, 65, 67 and 69 of 1999):

1. In art. 6:

a) para 2 is amended as follows:

"(2) The National health Insurance Fund consists of central management, regional health insurance funds and their divisions in municipalities with headquarters according to a list approved by the Council of Ministers.";

b) in para 3 the words "the central" are deleted.

2. In art. 23, para 2 the word "temporary" is deleted and the expression "non-budget accounts and funds" is replaced by "credits from other institutions".

3. In art. 29:

a) in para 2 the words "fund "Public Insurance" are replaced by "the budget of the state public insurance";

b) para 4 is created:

"(4) In case that the draft law for the budget of the National Health Insurance Fund is not adopted by the National Assembly until the beginning of the budget year the insurance income shall be collected and the insurance expenses shall be made according to the approved budget for the preceding year and for the support of the National Health Insurance Fund shall be spent monthly up to 1/12 of the expenses provided by the budget for the preceding year."

4. Art. 33 is amended as follows:

"Art. 33. Obligatory insured in the National Health Insurance Fund are:

1. all Bulgarian citizens who are not citizens of other country as well;
2. the Bulgarian citizens who are also citizens of another country and reside permanently on the territory of the Republic of Bulgaria;

3. the foreign citizens or the persons without citizenship permitted to whom is a long-term stay in the Republic of Bulgaria unless otherwise provided by an international contract party to which is the Republic of Bulgaria;

4. the persons with granted refugee status or with granted right of asylum."

5. Art. 39 is amended as follows"

"Art. 39. (1) All persons who, according to this law, are obliged to pay insurance instalments shall be obliged, from the moment of occurrence of the grounds for health insurance, to present monthly data for the insured persons at the territorial divisions of the National Insurance Institute by declarations in a form approved by the National Insurance Institute and the National health insurance fund.

(2) The persons insuring members of their families according to this law shall present data for them in declarations according to a form approved by the National Insurance Institute and the National health insurance fund.

(3) In the cases when the persons pay advance instalments according to this law they shall fill out declaration for the period of advance payment in a form approved by the National Insurance Institute and the National health insurance fund.

(4) The foreigners who stay on short-term basis in the Republic of Bulgaria, as well as persons with dual Bulgarian and foreign citizenship who are not insured by the order of this law shall pay the value of the rendered medical care, unless an international agreement party to which is the Republic of Bulgaria is not in force for them."

6. The following amendments are introduced to Art. 40:

a) para 1 is amended as follows:

"(1) The health insurance instalment of the insured person, determined by the order of Art. 29, para 3 shall be calculated over an income and shall be paid as follows:

1. for a person receiving income from legal terms of employment or official legal terms of employment or terms of employment occurred on the basis of special laws - the taxable income under the Law for taxation of the income of individuals:

a) the instalment for the persons working under legal terms of employment shall be made by the employer or the administrative body and by the insured person in correlation:

- 2000 - 2001 - 80:20;
- 2002 - 75:25;
- 2003 - 70:30;
- 2004 - 65:35;
- 2005 - 60:40;
- 2006 - 55:45;
- 2007 and the following years - 50:50;

b) the instalment for the persons working under official legal terms of employment and under legal terms of employment occurring on the grounds of special laws shall be made by the employer and shall be for the account of the republican budget;

c) the employer or the administrative body shall make the instalments simultaneously with the payment of the remuneration; in paying the remuneration the employer or the administrative body shall deduct the instalments due by the insured persons, including the instalments for the members of the family whom they insure;

2. the sole entrepreneurs, the individuals who have established limited liability companies, the partners in trade companies, and the persons registered as freelance practitioners or craft industry shall be insured on a declared monthly income

which cannot be less than the double amount of the minimal salary established in the country, and annually - on the taxable income according to the data of the tax declaration:

a) the instalments shall be made by the 10th of the month following the month for which they are made;

b) the monthly insurance income, in view of the calculation of the annual amount of the instalment, shall be obtained as the annual taxable income is divided by the period during which the activity has been practised;

c) for annual taxation the instalments shall be made by the deadline for payment of the taxes under the Law for taxation of the income of individuals;

3. for the persons who do not declare income under item 2 and work without legal terms of employment under contract with assignor - enterprise or another organisation, the insurance instalments shall be made every month on the taxable income by the enterprise or the organisation, deducting from the paid remuneration of the person; the instalments shall be made by the enterprise or the organisation by the 10th of the month following the month for which they are made; for these persons annual equalisation of the income shall be made, on which the instalments under item 2, letter b and c are due;

4. for the retired - the amount of the pension or the sum of pensions, without the additions to them; the instalments shall be for the account of the republican budget and shall be made by the 10th of the month following the month for which they are made;

5. for the retired who receive pensions under international agreements, entirely for the account of the foreign insurance institute - the double amount of the minimal salary established in the country; the instalments shall be for the account of the person and shall be made by the 10th of the month following the month for which they are made;

6. for persons receiving compensations for temporary labour incapacity due to illness, pregnancy, childbirth or raising child - the size of the compensation; the instalments shall be for the account of the employer or the administrative body and shall be equal to the part of the instalment due by him installed in payment of the compensations; when the person is insured for his account the instalments shall be made by the 10th of the month following the month for which they are made;

7. for the persons receiving income on various grounds, indicated under item 1, 2, 3, 4, 5 and 6 the instalments shall be made on the sum of the insurance income;

8. for the persons receiving compensation for unemployment - the size of the paid compensation; the instalments shall be for the account of fund "Professional qualification and unemployment" and shall be made by the 10th of the month following the month for which they are made;

9. for the persons and members of families with a right of social welfare and for underage persons without parents, who are not subject to insurance on other grounds - the one-time amount of the minimal salary established for the country; the instalments shall be for the account of the municipal budgets and shall be made by the 10th of the month following the month for which they are made;

10. for the conscript military servicemen; for the war veterans and for the military disabled; for disabled during or on occasion of the defence of the country,

during natural calamities and accidents and for the affected in fulfilment of their official duty employees of the Ministry of Interior who are not subject to insurance on other grounds; for persons under proceedings for granting refugee status or a right of asylum; for detained or imprisoned; for persons without income, accommodated in homes for children and youth, homes for children in pre-school age and in the homes for social care; for persons of age studying in high schools, without income, until the accomplishment of 26 years - the one-time amount of the minimal salary established in the country; the instalments shall be made by the 10th of the month following the month for which they are made and shall be for the account of the state budget, and shall be made by transfer through the respective administrative body or the municipal budgets;

11. for the persons using unpaid leave, who are not subject to insurance on other grounds - the one-time amount of the minimal salary established in the country; the instalments shall be for the account of the employer and shall be made with the payment of the remuneration by the respective enterprise or other organisation;

12. for the employees of the Bulgarian Orthodox Church and other religions acknowledged by a normative order, who have no legal terms of employment - the one-time amount of the minimal salary established in the country; the instalments shall be made by the 10th of the month following the month for which they are made by the central management of the respective religious institution;

13. for the members of the family who are not insured - 5 percent of the instalment for every insured member of the family; the instalments shall be for the account of the insured person; when the insured person receives income under item 1, 3 and 6 the instalment shall be deducted by the employer (the enterprise, the administrative body or the organisation with the payment of the remuneration; for the persons working under employment, official legal terms or legal terms occurring on the grounds of special laws the instalments shall be deducted and made by the employer or the administrative body with the payment of the remuneration or the pecuniary compensations; if the person is insured for his account, as well as for the persons insured according to item 3 the instalments shall be made by the 10th date of the month following the one for which they are made;

14. the persons who are not subject to insurance under item 1 - 13 shall be insured on a declared insurance income not less than the double amount of the minimal salary established in the country; the instalments shall be for their account and shall be made by the 10th of the month following the month for which they are made; if these persons are subject to annual taxation annual equalisation of the instalments shall be made by the order of item 2."

b) para 3 is amended as follows:

"(3) For the persons under para 1, item 7 the instalments shall be made on the sum of the insurance income by the order stipulated for the respective type of income but totally on no more than the 10-fold amount of the minimal salary established for the country."

7. Art. 41 is amended as follows:

"Art. 41. (1) The insurance instalments under this law shall be made to the accounts for collecting the health insurance instalments in the territorial divisions of the National Insurance Institute from where they shall obligatorily be transferred daily

to the raising account of the central management of the National Insurance Institute for health insurance instalments.

(2) The sums of health insurance instalments collected in the National Insurance Institute shall be transferred to the raising account of the National health insurance fund (NHIF) by the end of every work day."

8. the following amendments are introduced to Art. 42:

a) para 1 is amended as follows:

"(1) The insurance income on which the instalment is calculated shall be established by the payrolls and other documents for paid remuneration, by the pension cards, the paid patient charts, the paid compensations for unemployed and by the tax declarations according to the Law for taxation of the income of individuals."

b) para 3 is amended as follows:

"(3) The persons shall file declarations with the payer of the income or with the respective bodies for the members of their families who are obliged to insure themselves. The annual declaration under the Law for taxation of the income of individuals shall contain the health insurance instalments paid during the year and the due sums after the annual equalisation, if any.

(4) (new., SG 110/99) The employers, the tax offices, the municipal authorities, the administrative bodies, the assignors and the self-insured shall be obliged to present to the National Insurance Institute and to NHIF the necessary information under Art. 42, para 1 and 3."

c) para 4 is created:

"(4) The employers, the tax offices, the municipal authorities, the administrative bodies, the assignors and the self-insured shall be obliged to present to the National Insurance Institute and to NHIF the necessary information under Art. 42, para 1 and 3."

9. Art. 43 is amended as follows:

"Art. 43. The insured under Art. 40, para 1, item 2, 5 and 14 can pay the health insurance instalments for themselves and for the members of the family in advance, for a period chosen by them."

10. Art. 44 is amended as follows:

"Art. 44. The instalments shall be paid:

1. through a bank; 2. by post order;"

11. In art. 45, para 1, item 8, after the word "stomatological" is added "and".

12. In Art. 55, para 6 the words "art. 32" are replaced by "art. 31, para 3".

13. The following amendments are introduced to art. 63:

a) in item 1 the words "the quantity and the types of medical care obtained by the respective person and its price" are deleted;

b) in item 2 the words "information for the activities carried out by him and the sums paid to him" are deleted;

c) item 3 is amended as follows:

"3. register of producers, importers and distributors of medical supplies and pharmacies having concluded contracts with NHIF;"

14. Art. 64 is amended as follows:

"Art. 64. Every insured person shall have the right to receive from NHAF the available information about the medical care and its price received by him during the

last 5 years and its price by an order determined by the fund."

15. Art. 69 is amended as follows:

"Art. 69. The National Insurance Institute shall be obliged to provide information to the National Institute of Statistics about the insured persons and the made health insurance instalments."

16. In Art. 73, para 1, item 1 is revoked.

17. Created is art. 73a:

"Art. 73a. The financial control over the revenue of NHIF from health insurance instalments and the due interest shall be exercised by the control bodies of the National Insurance Institute by the order of the Code for the obligatory public insurance."

18. In art. 77, after the words "the control bodies of NHIF" is added "and of the National Insurance Institute".

19. The following amendments are introduced to art. 104:

a) in para 1 the text "50 to 100 BGN for each unpaid instalment" is replaced by "500 to 1000 BGN";

b) in para 2 the text "monthly 200 BGN for each unpaid instalment" is replaced by "2000 BGN".

20. The following amendments are introduced to art. 105:

a) in para 1 the text "the financial inspectors of the National Insurance Institute" is replaced by "the control bodies of the National Insurance Institute and of NHIF".

b) para 2 is amended as follows:

"(2) The penalty decrees shall be issued by the governor of the National Insurance Institute, by the director of NHIF or by the director of the respective regional health insurance fund and by the head of the respective division of the National Insurance Institute."

21. Art. 107 is amended as follows:

"Art. 107. The imposition of penalties under Art. 103 and 104 does not exclude the obligation to pay the due instalments together with the legal interest for the period."

22. Art. 109 is amended as follows:

"Art. 109. (1) Insured persons obliged to insure themselves and members of their families, who have not paid more than three due instalments, shall pay the medical care to the executives. When the insured person pays to the National Insurance Institute all due instalments his insurance rights shall be restored from the day of payment of the due instalments as the sums paid for the medical services shall not be restored.

(2) Failure to make insurance instalments for reasons beyond the control of the insured persons shall not deprive them of insurance rights. The sum paid for the medical service by the persons in these cases shall be subject to restoring."

23. In Art. 110 the words "six months" are replaced by "one month".

24. The following amendments are introduced to § 1 of the additional provisions:

a) item 3 is amended as follows:

"3. "Members of the family" are the spouse and the children under 18 years of

age, and if they continue their education - until 26 years of age, and if they are incapacitated or permanently labour incapacitated - regardless of the age.";

b) item 8 is created:

"8. "Enterprise are all corporate bodies, sole entrepreneurs and companies which are not legal entities carrying out trade activity."

25. The following amendments are introduced to § 19 of the transitional and concluding provisions:

a) the previous text becomes para 1;

b) para 2 is created:

"(2) For the implementation of Art. 39 and Section V of the Law for the Council of Ministers ordinance shall be adopted at the proposal of the National Insurance Institute and NHIF."

§ 19. In the Law for the corporate taxation (prom., SG No 115 of 1997; corr., No 19 of 1998; amend., No 21 and 153 of 1998, No 12, 50, 51, 64, 81 and 103 of 1999) in Art. 23, para 3 items 16 and 17 are created:

"16. the resources in an individual account, opened according to Art. 139, para 2 of the Obligatory Public Insurance Code - by licensed pension insurance companies;

17. the income received from the investment of the resources under item 16."

§ 20. The following amendments and supplements are introduced to the Law for the Ministry of Interior (prom., SG, No 122 of 1997; No 29 of 1998 - Decision No 3 of the Constitutional Court of 1998; amend., No 70, 73 and 153 of 1998, No 30 of 1999):

1. In art. 229:

a) in para 1 item 3 and 4 are revoked;

b) para 3 is amended as follows:

"(3) For the time of paid annual leave the officers and sergeants shall receive their gross remuneration according to its amount by the moment of using the leave."

2. Art. 230 is amended as follows:

"Art. 230. The officers and sergeants shall be entitled to a leave for working in conditions harmful to the health, for fulfilment of public and civil duties; for temporary incapacity due to pregnancy, childbirth and adoption, for raising young child, for breast feeding and feeding young child, for death or serious illness of a parent, for two and more living children, for admission examination in an educational establishment, as well as to unpaid leave under the conditions and by the order and the amounts stipulated by the Labour Code."

§ 21. The following amendments are introduced to the Law for the foreign investments (prom., SG, No 97 of 1997; corr., No 99 of 197; amend., SG No 29 and 153 of 1998):

1. Art. 30 is amended as follows:

"Art. 30. The workers and employees - foreign citizens shall be insured by the order of the Bulgarian legislation."

2. Art. 32 is amended as follows:

"Art. 32. On all issues of the legal terms of employment with the employer under art. 29 which are not settled by the employment contract shall apply the Bulgarian legislation."

§ 22. (1) The Teachers pension fund established by the revoked Law for fund "Public insurance" shall continue to exist until its transformation into a universal pension fund after the year 2009.

(2) The supervisory council of the National Insurance Institute shall approve a non-budget account of the Teachers pension fund.

(3) The funds raised in the teachers pension fund shall be spent for payment of the pensions and extras according to § 5, para 2 and 3.

(4) (amend., SG 114/03) The free resources of the Teachers pension fund can be invested under the conditions and by the order of art. 28.

(5) Primary administrator of the resources of the Teachers pension fund is the governor of the National Insurance Institute and secondary administrators are the heads of the territorial divisions of the National Insurance Institute.

(6) The provisions of Part One of this Code for management, control and the disputes, as well as for carrying out the administrative punitive responsibility shall also apply for the raising and spending of the resources of the teachers pension fund.

(7) (new – SG 112/2004) The size of the insurance installment for the Teachers pension fund shall be 4.3 per cent.

§ 22a. (new – SG 120/02; amend., SG 114/03, amend. SG 115/04, amend. - SG 105/05, in force from 01.01.2006) The due payments for state public insurance, health insurance, Teacher's pension fund and for additional obligatory pension insurance from the budget enterprises in the meaning of §1, item 1 of the additional provision of the Accountancy Law shall be calculated, paid and accounted by the order of the Law of the state budget of the Republic of Bulgaria for 2006.

§ 22b. (new. – SG 105/06, in force from 01.01.2007) Pecuniary indemnifications to persons, having been found on a leave for temporary inability to work, work adjustment, for pregnancy and childbirth and for bringing up a young child as of 1 January 2007, for whom payment of indemnification has started, as well as of non-paid pecuniary indemnifications and supports for periods prior to that date, shall be paid following the previous procedures. In the documents for drawing insurance payments it is obligatory to enter the unified identification code of the insurer or of the self-insured person.

§ 22c. (new. – SG 105/06, in force from 01.01.2007) In case of determination of the insurance income, from which pecuniary indemnifications for temporary inability to work, pregnancy and childbirth, work adjustment and for unemployment are calculated for the period until 31 December 2006, calculated and non-paid remunerations shall not be included.

§ 22d. (new. – SG 105/06, in force from 01.01.2007; amend. – SG 113/07, in force from 01.01.2008) The pensions allocated in 2007, shall be recalculated ex officio in cases where the percent of 1,5 has been applied insurance practice acquired in 2007 under Art. 70. par. 1, second sentence.

§ 22e. (new. – SG 105/06, in force from 01.01.2007) The persons under § 3 and 4, having acquired the right to a pension for insured practice and age, shall have right to an additional life pension from the general pension fund when they accomplish the age under Art. 68, par. 1 – 3.

§ 22f. (new. – SG 105/06, in force from 01.01.2007) (1) Mothers (adopters), for whom the term of indemnification under Art. 50 has not expired by 1 January 2007, but from its commencement 315 have not expired, shall have right to indemnification for pregnancy and childbirth for the remainder till the end of this period.

(2) Mothers (adopters), for whom the term of indemnification under Art. 50 has expired by 1 January 2007, but as from its commencement 315 days have not expired, shall have right to an indemnification for pregnancy and childbirth for the remainder till the end of this period.

§ 23. This code shall enter into force on January 1, 2000 with exception of:

1. Art. 20, para 3 which shall enter into force on January 1, 2001;
2. Art. 64, para 3 and 4 which shall enter into force on January 1, 2004;
3. Art. 127, para 1 which shall enter into force on January 1, 2002;
4. Paragraph 15, item 3 which shall enter into force on the day of its promulgation in the State Gazette.

The code was adopted by the 38th National Assembly on December 2, 1999 and was affixed with the official seal of the National Assembly.

Transitional and concluding provisions (SG 64/00)

§ 39. The cases constituted by December 31, 1999 on claims for establishing labour accidents or professional diseases shall be considered by the courts by the order of the Civil Procedure Code.

§ 42. (amend., SG 1/01) For the year 2001 the term under art. 140, para 3 shall be by January 31, 2001.

§43. Paragraphs 3, 23 and 37 of this law shall enter into force on August 1, 2000.

§ 44. Paragraph 6, item 3, § 14, 20 and 40 of this law shall enter into force on January 1, 2001.

Transitional and concluding provisions
of the Law for amendment and supplement of the Code for the
obligatory public insurance (SG 1/02)

§ 83. Art. 110, para 11 shall be applied also for the sums, collected from acts for deficit, compiled before January 1, 2000.

§ 84. (1) The revenues and the liabilities for payment of indemnification and support for unemployment and for over – paid insurance payment to fund "Professional qualification and unemployment" shall be transferred to fund "Unemployment".

(2) The pecuniary indemnification and support for unemployed, released by December 31, 2001, shall be paid in the extent and the terms, provided in the revoked chapter four, section III of the Law for protection at unemployment and encouragement of employment.

(3) (Amend., SG 74/02) The insurance for unemployment for the persons of art. 4, para 1, item 4 shall start from January 1, 2003.

§ 85. (1) (amend., SG 8/03) Till December 31, 2003, including, the pecuniary indemnification for unemployment under chapter IV a shall be released and paid by the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(2) (amend., SG 8/03) Till December 31, 2003 including, the pecuniary indemnification for unemployment shall be released, changed, refused, stopped, terminated, resumed and restored with a decision of the chief of the territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(3) (amend., SG 8/03) Till December 31, 2003 including, the received pecuniary indemnification for unemployment in the cases of art. 54f and art, 54g, para 2, shall be restored on the basis of a decision by the chief of the territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(4) (amend. - SG 30/06, in force from 12.07.2006) The decisions of para 2 and 3 shall be appealed before the court by the order of the Administrative procedure code.

(5) (amend., SG 8/03) The territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment shall be obliged to present every month to the corresponding territorial divisions of the National Insurance Institute the whole information about the persons, receiving indemnification for unemployment, and about the extent of the indemnification.

(6) (amend., SG 8/03)The territorial divisions of the National Insurance Institute shall make check of the data and transfer to the respective territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment the due sums for payment of the indemnification for unemployment and for post fees.

(7) (amend., SG 8/03)The territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment shall account before the respective territorial divisions of the National Insurance Institute about the implemented payments till the end of each month.

(8) (amend., SG 8/03)Till December 31, 2003 the violations of chapter IV a by the persons, receiving indemnification for unemployment, shall be established with acts, compiled by the officials, determined by the executive director of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment, and the punitive decrees shall be issued by the chief of the respective territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment or by an official authorised by him by the order of the Law for the administrative breaches and penalties.

§ 86. The Minister of Labour and Social Policy and the manager of the National Insurance Institute shall determine the scope and the order for transfer of the material assets and the human resources of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment to the National Insurance Institute together with the necessary maintenance.

§ 87. (1) (amend., SG 119/02) Till December 31 2004 insurance payments for fund "Pensions" shall be paid for the pecuniary indemnification for the periods of temporary inability to work or pregnancy and childbirth, which are recognised as labour practice. In these cases the insurance payment shall be in extent, equal to the part, which is due by the employer and shall be paid only by him. In the same extent shall be the insurance payment for persons, who are insured only for their account. For the pecuniary indemnification for temporary inability to work or for pregnancy and childbirth payments shall not be made for additional obligatory pension insurance.

(2) (amend., SG 119/02) For the time from January 1, 2000 to December 31 2004 as insurance practice shall be considered the periods of temporary inability to work and pregnancy and childbirth, during which pecuniary indemnification has been received and for which are due or have been paid insurance payments of para 1.

(3) (amend., SG 119/02) At giving of pensions, if a period is included from January 1, 2000 to December 31 2004, during which the persons have received pecuniary indemnification for temporary inability to work and for pregnancy and childbirth, shall be taken into account the amount of the indemnification, for which insurance payments have been paid or are due.

§ 88. The sums of orders, issued on the grounds of the repealed §10 and 11,

shall be due for the period till December 31, 2001.

§ 89. The pensions of the teachers, paid by the Teachers' pension fund and given till December 31, 2001, shall be recalculated by the order of 5, para 2 of the transitional and concluding provisions of the law.

§ 90. (amend., SG 119/02) Till December 31 2004 the National Insurance Institute shall implement the activity of art. 123 for the regular military servicemen, for the civil servants – officers, sergeants and civil persons under the Law for the Ministry of Interior, for the persons of §19 of the transitional and concluding provisions of the Law for amendment and supplement of the Law for execution of the penalties (SG 73/98) and for the employees of the National Intelligence Service.

§ 95. Till March 31, 2002 the releasing and the payment of the pensions can be made against presentation of passports, issued by the order of the revoked Edict No 2772 for the passports and the address registration of the citizens of the Republic of Bulgaria (prom. SG 100/80; amend. SG 11/98).

§ 96. The law shall enter into force on January 1, 2002.

The law was passed by the 39th National Assembly on December 21, 2001 and is affixed with the official seal of the National Assembly.

Transitional and concluding provisions (SG 67/03)

§ 108. (1) The licences issued by the State Agency for Insurance Supervision, until the enactment of this law, to pension insurance companies and to actuaries for carrying out activity of additional pension insurance, shall retain their effect.

(2) The issued consents for court registration of the funds for additional obligatory pension insurance shall retain their validity until the official issuance of a permit for management of a pension fund.

(3) The started proceedings before the enactment of this law before the commission or before the deputy chairman of the commission shall continue under the conditions and by the order of this law.

§ 109. Within three months from the enactment of this law the deputy chairman of the commission shall issue, ex-officio, to the companies under § 108 permits under art. 145 and 217 for the funds for additional pension insurance managed by them, without payment of a fee.

§ 110. (1) The companies under § 108 shall be obliged, within 9 months from

the enactment of this law, to bring their activities in compliance with its provisions and to present the necessary documents to the Commission for Financial Supervision.

(2) Of companies, which do not fulfil the obligations under para 1, shall be withdrawn the licence and proceedings for their wind up shall be instituted by the order of art. 331.

(3) Of companies which, within the period under para 1, do not bring the activity of a fund for additional pension insurance managed by them in compliance with this law, the deputy chairman shall withdraw the official permit issued by the order of § 109.

§ 111. The companies under § 18 shall be obliged, within one year from the enactment of this law, to bring their capital in compliance with the requirements of art. 121c, para 2 and 4. Until the expiration of this period the own capital (capital base) under art. 121c, para 4 may not be less than 1 500 000 BGN.

§ 112. The size of the reserve under art. 193, para 8 shall be determined in percentage of the assets of the funds of the additional obligatory pension insurance managed by them, which may not be less than:

1. for 2003 - 0.2 percent;
2. for 2004 - 0.4 percent;
3. for 2005 - 0.6 percent;
4. for 2006 - 0.8 percent;
5. for 2007 and thereafter - 1 percent.

§ 113. (1) The accounting of the accumulated resources of the individual accounts of the insured persons in shares shall apply from July 1, 2004.

(2) By July 1, 2004 the individual accounts of the insured persons shall be kept and the income shall be allocated in the way and by the order established before the enactment of this law.

§ 114. (1) From the enactment of this law the pension insurance companies managing funds for additional voluntary pension insurance shall be obliged to terminate the application of pension schemes where, the forming common accounts provide coverage over the size of the sums accumulated in the individual accounts in granting disability pensions and hereditary pensions.

(2) The pensions granted before the enactment of this law by the pension schemes under para 1 of the voluntary pension funds shall continue to be paid.

(3) In the cases when, according to the regulations of the pension insurance company, disability pensions or hereditary pension are paid from the common accounts under para 1, the present value of the obligations to the pensioner undertaken before the enactment of this law shall be allocated to an individual account. The common account shall be reduced by the size of the allocated resources.

(4) The remainder after the deduction of the sums under para 3 shall be allocated to the individual insurance accounts of the insured persons according to the respective scheme, proportionally to the size of the instalments made in the common

accounts during the period of insurance, and on condition that their insurance contracts with the respective pension insurance company have not been terminated by the time of enactment of this law.

(5) In determining the size of the present value of the liabilities to the pensioners under para 3 shall be used the approved by the State Agency for Insurance Supervision, before the enactment of this law, mortality table, disability table, technical interest rate and other actuary assume for the respective pension scheme.

§ 115. The insurance instalment paid for additional obligatory pension insurance in 2002 for the persons under art. 4, para 1, item 4 shall remain in the revenue of the budget of the state public insurance.

§ 116. The persons, having obtained right to pension for insured practice and age under art. 69, with exception of the persons under art. 127, para 5, shall acquire right to additional lifetime pension in an universal pension fund on accomplishing the age of acquiring right to pension for insured practice and age according to art. 68, para 1 - 3.

§ 117. The persons to pensions have been granted for disability by December 31, 1999, and who have no insured practice after this date, may request recalculation of the pension by the order of art. 75 - 77 and art. 79, if this is more favourable for them. The pension shall be determined from the date of the application.

§ 118. The deferred liabilities by December 31, 2003, by the order of art. 116, shall be collected along with the legal interest.

§ 119. (1) By December 31, 2004 the Commission for financial supervision shall adopt the ordinances stipulated by the code.

(2) Until the adoption of the by-laws under para 1 the normative acts for the implementation of the Code for obligatory public insurance and for implementation of the Law of the additional voluntary insurance shall retain their effect, inasmuch as they do not contradict this law.

§ 120. This law revokes:

1. The Law for protection in case of unemployment and encouragement of the employment (prom., SG 120/97).
2. The Law for additional voluntary pension insurance (prom., SG 65/99).

**Transitional and concluding provisions
to the LAW FOR THE STATE PUBLIC INSURANCE FOR
2004 (prom., SG 112/03; suppl., SG 21/04)**

§. 8. (new, SG 21/04) Paragraph 3 shall enter into force on January 1, 2004 with exception of item 12 regarding art. 48a and item 13 regarding art. 52a which shall apply from July 1, 2004.

Transitional and concluding provisions
(SG 38/05, amend. - SG 104/05, in force from 01.01.2006;
amend - SG 68/06)

§ 7. (1) (amend. - SG 68/06) All corporate bodies or individuals, state departments, municipalities or mayors, preserving payment lists of terminated insurers who do not have legal successor shall be obliged in two-years term assumed from July 1, 2005 to deliver them in the respective territorial division of the National Insurance Institute unless in a law is defined other way for preservation.

(2) The mayors who preserve documents for insurance practice and insurance income of persons who have worked in the organizations of § 12 of the transitional and concluding provisions of the Law of ownership and use of farm land shall be obliged to deliver them in the National Insurance Institute in the term of para 1.

(3) (new - SG 104/05, in force from 01.01.2006) The insurers which terminate their activity within the period from 1st of July to 31st of December 2005 and have no successor, shall hand in the documents under Art. 5, Para 10 in the respective local unit of the National Insurance Institute within the 31st of December 2006.

§ 8. (amend. - SG 104/05, in force from 01.01.2006) Till December 31, 2006 the pecuniary indemnifications for temporary inability to work, pregnancy, childbirth and bringing up a child and the supports under the state public insurance shall be paid through the insurers in the terms for payment of the remunerations of the insured persons.

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§ 10. Paragraph 1, item 3 and § 9 shall enter into force on January 1, 2006.

§ 11. Paragraph 6, item 1 shall enter into force from January 1, 2005.

Concluding provisions
To THE LAW OF AMENDMENT AND
SUPPLEMENATTION OF THE CODE OF SOCIAL INSURANCE

(PROM. – SG 102/2005, IN FORCE FROM 20.12.2005)

§ 2. The law shall enter in force from the day of its promulgation in the State Gazette.

Transitional and concluding provisions TO THE INSURANCE CODE

(PROM. – SG 103/05, IN FORCE FROM 01.01.2006)

§. 28. The code shall enter in force from 1st of January 2006, except:

1. Art. 45, Para 3, Art. 47, Chapter Four, Art. 71, Para 4, Art. 77, Para 5, Art. 80, Para 5, Art. 88, Para 3, Art. 89, Art. 99, Para 4, Art. 112-116, Art. 127, 137, 139 - 149, Chapter Seventeen, Chapter Twenty Two, Art. 254, Para 1, item 2, Art. 258, Para 1, items 2, 3 and 5, Art. 282, Para 2 and §. 13, item 2, letter "b", item 3, item 4, letter "c" and item 5 of the transitional and concluding provisions, which shall enter in force from the date of the Pre-accession to the European Union of the Republic of Bulgaria Agreement becomes effective;

2. Art. 254, Para 2 which shall enter in force from the date of the Decision of the European Commission, after the data about conclusion of an agreement between the National Bureau of the Bulgarian Automobile Insurers and the Bureaus of the Automobile Insurers of the Member States in accordance with Art. 2, Para 2 of Directive 72/166/EEC for harmonization of the legislation of the Member States, related with the insuring against civil liability with regard to the usage of motor vehicles and for imposing of obligation to insure against such liability is provided;

3. Art. 266, which shall enter into force from 11th of June 2012;

4. Art. 282, Para 4 and Art. 284 – 286, which shall enter in force from the date of the Decision of the European Commission, after the data about conclusion of an agreement between the National Bureau of the Bulgarian Automobile Insurers and the Bureaus of the Automobile Insurers of the Member States in accordance with Art. 6, Para 3 of Directive 200/26/EU for harmonization of the legislation of the Member States related with the insuring against civil liability with regard to the usage of motor vehicles and for amendment of Directives of the Council 73/239/EEC and 88/357/EIO is provided. Until the date the Pre-accession to the European Union of the Republic of Bulgaria Agreement enters in force, the National Bureau of the Bulgarian Automobile Insurers shall establish the organization for execution of the functions as a compensatory body.

5. Art. 288, Para 2, which shall enter into force from 11th of June 2007 shall be applied for all filed claims for compensation on which up to this date the managing council of the Guarantee Fund has not pronounced; up to the date on which shall enter in force the Pre-accession to the European Union of the Republic of Bulgaria Agreement, the Guarantee Fund shall pay compensations only if the road-transport accident has occurred on the territory of the Republic of Bulgaria; the Guarantee Fund shall establish the organisation for execution of the functions of Information Centre within a six-months term from the code enters in force.

Transitional and concluding provisions TO THE LAW OF THE BUDGET OF THE STATE SOCIAL INSURANCE FOR 2006

(PROM. – SG 104/05, IN FORCE FROM 01.01.2006)

§ 6. In year 2006, the pensions released up to 31s of December of the previous year shall be indexed from 1st of January by a decision of the Supervision Board of the National Insurance Institute in accordance with the amount of the pensions with a percentage relevant to the increase of the insured income for the country and the index of the customers prices during the previous calendar year.

§ 7. The pensions for disability due to a general disease, released up to 1st of January 2006, shall be re-calculated under the procedure of Art. 75, Para 1 and 2 of the Social Insurance Code.

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**Transitional and concluding provisions
TO THE LAW OF THE STATE BUDGET OF THE
REPUBLIC OF BULGARIA FOR THE YEAR 2006**

(PROM. – SG 105/05, IN FORCE FROM 01.01.2006)

§ 95. The law shall enter in force from the 1st of January 2006.

**Transitional and concluding provisions
TO THE TAX-INSURANCE PROCEDURE CODE**

(PROM. – SG 105/05, IN FORCE FROM 01.01.2006)

§ 88. The code shall enter in force from the 1st of January 2006, except Art. 179, Para 3, Art. 183, Para 9, § 10, item 1, letter "e" and item 4, letter "c", § 11, item 1, letter "b" and § 14, item 12 of the transitional and concluding provisions which shall enter in force from the day of promulgation of the code in the State Gazette.

**Transitional and concluding provisions
To THE LAW OF AMENDMENT AND
SUPPLEMENATTION OF THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 17/2006)

§ 18. In one year term from the entry into force of this law, no later than the date of the entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union, the pension insurance companies shall be obliged to set their activity in compliance with it and to present the documents necessary at the

Commission of Financial Supervision.

§ 19. Till the date of the entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union, the pension insurance company may invest not more than 15 percent of the assets of a fund for additional obligatory pension insurance, respectively not more than 20 percent of the of a fund for additional voluntary pension insurance, in securities under art. 176, par. 1, items 10, 11, 12 and 13.

§ 20. The requirement for credit rating under art. 176, par. 1, item 5 shall enter into force from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union and shall be applied to concluded contracts for bank deposits after this date.

§ 21. The provision of art. 176, par. 1, item 14 shall be applied from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union.

§ 22. The provision of art. 176, par. 1, item 15 concerning the investment properties in a Member State of the European Union, or in another country – party to the European Economic Area Agreement, shall be applied from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union.

Transitional and concluding provisions TO THE ADMINISTRATIVE PROCEDURE CODE

(PROM. – SG 30/06, IN FORCE FROM 12.07.2006)

§ 11. In the Code of social insurance (prom. SG 110/99, SG 55/2000 – Decision No 5 of the Constitutional court; amend. SG 64/2000, amend. SG 1, 35 and 40/2001, SG 1, 10, 45, 74, 112, 119, 120/2002, SG 8, 42, 67, 95, 112 and 114/2003, SG 12, 38, 52, 53, 69, 70, 112, 115/2004, SG 38, 39, 76, 102, 103, 104 and 105/2005 and SG 17/06) the following amendments are made:

4. everywhere in the code the words "the Law for the administrative procedures" and "art. 7, par. 2 and art. 11, par. 1 from the Law for the administrative procedures" shall be replaced by "The Administrative procedure code".

§ 142. The code shall enter into force three months after its promulgation in State Gazette, with the exception of:

1. division three, § 2, item 1 and § 2, item 2 – with regards to the repeal of chapter third, section II "Appeal by court order", § 9, item 1 and 2, § 15 and § 44, item 1 and 2, § 51, item 1, § 53, item 1, § 61, item 1, § 66, item 3, § 76, items 1 – 3, § 78, §

79, § 83, item 1, § 84, item 1 and 2, § 89, items 1 - 4 § 101, item 1, § 102, item 1, § 107, § 117, items 1 and 2, § 125, § 128, items 1 and 2, § 132, item 2 and § 136, item 1, as well as § 34, § 35, item 2, § 43, item 2, § 62, item 1, § 66, items 2 and 4, § 97, item 2 and § 125, item 1 – with regard to the replacement of the word "the regional" with the "administrative" and the replacement of the word "the Sofia City Court" with "the Administrative court - Sofia", which shall enter into force from the 1st of May 2007;
2. paragraph 120, which shall enter into force from the 1st of January 2007;
3. paragraph 3, which shall enter into force from the day of the promulgation of the code in State Gazette.

**Transitional and concluding provisions
TO THE LAW OF THE COMMERCIAL REGISTER**

(PROM. – SG 34/06, IN FORCE FROM 01.10.2006)

§ 56. This law shall enter into force from the 1st of October, with the exception of § 2 and § 3, which shall enter into force from the day of the promulgation of the law in State Gazette.

**Transitional and concluding provisions
TO LAW FOR AMENDMENT AND SUPPLEMENT OF
THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 56/06)

§ 65. The pension insurance companies shall set their technical reserves in compliance with the requirements of art. 121c, 213a, 213b and art. 234, para 13 with respect to their activity regarding professional schemes abroad from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union.

.....

§ 67. This law shall enter into force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, except for § 6, 10 and 11, which shall enter into force three days after its promulgation in State Gazette.

**Transitional and concluding provisions
TO LAW FOR AMENDMENT AND SUPPLEMENT OF
THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 57/06, IN FORCE FROM 01.07.2006)

§ 5. The minimum extent of the pension for insurance for insured practice and age under art. 68, para 1 – 3 for the period from the 1st of July to the 31st of December 2006 shall be determined by the Council of Ministers upon a proposal by the Minister of Labour and Social Policy and the National Insurance Institute.

§ 6. Pensions for labour activity shall be indexed one time from the 1st of July 2006 by procedure and in a manner determined by the Council of Ministers, in accordance with the implementation of the Law on the budget of state social insurance for the year 2006 and State budget of the Republic of Bulgaria for the financial year 2006 act.

§ 7. The law shall enter into force from the 1st of July 2006.

Transitional and concluding provisions TO THE LAW OF THE CREDIT INSTITUTIONS

(PROM. – SG 59/06)

§ 36. The law shall enter into force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, except for § 35, item 2, which shall enter into force from the date of the promulgation of the law in State Gazette.

Transitional and concluding provisions TO LAW FOR AMENDMENT AND SUPPLEMENT OF THE CODE OF SOCIAL INSURANCE

(PROM. – SG 68/06; corr. – SG 76/06)

§ 8. Regarded as insurance practice under art. 69, para 2 under the previous order shall be the time till the 30th of April inclusive, during which the persons have been civil servants – officers, sergeants and civilians from the Ministry of Interior and under the Law for execution of the penalties, as well as officers and sergeants from other departments.

.....

§ 10. (corr. – SG 76/06) The insurance practice of the persons, who have worked as mine rescuers up to chief of mine rescue service (point) inclusive till the entry into force of this law, shall be transformed under the terms of art. 104, para 3.

§ 11. Paragraph 1, item 2 and § 6 shall enter into force from the 1st of May, 2006 and § 1, § 3 and 9 shall enter into force from the 1st of January, 2007.

Transitional and concluding provisions
TO LAW FOR THE TAXES ON THE INCOME OF
NATURAL PERSONS

(PROM. - 95/06, IN FORCE FROM 01.01.2007)

§ 11. In the Code of Social Insurance (Prom. SG 110/1999, SG 55/2000 – Decision No 5 of the constitutional court of the Republic of Bulgaria, amend. SG 64/2000; amend. SG 1, 35 and 41/2001, SG 1, 10, 45, 74, 112, 119 and 120/2002, SG 8, 42, 67, 95, 112 and 114/ 2003, SG 12, 38, 52, 69, 70, 112 and 115/2004, SG 38, 39, 76, 102, 103, 104 and 105/2005, SG 17, 30, 34, 56, 57, 59, 68 and 82/ 2006) the words "Law for taxation of the income of physical persons" shall be replaced everywhere by "Law for the taxes on the income of natural persons".

§ 21. The law shall enter into force from the 1st of January 2007, except for § 10, which shall enter into force from the day of the promulgation of the law in State Gazette.

Transitional and concluding provisions
TO LAW FOR AMENDMENT AND SUPPLEMENTATION
OF THE CODE OF SOCIAL INSURANCE

(PROM. - 41/07)

§ 13. Paragraph 4 shall enter into force from 1st January 2008.

Transitional and concluding provisions
TO THE LAW ON THE MARKETS OF FINANCIAL
INSTRUMENTS

(PROM. - 52/07, IN FORCE FROM 01.11.2007)

§ 27. (1) This Law shall enter into force from 1 November 2007 except § 7, Items 6, 7, 8, 18, 19, 22 – 24, 26 – 28, 30 – 40, Item 44, Letter "b", Items 47, 48, Item 49, Letter "a", Items 50 – 62, 67, 68, 70. 71, 72, 75, 76, 77, Item 83, Letters "a" and "d", Item 85, Letter "a", Items 91, 93, 94, Item 98, Letter "a", Subletter "aa", second sentence regarding the replacement, Subletter "bb", second sentence regarding the

replacement, Subletter "cc", second sentence regarding the replacement and Subletter "cc", second sentence regarding the replacement, Item 99, Letters "d" and "e", Item 101, Letter "b" and Item 102, § 8, § 9, Item 4, Letter "a", Items 5 and 7, § 14, Item 1 and § 19 which shall enter into force three days after the promulgation of the Law in the State Gazette.

(2) Paragraph 7, Item 6, 7 and 8 shall apply by 1 November 2007.

**Concluding provisions
TO THE LAW ON AMENDMENT AND
SUPPLEMENTATION OF THE LAW ON THE BUDGET OF THE
STATE SOCIAL SECURITY FOR 2007**

(PROM. - SG 77/07, IN FORCE FROM 01.10.2007)

§ 5. This Law shall enter into force from 1 October 2007.

**Concluding provisions
TO THE LAW ON SUPPLEMENTATION OF THE LAW
ON PROTECTION FROM DISCRIMINATION**

(PROM. – SG 100/07, IN FORCE FROM 20.12.2007)

§ 7. This Law shall enter into force from 20 December 2007.

**Transitional and concluding provisions
TO THE LAW FOR THE STATE AGENCY "NATIONAL
SECURITY"**

(PROM. - 109/07, IN FORCE FROM 01.01.2008)

§ 44. This Law shall enter into force from 1 January 2008.

**Transitional and concluding provisions
TO THE LAW FOR THE BUDGET OF THE STATE
PUBLIC INSURANCE IN 2008**

(PROM. - 113/07, IN FORCE FROM 01.01.2008)

§ 8. This Law shall enter into force from 1 January 2008, except for § 5, item 1, item "a", which shall enter into force from 1 January 2007.

Transitional and concluding provisions
TO THE LAW FOR THE STATE BUDGET OF THE
REPUBLIC OF BULGARIA IN 2008

(PROM. - 113/07, IN FORCE FROM 01.01.2008)

§ 99. This Law shall enter into force from 1 January 2008.

Transitional provisions
TO THE LAW ON AMENDMENT AND
SUPPLEMENTATION OF THE CODE OF SOCIAL INSURANCE

(PROM. - SG 33/08)

§ 2. The persons who have acquired a right of pension under § 4, Para 3 of the Transitional and Concluding Provisions within the period from 1 January 2007 to entry into force of this Law may retire from the date of acquisition of the right, if the application was submitted in a territorial department of the National Insurance Institute within 6 months from entry into force of this Law.

Concluding provisions
TO THE LAW ON AMENDMENT AND
SUPPLEMENTATION OF THE CODE OF SOCIAL INSURANCE

(PROM. – SG 43/08, IN FORCE FROM 01.01.2008)

§ 3. The Law shall enter into force from 1 January 2008.