

## UNOFFICIAL TRANSLATION OF THE BULGARIAN EXCERPT

### EXCERPT FROM THE BULGARIAN SOCIAL AND LABOUR LAW RELEVANT TO SOCIAL INSURANCE UNDER OCCUPATIONAL SCHEMES

#### **Social Insurance Code** (Title amended, SG No. 67/2003)

*Promulgated State Gazette, No. 110/17.12.1999, effective 1.01.2000; Decision No. 5 of the Constitutional Court of the Republic of Bulgaria of 29.06.2000 - SG No. 55/07.07.2000; amended and supplemented SG No. 64/04.08.2000; amended, SG No. 1/2.01.2001 supplemented SG No. 35/10.04.2001, amended SG No. 41/24.04.2001; amended and supplemented SG No. 1/04.01.2002, effective 1.01.2002; amended, SG No. 10/29.01.2002, effective 1.01.2002; amended and supplemented SG No. 45/30.04.2002, effective 30.04.2002; SG No. 74/30.07.2002, effective 1.01.2003, supplemented SG No. 112/29.11.2002, amended and supplemented, SG No. 119/27.12.2002, effective 1.01.2003, supplemented, SG No. 120/29.12.2002, amended and supplemented, SG No. 8/28.01.2003, effective 1.03.2003, supplemented SG No. 42/9.05.2003, amended and supplemented, SG No. 67/29.07.2003, supplemented, SG No. 95/28.10.2003, amended and supplemented, SG No. 112/23.12.2003, effective 1.01.2004, amended, SG No. 114/30.12.2003, amended and supplemented, SG No. 12/13.02.2004, amended, SG No. 21/16.03.2004, effective 1.01.2004, supplemented, SG No. 38/11.05.2004, amended and supplemented, SG No. 52/18.06.2004, effective 1.08.2004, SG No. 53/22.06.2004, effective 1.01.2005, SG No. 69/6.08.2004, effective 1.07.2004, amended, SG No. 70/10.08.2004, effective 1.01.2005, amended and supplemented, SG No. 112/23.12.2004, effective 1.01.2005, amended, SG No. 115/30.12.2004, effective 1.01.2005, amended and supplemented, SG No. 38/3.05.2005, amended, SG No. 39/10.05.2005, effective 11.02.2006, No. 76/20.09.2005, effective 1.01.2007, SG No. 102/20.12.2005, effective 20.12.2005, amended and supplemented, SG No. 103/23.12.2005, effective 1.01.2006, No. 104/27.12.2005, effective 1.01.2006, No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 17/24.02.2006, amended, SG No. 30/11.04.2006, effective 12.07.2006, No. 34/25.04.2006, effective 1.01.2008 (\*) (\*\*), amended and supplemented, SG No. 56/11.07.2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 57/14.07.2006, effective 1.07.2006, SG No. 59/21.07.2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 68/22.08.2006, corrected, SG No. 76/15.09.2006, amended, SG No. 82/10.10.2006, SG No. 95/24.11.2006, effective 1.01.2007, supplemented, SG No. 102/19.12.2006, amended and supplemented, SG No. 105/22.12.2006, effective 1.01.2007, SG No. 41/22.05.2007, amended SG No. 52/29.06.2007, effective 1.11.2007, SG No. 64/7.08.2007, SG No. 77/25.09.2007, effective 1.10.2007, supplemented, SG No. 97/23.11.2007, SG No. 100/30.11.2007, effective 20.12.2007, amended and supplemented SG No. 109/20.12.2007, effective 1.01.2008, SG No. 113/28.12.2007, effective 1.01.2008)*

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#### Provision of Information

**Article 123h.** (New, SG No. 67/2003) (1) In accordance with its articles of association and with the rules of the respective supplementary retirement insurance fund, each retirement insurance company shall be obligated:

1. to familiarize the insured persons and social insurance contributors with the rules of the supplementary retirement insurance fund and with all clauses amending and supplementing the said rules;

2. annually, not later than the 31st day of May, to transmit to the insured persons, at no charge to them, a statement of the individual accounts of the said persons for the last preceding calendar year, using a standard form endorsed by the Deputy Chairperson of the Commission;

3. apart from the case under Paragraph (2), to afford an opportunity for each person insured in the fund to receive information concerning the individual account thereof upon request.

(2) (New, SG No, 56/2006) In addition to the information covered under Paragraph (1), each retirement insurance company which manages a fund for supplementary voluntary retirement insurance under occupational schemes shall provide the persons insured in the said fund, as well as to other holding entitlement under the occupational scheme:

1. annual information regarding:

(a) any change in the scheme arising from clauses amending and supplementing the statutory framework or the rules of organization and operation of the fund for supplementary voluntary retirement insurance under occupational schemes;

(b) the amount of resources accrued, the types of payments and the manners of receiving the said payments upon acquisition of entitlement to the relevant type of pension;

(c) the risks associated with the investment and the management of the occupational scheme and the persons who assume the said risks;

2. upon request:

(a) the annual financial statement and the annual report referred to in Article 252 (2) for the scheme under which they are insured;

(b) information referred to in Article 251c herein regarding the investment policy of the fund for supplementary voluntary retirement insurance under occupational schemes and regarding the structure of the investment portfolio;

(c) information regarding the procedure and manner of transfer of the resources accrued on their individual accounts in the funds for supplementary voluntary retirement insurance under occupational schemes managed by another retirement insurance company, upon discontinuance of the activity, on the basis of which they are insured under the relevant occupational scheme

(d) (new, SG No. 41/2007) detailed and material information regarding the level which retirement benefits must reach according to the conditions of the relevant occupational scheme: in case of cross-border activity;

(e) (new, SG No. 41/2007) the amount of payments upon termination of the insurance according to the conditions of the relevant occupational scheme: in case of cross-border activity.

(3) (Renumbered from Paragraph (2), SG No. 56/2006) The retirement insurance company, the social insurance intermediaries and the persons authorized thereby may not provide to third parties the information at their disposal regarding the insured persons, pensioners, their survivors and social insurance contributors, with the exception of cases provided for in other laws.

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## Principles

**Article 209.** (1) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance shall be implemented in a supplementary voluntary retirement insurance fund and in a fund for supplementary voluntary retirement insurance under occupational schemes, hereinafter referred to as "supplementary voluntary retirement insurance funds", in observance of the following principles:

1. voluntary participation;
2. separate legal personality of the retirement insurance company and the supplementary voluntary retirement insurance funds;
3. transparency, separation and exclusivity of operation;
4. authorization system and State regulation;
5. mandatory periodic reporting and disclosure of information;
6. fair competition among retirement insurance companies;

(2) (Amended, SG No. 56/2006) Social insurance in the supplementary voluntary retirement insurance funds shall be carried out on a fully-funded principle on the basis of defined contributions.

(3) (Supplemented, SG No. 17/2006, amended, SG No. 56/2006) The resources of a supplementary voluntary retirement insurance funds shall be managed by the retirement insurance company exercising the care of responsible merchantship and observing the principles of reliability, liquidity, profitability and diversification, in the best interest of the insured persons.

## Insured Persons

**Article 210.** (1) (Amended, SG No. 56/2006) Every natural person, who has attained the age of 16 years, may voluntarily insure himself or herself or be insured in supplementary voluntary retirement insurance funds under the terms and according to the procedure established by this Title.

(2) (Supplemented, SG No. 56/2006) Supplementary voluntary retirement insurance shall be personal. Each person insured at a supplementary voluntary retirement insurance fund and a fund for supplementary voluntary retirement insurance under occupational schemes shall have an individual social insurance number and an individual account.

## Participation in Supplementary Voluntary Retirement Insurance Funds

**Article 211.** (Amended, SG No. 56/2006) The participation in a supplementary voluntary retirement insurance funds shall commence as from the moment of conclusion of a social insurance contract.

## Entitlement upon Social Insurance at Supplementary Voluntary Retirement Insurance Funds

(Heading amended, SG No. 56/2006)

**Article 212.** (1) ...

(2) (New, SG No. 56/2006) Social insurance under occupational pension schemes of sponsoring undertakings established according to the legislation of the Republic of Bulgaria shall entitle the insured person to:

1. a fixed-period old-age pension;
2. a lump-sum payment or payment by installments of the resources accrued on the individual account;
3. a lump-sum payment or payment by installments of resources to the survivors of a deceased insured person or of a pensioner.

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## Documents Required for Registration of an Occupational Scheme

**Article 229a.** (New, SG No. 56/2006) (1) The retirement insurance company or the non-resident institution, as the case may be, shall submit to the Deputy Chairperson of the Commission a written request for registration of an occupational scheme, completed in a standard form endorsed by the said Deputy Chairperson, enclosing therewith:

1. an abstract transcript of the conditions of the collective agreement or, respectively, of the collective bargaining agreement related to the occupational scheme;
2. a copy of the social insurance contract between the sponsoring undertaking and the company or the non-resident institution, as the case may be.

(2) The application referred to in Paragraph (1) shall be submitted within ten days after conclusion of the social insurance contract.

(3) The Deputy Chairperson of the Commission may also require other information in connection with the documents covered under Paragraph (1) and may allow a time limit for submission of the said information which may not be longer than 14 days.

(4) Upon any intervening change in the documents or circumstances covered under Paragraph (1), the company or the non-resident institution, as the case may be, shall notify the Deputy Chairperson of the Commission within 14 days after coming to know about the said change.

## Occupational Scheme Registration

**Article 229b.** (New, SG No. 56/2006) (1) Within seven days after submission of an application referred to in Article 229a (1) herein or of a notification referred to in Article 229a (4) herein, the Deputy Chairperson of the Commission shall issue a directive on registration of the occupational scheme in a public register of occupational schemes.

(2) The Commission shall keep a public register of occupational schemes in respect of which a directive under Paragraph (1) has been issued. The following particulars shall be recorded in the said register:

1. business name, registered office and address of the place of management, commercial registration and standard identification code of the sponsoring undertaking or the respective particulars of the non-resident sponsoring undertaking;
2. business name, registered office and address of the place of management, commercial registration and standard identification code and number of the pension licence of the retirement insurance company or the respective particulars of the non-resident institution.

## Cross-Border Activities of Retirement Insurance Company

**Article 229c.** (New, SG No. 56/2006) (1) ...

(2) Before conclusion of the contract referred to in Paragraph (1), the retirement insurance company shall notify the Deputy Chairperson of the Commission in writing of:

1. the host Member State;
2. the business name and the address of the non-resident sponsoring undertaking in the host Member State;
3. the main characteristics of the occupational scheme which is to be managed by the company.

(3) ...

(4) ...

(5) ...

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(9) ...

(10) ...

(11) ...

(12) ...

(13) ...

(14) ...

(15) ...

#### Management of Occupational Scheme by Non-resident Institution

**Article 229d.** (New, SG No. 56/2006) (1) A sponsoring undertaking may entrust the management of an occupational scheme to a non-resident institution in compliance with the labour and social legislation of the Republic of Bulgaria and the collective agreement or collective bargaining agreement concluded.

(2) Within two months after receipt of the information covered under Items 1 to 3 of Article 229c (2) herein from the competent supervisory authority of the home Member State, the Deputy Chairperson of the Commission shall communicate to the said authority, in writing, all provisions applicable in the case, related to the investment activity and the disclosure of information. The Deputy Chairperson of the Commission shall notify the competent supervisory authority of the home Member State of any change in Bulgarian labour and social legislation, as well as of any change in the relevant provisions related to the investment activity and the disclosure of information, which concern the scheme managed by the non-resident institution.

(3) The Deputy Chairperson of the Commission shall exercise supervision as to compliance with Bulgarian social and labour legislation and the applicable provisions related to the investment activity and the disclosure of information by the non-resident institution. In case of any detected breach, the said Deputy Chairperson shall notify immediately the competent supervisory authority of the home Member State and shall coordinate the measures necessary to put a stop to the breach by the said institution as proposed by the competent supervisory authority.

(4) If, despite the measures applied by the competent supervisory authority of the home Member State or because appropriate measures are lacking in the said home Member State, the non-resident institution persists in breaching the provisions referred to in Paragraph (1), the Deputy Chairperson of the Commission may, after informing the competent supervisory authority:

1. apply:

(a) coercive administrative measures;

(b) sanctions;

2. prevent the non-resident institution from managing an occupational scheme for the relevant sponsoring undertaking.

#### Chapter Twenty-Two

#### SOCIAL INSURANCE CONTRIBUTIONS AND INDIVIDUAL ACCOUNT

## Social Insurance Contributions

**Article 230.** (1) (Amended, SG No. 56/2006) Social insurance contributions shall be made for social insurance at supplementary voluntary retirement insurance funds.

(2) The contributions under Paragraph (1) shall be in cash and may be monthly, for another period, or lump-sum.

(3) (Supplemented, SG No. 56/2006) ...

(4) (New, SG No. 56/2006) Contributions to a fund for supplementary voluntary retirement insurance under occupational schemes may be made:

1. by sponsoring undertakings established according to the legislation of the Republic of Bulgaria and of any other Member State for the persons insured thereby in an occupational scheme;

2. by natural persons insured under an occupational scheme.

(5) (Renumbered from Paragraph (4), amended and supplemented, SG No. 56/2006) ...

(6) (New, SG No. 56/2006) The contributions by the sponsoring undertaking referred to in Paragraph (4) shall be remitted to the individual account of the insured person and shall be kept separately from the personal contributions.

(7) (Renumbered from Paragraph (5) and supplemented, SG No. 56/2006) Remittance of social insurance contributions by social insurance contributors and sponsoring undertakings shall not obligate the insured person to make contributions at his or her expense.

(8) (New, SG No. 56/2006) Contributions for retirement insurance under an occupational scheme established in the Republic of Bulgaria shall continue to be made by or on behalf of a posted insured person who participates in such a scheme during the period of his or her posting in another Member State.

(9) (New, SG No. 56/2006) Where the contributions in respect of any person continue to be made to an occupational scheme in another Member State, the posted insured person and, where applicable, the sponsoring undertaking, shall be exempted from any obligation to make social insurance contributions to an occupational scheme in Bulgaria.

## Prohibition of Discrimination

**Article 231.** (1) (Redesignated from Article 231, SG No. 56/2006) A social insurance contributor may not refuse supplementary voluntary retirement insurance to any factory and office workers thereof by reason of nationality, origin, sex, sexual orientation, race, skin colour, age, political or other persuasions, religion or belief, membership of trade-union and other public organizations and movements, marital, social and property status, and existence of mental and physical disabilities.

(2) (New, SG No. 56/2006) In compliance with the provision of Paragraph (1), upon social insurance under an occupational scheme, there shall be no discrimination whatsoever on the

basis of sex, either directly or indirectly, by reference in particular to marital or family status, especially as regards:

1. the scope of the schemes and the conditions of access thereto;
2. the obligation to make social insurance contributions and the calculation of contributions;
3. the calculation of retirement benefits, including supplementary benefits due in respect of spouses and dependants, and the conditions governing the duration and retention of entitlement to retirement benefits.

#### Collective Bargaining

**Article 232.** (1) (Redesignated from Article 232, SG No. 56/2006) ...

(2) (New, SG No. 56/2006) Social insurance under occupational schemes shall be mandatorily regulated in a collective agreement or in a collective bargaining agreement of a minimum content under Article 237 (3) herein.

#### Obligation to Transfer Social Insurance Contribution

**Article 233.** (1) (Redesignated from Article 233, SG No. 56/2006) ...

(2) (New, SG No. 56/2006) Sponsoring undertakings shall withhold the social insurance contribution, which is at the insured person's expense, from the remuneration of the said person for the relevant month and to transfer the said contribution to the fund for supplementary voluntary retirement insurance under occupational schemes.

#### Individual Account

**Article 234.** (1) (Supplemented, SG No. 56/2006) ...

(2) (Supplemented, SG No. 56/2006) ...

(3) ...

(4) ...

(5) ...

(6) ...

(7) ...

(8) ...

(9) ...

(10) (Amended, SG No. 56/2006) ...



(11) The resources accrued on the individual accounts of the insured persons shall not be subject to enforced execution.

(12) During the accrual of resources on the individual accounts of the insured persons, no other deductions except the ones specified in this Code can be made.

(13) (New, SG No. 56/2006) ...

## Chapter Twenty-Three

### CONTRACTS

#### Conclusion of Social Insurance Contract

**Article 235.** (1) (Amended, SG No. 56/2006) The supplementary voluntary retirement insurance contract shall regulate the supplementary voluntary retirement insurance relations and shall be concluded between:

1. ...

2. the retirement insurance company, of the one part, and the sponsoring undertaking, of the other part: applicable to insurance in a fund for supplementary voluntary insurance under occupational schemes.

(2) ...

(3) (Amended, SG No. 56/2006) ...

(4) (New, SG No. 56/2006) In the cases of insurance in a fund for supplementary voluntary retirement insurance under occupational schemes, upon conclusion of the social insurance contract, the sponsoring undertaking shall present to the retirement insurance company the collective agreement or an abstract transcript of the collective bargaining agreement, as the case may be, setting forth the conditions of the occupational scheme, and a list of the insured persons included in the said scheme.

#### Restrictions on Insured Persons' Rights

**Article 236.** (1) (Supplemented, SG No. 56/2006) ...

(2) ...

(3) (New, SG No. 56/2006) In the cases of insurance under an occupational scheme, the restrictions on the rights of the insured persons and the lifting of the said restrictions shall be entirely regulated in the collective bargaining agreement or in the collective agreement, as the case may be, on the occupational scheme.

#### Contents of Social Insurance Contract

**Article 237.** (1) (Redesignated from Article 237, SG No. 56/2006) The social insurance contract shall mandatorily state:

1. (amended, SG No. 39/2005, SG No. 34/2006, SG No. 56/2006) the names and addresses of the contracting parties, the commercial registration and the standard identification code of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes, the pension licence and the commercial registration of the retirement insurance company which manages the supplementary voluntary retirement insurance fund and the standard identification code or the respective particulars of the non-resident institution;

2. the subject and scope of social insurance;

3. the amount of the social insurance contribution;

4. the terms, procedure and mode of payment of the social insurance contribution and of the supplementary pension by the fund;

5. the date of conclusion and the effective date of the social insurance contract;

6. the terms for termination of the contract;

7. the amount of fees and deductions.

(2) (New, SG No. 56/2006) In addition to the information covered under Paragraph (1), the social insurance contract for insurance in a fund for supplementary voluntary retirement insurance under occupational schemes shall furthermore contain a full description of the scheme.

(3) (New, SG No. 56/2006) The occupational scheme shall define:

1. the conditions and scope of the insurance;

2. the types of retirement benefits;

3. the amount of the social insurance contribution.

#### Term of Validity

**Article 238.** The social insurance contract shall be termless and shall be drawn up and signed in as many copies as are the parties thereto.

#### Obligations to Provide Fund's Rules

**Article 239.** (Supplemented, SG No. 56/2006) Upon conclusion of a contract for voluntary retirement insurance or in a fund for supplementary voluntary retirement insurance under occupational schemes, the insured person, the social insurance contributor or a third-party social insurance contributor shall receive, upon request, a certified copy of the Rules of the fund effective at the date of conclusion of the contract.

#### Termination of Social Insurance Contract

**Article 240.** (1) (Supplemented, SG No. 56/2006) The social insurance contract for insurance in a supplementary voluntary retirement insurance fund or in a fund for supplementary

voluntary retirement insurance under occupational schemes may not be terminated unilaterally by the retirement insurance company save in the cases provided for in this Code.

(2) ...

(3) (New, SG No. 56/2006) The social insurance contract for insurance in a fund for supplementary retirement insurance under occupational schemes shall be terminated upon the transfer of the occupational scheme to another fund for supplementary voluntary retirement insurance under occupational schemes.

#### Pension Contract

**Article 241.** (1) A pension contract with the retirement insurance company shall be signed upon acquisition of entitlement to pension under the terms established by this Title.

(2) The pension contract shall mandatorily contain the essential elements covered under Article 169a (2) herein.

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#### Personal Old-Age Pension

**Article 243.** (Amended, SG No. 112/2003, SG No. 56/2006) (1) ...

(2) ...

(3) ...

(4) The entitlement to a personal old-age pension upon insurance in a fund for supplementary voluntary retirement insurance under occupational schemes shall arise upon attainment of the age of 60 years for women and men.

(5) The pension referred to in Paragraph (4) shall be fixed-period according to the conditions of the occupational scheme.

(6) According to the conditions of the occupational scheme, as stipulated in the collective agreement or in the collective bargaining agreement, as the case may be, the fund for supplementary voluntary retirement insurance under occupational schemes may pay the insured person the old-age pension for up to five years prior to attainment of the age of 60 years.

...

#### Rights of Survivors

**Article 245.** (1) (Amended, SG No. 56/2006) ...

(2) ...

(3) ...

(4) ...

(5) ...

(6) (New, SG No. 56/2006) The persons, who are entitled to a lump-sum payment or payment by installments from a fund for supplementary voluntary retirement insurance under occupational schemes upon death of the insured person or pensioner, shall be determined in the collective agreement or the collective bargaining agreement.

(7) (New, SG No. 56/2006) Where there are no persons referred to in Paragraph (6), the resources accrued on the individual account shall be due according to the Succession Act.

Amount of Pension

**Article 246.** (1) ...

(2) The amount of the fixed-period pension under this Title shall be determined on the basis of:

1. the amount accrued on the individual account;
2. the period of receipt;
3. the technical interest rate, as approved by the Deputy Chairperson of the Commission.

(3) (New, SG No. 100/2007) ...

(4) (New, SG No. 100/2007) ...

(5) (New, SG No. 100/2007) ...

(6) (New, SG No. 100/2007) ...

(7) (New, SG No. 100/2007) ...

(8) (New, SG No. 100/2007) ...

Right to Transfer from Supplementary Voluntary Retirement Insurance Fund or from Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading amended, SG No. 56/2006)

**Article 247.** (1) ...

(2) ...

(3) ...

(4) (New, SG No. 56/2006) Upon termination of the legal relationship between the sponsoring undertaking and the insured person, the said person shall have the right to transfer the resources accrued from personal social insurance contributions on the individual account or

part of the said resources from one fund for supplementary voluntary retirement insurance under occupational schemes to another such fund, managed by another retirement insurance company.

(5) (New, SG No. 56/2006) The occupational scheme may be transferred from one fund for supplementary voluntary retirement insurance under occupational schemes to another relevant fund, managed by another retirement insurance company, on the basis of a supplemental agreement between the parties to the collective agreement or to the collective bargaining agreement, as the case may be.

(6) (Renumbered from Paragraph (4) and amended, SG No. 56/2006) The procedure and manner for transfer of the resources accrued on the individual account shall be established by the ordinance referred to in Article 171 (5) herein.

#### Right to Withdraw and Be Paid Resources Accrued

**Article 248.** (Amended, SG No. 56/2006) (1) ...

(2) Upon acquisition of entitlement to a personal old-age or invalidity pension from supplementary voluntary retirement insurance funds, the insured person shall have the right to choose between the respective type of pension under the terms established by this Title and a lump-sum payment or payment by installments of the resources accrued on the individual account of the said person.

#### Preservation of Rights when Moving from One Member State to Another

**Article 248a.** (New, SG No. 56/2006) (1) The persons insured under an occupational scheme, in respect of whom social insurance contributions under the said scheme are no longer being made as a consequence of their moving from the Republic of Bulgaria to another Member State, shall preserve the rights thereof to the same extent as for the insured persons in respect of whom social insurance contributions are no longer being made but who remain within the Republic of Bulgaria.

(2) Paragraph (1) shall furthermore apply to other persons holding entitlement under the relevant occupational scheme.

#### Cross-Border Payments

**Article 248b.** (New, SG No. 56/2006) Payments for any persons insured under an occupational scheme, as well as for any other persons holding entitlement under any such scheme, shall be made in other Member States net of the taxes and transactions charges due.

...

#### Investment Restrictions

**Article 251.** (Amended, SG No. 17/2006) (1) (Amended, SG No. 56/2006) ...

(2) (Amended, SG No. 56/2006) ...

(3) (Amended, SG No. 56/2006) ...

(4) (Amended, SG No. 56/2006) ...

(5) (Amended, SG No. 56/2006) ...

(6) (Amended, SG No. 56/2006) ...

(7) (Amended, SG No. 56/2006) ...

(8) (New, SG No. 56/2006) ...

(9) (New, SG No. 56/2006) ...

(10) (New, SG No. 56/2006) A non-resident institution may invest the resources related to an activity under Article 229d herein complying with the following restrictions:

1. no more than 30 per cent of the resources may be invested in securities which are not admitted to trading on a regulated securities market;

2. no more than 5 per cent of the resources may be invested in securities issued by a single issuer;

3. no more than 10 per cent of the resources may be invested in securities issued by the issuer and the persons connected therewith;

4. no more than 30 per cent of the resources may be denominated in currencies other than Bulgarian leva and euro.

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#### Investment Policy

**Article 251c.** (New, SG No. 56/2006) The retirement insurance company managing a fund for supplementary voluntary retirement insurance under occupational schemes shall prepare a statement of investment policy principles regarding management of the fund, which shall be reviewed every three years as well as without delay after any significant change. The minimum content of the said statement shall be determined by the Deputy Chairperson of the Commission and shall include the investment risk measurement methods, the risk-management techniques implemented and the strategic asset allocation with respect to the nature and duration of pension liabilities, as well as other conditions relevant to the scheme managed. The statement of investment policy shall be submitted to the Deputy Chairperson of the Commission within three months after the end of the relevant financial year.

#### Accounts of Supplementary Voluntary Retirement Insurance Fund

**Article 252.** (1) (Redesignated from Article 252 and amended, SG No. 56/2006) ...

(2) (New, SG No. 56/2006) The retirement insurance company or the non-resident institution shall draw up an annual report for each occupational scheme, which shall contain accounts of the resources accrued and the fees and deductions made. The type, format and content of the annual report shall be determined by the Deputy Chairperson of the Commission.

(3) (New, SG No. 56/2006) The annual reports referred to in Paragraph (2) shall be submitted to the sponsoring undertaking under the occupational pension scheme and to the Deputy Chairperson of the Commission within three months after the end of the financial year.

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## Chapter Twenty-Eight

### FEES AND DEDUCTIONS

#### Mandatory Fees

**Article 256.** (1) The retirement insurance company shall charge fees and deductions for the management of the supplementary voluntary retirement insurance funds as follows:

1. a lump-sum entrance fee for the opening of an individual social insurance account: not exceeding BGN 10;
1. a deduction as a percentage of each social insurance contribution: up to 7 per cent;
2. an investment fee at a rate not exceeding 10 per cent of the realized return on investment of the resources.

#### Additional Fees

**Article 257.** (1) The retirement insurance company may charge additional fees in the following cases:

1. (supplemented, SG No. 56/2006) upon each transfer of the resources accrued on the individual account from one supplementary voluntary retirement insurance fund or fund for supplementary voluntary retirement insurance under occupational schemes to another, managed by another retirement insurance company;
2. upon each withdrawal (in whole or in part) of the resources accrued on the individual account prior to acquisition of entitlement to a personal old-age pension of invalidity pension;
3. where the insured person requests a statement of the status of the individual account thereof more than once annually.

(2) The fees under Items 1 and 2 of Paragraph (1) shall not be paid:

1. (amended, SG No. 56/2006) upon transfer or withdrawal due to dissent with revisions of the Rules of the supplementary voluntary retirement insurance funds;
2. (amended, SG No. 56/2006) upon transformation or dissolution of the retirement insurance company or of the supplementary voluntary retirement insurance funds;
3. by the survivors of a deceased insured person or pensioner.

#### Amount of Fees and Deductions

**Article 258.** (1) (Amended, SG No. 56/2006) The specific amount of the fees and deductions under this Chapter shall be determined by the Rules of the supplementary voluntary retirement insurance funds.

(2) The fees under Article 257 (1) herein shall not amount to more than BGN 20.

Fees Established by Statute

**Article 259.** Retirement insurance companies may not charge any fees and deductions other than those specified in this Chapter.

...

Chapter Thirty-Nine

COERCIVE ADMINISTRATIVE MEASURES

Types

**Article 344.** (1) ...

(2) ...

(3) ...

(4) ...

(5) (Amended, SG No. 59/2006) ...

(6) (New, SG No. 41/2007) Acting at the request of a supervisory body of the home Member State of a non-resident institution, the Deputy Chairperson of the Commission may prevent a custodian bank established within the territory of the Republic of Bulgaria from executing an order by the said institution regarding any assets of the occupational scheme deposited by the said institution. In such a case, the Deputy Chairperson shall notify immediately the Bulgarian National Bank.

(7) (Renumbered from Paragraph (6), SG No. 41/2007) ...

...

Coercive Administrative Measures Applicable to Non-resident Institution

**Article 346a.** (New, SG No. 56/2006) (1) Upon non-compliance with the provisions of Bulgarian labour and social legislation relevant to an occupational scheme, including such related to the investment activity and the disclosure of information, the Deputy Chairperson of the Commission may apply the following coercive administrative measures in respect of the non-resident institution managing the said scheme:

1. direct in writing that a stop be put to the breaches committed and that the harmful consequences thereof be eliminated within a specified time limit;



2. prohibit the institution to manage the occupational scheme.

(2) The measures covered under Paragraph (1) shall be applied in the presence of the circumstances referred to in Article 229d (3) and (4) herein.

...

#### Liability for Violations of the Legal Framework

**Article 351.** (1) (Supplemented, SG No. 112/2003) Any person, who violates or allows a violation of the provisions of Part Two of this Code or of any statutory instruments on the application of the said provisions, shall be liable to a fine of BGN 200 or exceeding this amount but not exceeding BGN 10,000, unless subject to a severer sanction.

(2) For any violations under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000.

(3) For a repeated breach under Paragraph (1), the sanction shall be a fine of BGN 500 or exceeding this amount but not exceeding BGN 20,000, and for a repeated violation under Paragraph (2), the sanction shall be a pecuniary penalty of BGN 20,000 or exceeding this amount but not exceeding BGN 100,000.

(4) Any income accrued from wrongfully performed activity shall be forfeited to the State to the extent to which the said income cannot be restituted to the injured parties.

#### Liability for Non-compliance with Coercive Administrative Measure

**Article 352.** (1) Any person, who fails to comply with a coercive administrative measure applied by the Commission or by the Deputy Chairperson of the Commission, shall be liable to a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 10,000.

(2) For violations under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000.

...

#### Written Statements, Penalty Decrees and Appeal

**Article 354.** (1) The violations of the provisions of Part Two of this Code shall be ascertained by written statements drawn up by officials authorized by the Deputy Chairperson of the Commission.

(2) The penalty decrees shall be issued by the Deputy Chairperson of the Commission or by an official authorized thereby.

(3) The ascertainment of violations, the issuance, appeal against and execution of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

...

## SUPPLEMENTARY PROVISION

§ 1. (1) (Amended and supplemented, SG No. 64/2000, amended, SG No. 1/2002, SG No. 67/2003) ...

(2) Within the meaning given by Part Two of this Code:

1. ...

1a. (New, SG No. 56/2006) "Occupational scheme" shall be rules for supplementary voluntary retirement insurance stipulated in a collective agreement or in a collective bargaining agreement between the sponsoring undertaking and the persons referred to in Article 4 (1) and Items 5 and 6 of Article 4 (3) herein.

2. ...

2a. (New, SG No. 56/2006) "Collective agreement" shall be any agreement reached between the parties to an occupational scheme and having as a subject the regulation of the rights and obligations under any such scheme.

3. "Connected persons" shall be:

(a) (amended, SG No. 17/2006) any two persons, of whom one controls the other person or a subsidiary thereof;

(b) any number of persons whereof the activity is controlled by a third party;

(c) any number of persons who jointly control a third party;

(d) (amended, SG No. 17/2006) spouses, lineal relatives up to any degree and collateral relatives up to the fourth degree of consanguinity, including affines up to the third degree of affinity inclusive;

(e) (New, SG No. 17/2006) any two persons, of whom one holds, whether directly or through a person controlled thereby, 20 per cent or more than 20 per cent of the capital or of the number of votes in the General Meeting of another legal person.

4. (Amended, SG No. 17/2006) "Control" shall be in effect where a person:

(a) holds, inter alia through a subsidiary or by virtue of an agreement entered into with another person, more than 50 per cent of the number of votes in the General Meeting of a company or another legal person, or

(b) may designate, whether directly or indirectly, more than one-half of the members of the managing or supervisory body of a legal person, or

(c) by virtue of a law, instrument of incorporation or agreement manages, represents and/or determines the investment policy of another person, or

(d) may in any other way exert decisive influence on decision-making in connection with the business of a legal person.

5. ...

6. ...

7. "Technical interest rate" shall be the interest rate which is applied upon calculation of the amount of pensions and of pension reserves.

8. (Repealed, SG No. 56/2006).

9. "Systematic violations" shall be three or more violations of this Code and of the statutory instruments on the application thereof within one calendar year.

10. "Third-party social insurance contributor" shall be a natural or legal person who or which makes social insurance contributions to a supplementary voluntary retirement insurance fund in favour of a natural person wherewith the said contributor is not in an employment or civil-service relationship or wherewith the said contributor has not concluded a contract commissioning control or management.

11. (Supplemented, SG No. 56/2006) "Insured person" shall be a natural person in whose name and on whose account social insurance contributions for a supplementary pension have been remitted or are remitted to a supplementary retirement insurance fund or to a fund for supplementary voluntary retirement insurance under occupational schemes under terms and according to a procedure established by a law, the rules of organization and operation of the fund and the social insurance contract, a collective agreement or a collective bargaining agreement.

11a. (New, SG No. 56/2006) "Sponsoring undertaking" shall be a social insurance contributor, within the meaning given by Article 5 herein, or any undertaking or any other organization which includes or consists of one or more natural or legal persons, which acts as an employer, a commissioning entity or in a self-employed capacity or combines these three capacities and which pays contributions into an institution for occupational retirement insurance, and in respect of which the labour and social legislation of another Member State is applicable.

12. "Pensioner" shall be a natural person who receives a personal or a survivor supplementary pension from a supplementary retirement insurance fund.

13. "Supplementary pension" shall be a lifelong or fixed-period monthly payment from a supplementary retirement insurance fund to a pensioner, to survivors of an insured person or to survivors of a pensioner.

14. (New, SG No. 17/2006) ...

15. (New, SG No. 17/2006) ...

16. (New, SG No. 17/2006) ...

17. (New, SG No. 17/2006) ...

18. (New, SG No. 17/2006) ...

19. (New, SG No. 17/2006) ...
20. (New, SG No. 17/2006) ...
21. (New, SG No. 17/2006) ...
22. (New, SG No. 17/2006) ...
23. (New, SG No. 17/2006) ...
24. (New, SG No. 56/2006) "Member State" shall be a Member State of the European Union or any other Contracting Party to the Agreement on the European Economic Area.
25. (New, SG No. 56/2006) "Non-resident institution" shall be any organization in a Member State, irrespective of its legal form, which:
- (a) is established separately from the employer;
  - (b) carries out activities directly related to retirement insurance;
  - (c) operates on fully funded principle, and
  - (d) provides retirement benefits in the context of an occupational activity on the basis of an agreement or a contract agreed individually or collectively:
    - (aa) between the employer (employers) and the worker (workers) or their respective representatives;
    - (bb) with self-employed persons, according to the legislation of the home Member State and in accordance with Bulgarian legislation.
26. (New, SG No. 56/2006) "Home Member State" shall be the Member State in which the institution is registered and has its main administration, or in the cases where it is not registered, where the institution has its main administration.
27. (New, SG No. 56/2006) "Host Member State" shall be the Member State whose social and labour legislation relevant to the field of retirement insurance systems is applicable to the relationships between the sponsoring undertaking and the insured persons.
28. (New, SG No. 56/2006) ...
- (3) ...

...

### **Labour Code**

*(Promulgated, State Gazette, No. 26/1.04.1986 and No. 27/4.04.1986, supplemented SG No. 6/22.01.1988, amended and supplemented SG No. 21/13.03.1990, amended, 30/13.04.1990, effective 13.04.1990, 94/23.11.1990, 27/5.04.1991, effective 5.04.1991, supplemented, SG No. 32/23.04.1991, amended SG No. 104/17.12.1991, effective 17.12.1991, supplemented SG No. 23/19.03.1992, amended and supplemented, No. 26/31.03.1992, supplemented, No.*

88/30.10.1992, amended and supplemented, No. 100/10.12.1992, effective 1.01.1993, Judgment No. 12/20.07.1995 of the Constitutional Court of the Republic of Bulgaria, SG No. 69/4.08.1995, supplemented, No. 87/29.09.1995, amended and supplemented No. 2/5.01.1996, amended, No. 12/9.02.1996, amended and supplemented No. 28/2.04.1996, amended, No. 124/23.12.1997, supplemented, No. 22/24.02.1998, Judgment No. 11/30.04.1998 of the Constitutional Court of the Republic of Bulgaria, SG No. 52/8.05.1998, supplemented, No. 56/19.05.1998, No. 83/21.07.1998, No. 108/15.09.1998, amended and supplemented No. 133/11.11.1998, No. 51/4.06.1999, supplemented, No. 67/27.07.1999, effective 28.08.1999, amended, SG No. 110/17.12.1999, effective 1.01.2000, amended and supplemented, SG No. 25/16.03.2001, effective 31.03.2001, amended, No. 1/4.01.2002, No. 105/8.11.2002, amended and supplemented, No. 120/29.12.2002, No. 18/25.02.2003, amended, No. 86/30.09.2003, effective 1.01.2004, amended and supplemented, No. 95/28.10.2003, No. 52/18.06.2004, effective 1.08.2004, SG No. 19/1.03.2005, amended, SG No. 27/29.03.2005, supplemented, SG No. 46/3.06.2005, amended, SG No. 76/20.09.2005, effective 1.01.2007, amended and supplemented, SG No. 83/18.10.2005, amended, SG No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 24/21.03.2006, amended, SG No. 30/11.04.2006, effective 12.07.2006, amended and supplemented, SG No. 48/13.06.2006, effective 1.07.2006, No. 57/14.07.2006, effective on the day of entry into force of the EU Treaty of Accession of the Republic of Bulgaria, No. 68/22.08.2006, effective 1.01.2007, amended, SG No. 75/12.09.2006, amended and supplemented, SG No. 102/19.12.2006, supplemented, SG No. 105/22.12.2006, effective 1.01.2007, amended, SG No. 40/18.05.2007, SG No. 46/12.06.2007, effective 1.01.2008, SG No. 59/20.07.2007, effective 1.03.2008, SG No. 64/7.08.2007, supplemented, SG No. 104/11.12.2007)

...

## Chapter Four

### COLLECTIVE BARGAINING AGREEMENT

(Amended, SG No. 100/1992)

Subject

#### **Article 50**

(1) The collective bargaining agreement shall regulate issues of the industrial and social-security relations of factory and office workers, which are not regulated by mandatory provisions of the law.

(2) (Supplemented, SG No. 25/2001) The collective bargaining agreement may not contain clauses which are less favourable to the factory and office workers than the provisions of the law or of a collective bargaining agreement which is binding on the employer.

Levels of Collective Bargaining

#### **Article 51**

(Amended, SG No. 2/1996, SG No. 25/2001)

(1) Collective bargaining agreements shall be concluded by enterprise, branch, industry and municipality.

(2) Only one collective bargaining agreement may be concluded at the level of enterprise, branch and industry.

#### Collective bargaining agreement in Enterprises

##### **Article 51a**

(New, SG No. 25/2001)

(1) Within an enterprise, the collective bargaining agreement shall be concluded between the employer and a trade union organisation.

(2) The trade union organisation shall prepare and submit the draft of a collective bargaining agreement. Where more than one trade union organisations exist within one enterprise, they shall submit a common draft.

(3) Where within the enterprise the trade union organisations fail to submit a common draft, the employer shall conclude the collective bargaining agreement with the trade union organisation whereof the draft has been adopted by the General Meeting of the factory and office workers (the meeting of proxies) by a majority of more than half of the members thereof.

#### Collective bargaining agreement at Industry and Branch Levels

##### **Article 51b**

(New, SG No. 25/2001)

(1) A collective bargaining agreement by industry and branch shall be concluded between the respective representative organisations of factory and office workers and of employers on the basis of an agreement between their national organisations, which shall set forth general provisions regarding the scope and the procedural framework of the industry and branch level agreements.

(2) (New, SG No. 120/2002) If the parties so agree, collective bargaining at the industry or branch level may cover one or several activities under the National Classification of Economic Activities

(3) (Renumbered from Paragraph (2), SG No. 120/2002) The representative organisations of the factory and office workers shall prepare and submit a common draft to the representative organisations of the employers.

(4) (Renumbered from Paragraph (3), SG No. 120/2002) Where the collective bargaining agreement at industry or branch level has been concluded between all representative organisations of the factory and office workers and of the employers in the industry or the branch, the Minister of Labour and Social Policy may, upon their joint request, extend the application of the agreement or of individual clauses thereof to all enterprises of that industry or branch.

#### Collective bargaining agreements by Municipality

## **Article 51c**

(New, SG No. 25/2001)

(1) In the municipalities collective bargaining agreements for activities financed from the municipal budget shall be concluded between the representative organisations of the factory and office workers and of the employers.

(2) The local divisions of the representative organisations of the factory and office workers shall submit common drafts of collective bargaining agreements to the local divisions of the representative organisations of the employers.

### Obligations to Negotiate and to Provide Information

(Heading amended, SG No. 25/2001)

## **Article 52**

(1) The individual employer, the group of employers, and their organisations shall be obligated:

1. to negotiate with the factory and office workers' representatives for conclusion of a collective bargaining agreement;

2. to make available to the factory and office workers' representatives:

(a) the collective bargaining agreements concluded which bind the parties on the basis of industry, territorial or organisational affiliation;

(b) (Amended, SG No. 25/2001) timely, true and understandable information on their economic and financial position which is relevant to the conclusion of the collective bargaining agreement; provision of information whereof the disclosure could cause injury to the employer may be refused or granted subject to a requirement of confidentiality.

(2) Upon failure to perform the obligation under the foregoing paragraph, the blameworthy employers shall owe compensation for the detriment inflicted.

(3) The employer shall be considered to be in delay if the employer does not fulfil the obligation thereof under Item 1 of Paragraph (1) within one month, and under Item 2 of Paragraph (1) within 15 days after the notice.

(4) (New, SG No. 25/2001) The trade union organisations in the enterprise shall, upon request by the employer at the start of negotiations for conclusion of a collective bargaining agreement, provide information about the actual number of their members.

### Conclusion and Recording

## **Article 53**

(1) The collective bargaining agreement shall be concluded in writing in triplicate: one copy for each of the parties and one for the respective labour inspectorate, and shall be signed by the representatives of the parties.

(2) The written form shall be a requisite for the validity of the collective bargaining agreement.

(3) The collective bargaining agreement shall be recorded in a special register at the labour inspectorate in the area where the employer's registered office is located. In case the employer has registered offices in different areas, the recording shall be effected at one of the inspectorates. Collective bargaining agreements of an industry-wide or national significance shall be registered with the General Labour Inspectorate Executive Agency. Disputes as to the competent inspectorate shall be settled by the Minister of Labour and Social Policy.

(4) The recording shall be effected on the basis of an application in writing by each of the parties within one month after receipt of the said application by the labour inspectorate. A copy of the agreement signed by the parties shall be attached to the application.

(5) Should a dispute as to the text of the agreement arise, the recorded text shall prevail.

#### Entry into Force and Duration

#### **Article 54**

(1) The collective bargaining agreement shall enter into force as from the date of its conclusion, insofar as it does not provide otherwise.

(2) (Amended, SG No. 25/2001) The collective bargaining agreement shall be deemed concluded for a term of one year, insofar as it does not provide otherwise, but for not more than two years. The parties may agree on a shorter term of validity of particular clauses of the agreement.

(3) (New, SG No. 25/2001) The negotiations for conclusion of a new collective bargaining agreement shall commence not later than three months prior to the expiry of the term of the effective collective bargaining agreement.

#### Extension of Effect of Collective bargaining agreement

#### **Article 55**

(1) (Redesignated from Article 55, SG No. 25/2001) The effect of the collective bargaining agreement concluded between an employers' organisation and trade union organisations shall not be terminated with regard to an employer who terminates his membership in the said organisation after the agreement has been concluded.

(2) (New, SG No. 25/2001) In the cases under Article 123, the existing collective bargaining agreement shall be valid until conclusion of a new collective bargaining agreement, but for not more than one year after the date of change of the employer.

#### Amendment



## **Article 56**

(1) The collective bargaining agreement may be amended at any time with the parties' mutual consent, according to the procedure for the conclusion thereof.

(2) Articles 53 and 55 shall apply to amendments to the collective bargaining agreement.

Effect with Regard to Persons

## **Article 57**

(1) The collective bargaining agreement shall have effect with regard to the factory and office workers who are members of the trade union organisation which is party to the agreement.

(2) (Supplemented, SG No. 2/1996, amended, SG No. 25/2001) The factory and office workers who are not members of a trade union organisation which is party to a collective bargaining agreement may accede to a collective bargaining agreement concluded by their employer by applications in writing submitted to the said employer or to the leadership of the trade union organisation which has concluded the agreement, under terms and according to a procedure determined by the parties to the agreement, so as not to be in conflict with or to circumvent the law, or to be contrary to good morals.

Obligation to Provide Information

## **Article 58**

(Amended, SG No. 100/1992, SG No. 48/2006)

The employer shall be obligated to inform all factory and office workers of the collective bargaining agreements concluded at the enterprise, by industry, branch or municipality which are binding on the said employer, and to keep the texts of the said agreements at the disposal of the factory and office workers.

Legal Actions upon Non-performance

## **Article 59**

(Amended, SG No. 25/2001)

In the event of non-performance of the obligations under the collective bargaining agreement, legal actions may be brought before the court by the parties to the agreement, as well as by any factory or office worker who is subject to the application of the agreement.

Nullity Action

## **Article 60**

(Repealed, SG No. 100/1992, new, SG No. 25/2001)

Any party to the collective bargaining agreement, as well as any factory or office worker who is subject to the application of the agreement, shall have a right to bring a legal action before

the court motioning for the declaration of a nullity of the collective bargaining agreement or of individual clauses thereof, provided such clauses are in conflict with or circumvent the law.

...

**REGULATION FOR THE STRUCTURE AND THE ACTIVITY OF THE FINANCIAL SUPERVISION COMMISSION** (*The regulation for the structure and the activity of the Financial Supervision Commission is approved with a decision of the Commission- Protocol № 3/ 02.04.2003, Amend. Protocol № 14/02.07.2003, Amend. and suppl. Protocol № 23/29.08.2003, Suppl. Protocol №32/15.10.2003, Amend. and suppl. Protocol № 08/25.02.2004, Amend and suppl. Protocol № 28/30.06.2004, Amend. Protocol No. 06/02.02.05, Amend. And suppl. Protocol No. 36/31.08.05, Protocol No. 39/16.09.05, Protocol No 04/18.01.2006, Protocol No 36/19.07.2006, Protocol No 48/27.09.2006, Protocol No 4/17.01.2007, Protocol No 8/ 07.02.2007, Amend. Protocol No 42/04.09.2007*)

**Art. 74** (*New, Protocol № 8/07.02.2007*) (1) On receiving a notification from a Member State's competent supervisory authority that a non-resident institution, located in the territory of that state, intends to manage an occupational scheme of a Bulgarian sponsoring undertaking, the Deputy Chairperson of the Commission in charge of Social Insurance Supervision Division shall:

1. notify immediately the Member State's supervisory authority about its receipt;
  2. examine the main characteristics of the occupational scheme and determine the relevant to it provisions of the Bulgarian social and labour legislation, as well as all applicable to the case provisions, regarding the investment activity and the disclosure of information;
  3. if necessary, demand additional information from the Member State's supervisory authority about the circumstances, related to the non-resident institution and the main characteristics of the occupational scheme;
  4. within 2 months from receiving the notification of the member state's supervisory authority send it the data according to item 2, inter alia the necessary documents and standard forms for the registration of the occupational scheme in the supplementary pension insurance occupational schemes register, kept by the Commission.
- (2) The Deputy Chairperson of the Commission in charge of Social Insurance Supervision Division shall notify in writing the Member State's supervisory authority about all amendments in the relevant to the occupational scheme provisions of the social and labour legislation of the Republic of Bulgaria, and about all applicable to the case provisions regarding the investment activity and the disclosure of information.
- (3) In case of information about significant changes, related to the non-resident institution, managing the occupational scheme, that can endanger the interests of the insured persons and the pensioners or when for the purposes of supervision details about such changes are necessary, the Deputy Chairperson of the Commission in charge of Social Insurance Supervision Division shall demand the respective information from the Member State's supervisory authority.
- (4) The Deputy Chairperson of the Commission in charge of Social Insurance Supervision Division shall send a written notification to the Member State's competent supervisory authority about any violation by the non-resident institution of the applicable to the occupational scheme social and labour legislation, of the special rules, regarding the investment activity and the requirements for disclosure of information, and also for any other action that may endanger the interests of the insured persons and the pensioners, the safety of the pensions and the other benefits, and in coordination with that authority shall adopt the necessary actions for the cessation of the violation.

(5) When in the case of violation by the non-resident institution the Member State's competent authority has not taken the necessary measures for its cessation or if appropriate measures are lacking in the legislation of the respective Member State, the Deputy Chairperson of the Commission in charge of Social Insurance Supervision Division shall:

1. estimate the solemnity of the violation;
2. determine the type of the measure or the sanction, which corresponds to the solemnity of the violation and will achieve the objective of its cessation;
3. notify the Member State's supervisory authority about the measure or sanction, which he or she intends to apply;
4. apply the measure or impose the sanction.

...

**Note:**

*This is an unofficial translation of the Bulgarian excerpt.*

*The legislation excerpt is as of 30 January 2008. It contains the social and labour legislation of the Republic of Bulgaria, that non-resident institutions, managing Bulgarian occupational schemes, must comply with. Apart from the social and labour legislation the excerpt also includes the requirements for the disclosure of information for the institutions for occupational retirement provision, and the investment requirements to the non-resident institutions.*

*With "...” are marked provisions of legislative acts that are not included in the excerpt, because they are not relevant to the insurance under occupational schemes. These provisions are not repealed.*