

**FINANCIAL SUPERVISION COMMISSION**  
**RULES**  
**of Organisation and Operation of the Financial Supervision Commission and its**  
**Administration**

Chapter One

GENERAL PROVISIONS

**Article 1.** These Rules shall establish the major issues relating to the organisation and operation of the Financial Supervision Commission, hereinafter referred to as the Commission, and the structure and functions of its Administration.

**Article 2.** (1) The Commission shall be a specialised state authority for regulation and financial supervision to ensure protection of the interests of investors, commercial insured and social-insured persons, stability, transparency and credibility of financial markets and adequate and stable infrastructure of financial markets.

(2) The Commission shall operate in accordance with the principles of law, publicity, solidarity, interaction and cooperation.

(3) The Commission shall exercise its powers independently of the executive authorities and report its activities to the National Assembly.

(4) In performing its activities, the Commission shall interact with the judicial and executive authorities and other governmental institutions outside the executive branch of the government.

**Article 3.** (1) The Commission shall be a public-financed legal entity seated in Sofia.

(2) The following revenue shall be allocated to the budget of the Commission:

1. fees;
2. proceeds from selling periodicals issued by the Commission and from selling blank forms;
3. central budget subsidies;
4. international projects and programmes;
5. proceeds from other sources and activities permitted by law.

**Article 4.** (1) The activities of the Commission and the preparation of meetings shall be procured by the Commission Administration.

(2) The Commission Administration shall be managed by the Chairperson of the Commission.

Chapter Two

FINANCIAL SUPERVISION COMMISSION

Section I

**Composition and Powers of the Commission**

**Article 5.** The Commission shall be a collective body comprising five members: Chairperson, three Deputy Chairpersons and one Member.

**Article 6.** (1) The Commission shall:

1. exercise state supervision under the Public Offering of Securities Act, the Measures Against Market Abuse with Financial Instruments Act, the Special Purpose Investment Companies Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act and the Collective Investment Schemes and Other Undertakings for Collective Investments Act;

2. exercise state insurance supervision under the Insurance Code and the Health Insurance Act;

3. exercise state social security supervision under the Social Security Code;

4. regulate the activities of supervised entities.

(2) In exercising its powers, the Commission shall:

1. adopt ordinances and issue instructions and guidelines;

2. elaborate and apply rules and systems for management of financial market risks;

3. issue or refuse to issue permits (licenses) and approvals;

4. perform document and on-site checks to inspect the activities of supervised entities;

5. undertake coercive administrative measures and impose administrative penalties;

6. file requests for initiation of bankruptcy proceedings against supervised entities;

7. appoint a conservator in the cases provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Code and the Social Insurance Code;

8. issue written orders for dismissal of persons empowered to manage and represent a supervised entity in the cases provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies Act, the Markets in Financial Instruments Act, Law on the Activities of Collective Investment Schemes and Other Collective Investment Undertakings, the Insurance Code and the Social Insurance Code;

9. make decisions on conclusion of agreements on cooperation and information exchange with the Bulgarian National Bank or other Bulgarian or foreign authorities exercising supervisory functions over financial market operations, as well as on the participation in international organisations and institutions in the field of financial markets;

10. represent the Republic of Bulgaria in the European Regulatory Authorities and other structures of the European Union that aim to assist in the elaboration of basic guidelines on development in the field of financial markets, preparation of acts of the institutions of the European Union and their consistent and timely transposition and efficient cooperation with the authorities of Member States that regulate and supervise financial markets.

**Article 7.** (1) The Chairperson of the Commission shall:

1. organise and manage the activities of the Commission;

2. represent the Commission in Bulgaria and abroad;

3. coordinate the activities of the Deputy Chairpersons;

4. organise, manage and control the activities of the Administration;
5. appoint and terminate employment relations with civil servants, conclude and terminate employment contracts with the employees of the Commission Administration and determine their remunerations;
6. approve the position schedule of the Commission Administration;
7. approve the functional descriptions of the administrative units;
8. organise the preparation of the draft budget and present it to the Commission for approval;
9. organise the preparation, completion and reporting of the draft budget and present it to the Commission for approval;
10. exercise powers relating to the ascertainment and assignment of collection of public state receivables due in favour of the Commission;
11. organise the review of received signals as set forth in the Administrative Procedure Code.

(2) The Chairperson of the Commission shall coordinate the activities of the Deputy Chairpersons through preliminary approval of:

1. the individual administrative acts that they issue and the refusals to issue such acts;
2. the undertaking of coercive administrative measures;
3. the inspections of the activities of supervised entities.

(3) The Deputy Chairpersons shall present drafts of the acts under Paragraph 2 together with all internal acts including expert opinions, statements and recommendations relating to initiation of the proceedings, the issuance of the particular act or the initiation of inspection of a supervised entity.

(4) The materials to be approved shall be presented through the Secretary General or an official appointed by the Secretary General where the latter is absent. The registration, current keeping and delivery of the documents to the Chairperson of the Commission shall be performed through the Director of the Records and Administrative Services Directorate.

(5) The Chairperson of the Commission may assign additional functions relating to the functional competence of administrative units other than those set forth in these Rules.

(6) The Chairperson of the Commission may delegate some of his/her powers to a member of the Commission or a management official of the Commission Administration.

(7) In each case where the Chairperson is absent, his/her powers shall be exercised by a Deputy Chairperson appointed by the Chairperson with a written order.

**Article 8.** (1) The Chairperson of the Commission shall establish advisory boards under his/her management as well as working expert groups in relation to exercising the powers of the Commission and performing specific tasks.

(2) An act establishing a supervisory board/working group under Paragraph 1 shall set forth its chairperson/head, composition, rules of procedure, functions and tasks.

(3) An advisory board/working group shall give statements of opinion and expert opinions and make proposals on the assigned functions and tasks.

**Article 9.** (1) Within their statutory scope of powers, the Deputy Chairpersons shall organise, manage and control the activities of particular divisions.

(2) The Deputy Chairpersons shall present for discussion by the Commission all issues relating to the activities under their management that are beyond the scope of their individual competence and inform the Commission of their activities on a regular basis.

(3) The Deputy Chairpersons shall undertake to give statements of opinion on all draft acts presented to the Commission for approval.

**Article 10.** (1) The Deputy Chairpersons shall prepare quarterly reports on the activities under their management and present them to the Commission for discussion.

(2) A report under Paragraph 1 shall include:

1. the issued individual administrative acts and the refusals to issue such acts;
2. the acts appealed through administrative or court proceedings, including the body they have been appealed before and whether they have been confirmed;
3. the undertaken coercive administrative measures and issued penal rulings, including information on any appeals and related bodies that they have been appealed before and whether they have been confirmed;
4. the results from the exercised supervision of supervised entities.

(3) Where a report under Paragraph 1 covers a period of six calendar months, such report shall also include:

1. the position and perspectives of regulated securities, insurance services and social security services markets;
2. the adequacy of the legal framework regulating the particular sphere of activities.

(4) The Member of the Commission under Article 3, Item 5 of the Financial Supervision Commission Act (FSCA) shall prepare a quarterly report that includes:

1. the complaints filed against entities supervised by the Commission and information on their grounds;
2. proposals on improvement of the activities of the Commission.

**Article 11.** (1) The Commission shall publicly disclose the applied policy and established practice on the implementation of regulatory acts as well as the grounds for any related amendments.

(2) The Commission shall adopt and publish at its website the basic guidelines for its activities that set forth the sustained policy and pursued priorities in performing and exercising the functions and powers relating to the regulation and supervision of financial markets.

(3) All ordinances, instructions, permits (licenses) and approvals issued by the Commission shall be promulgated in the State Gazette, if envisaged so, while the other decisions shall be published at the official web site of the Commission.

(4) The instructions issued by the Commission shall be published in its bulletin and at its website.

(5) The Commission shall ensure publicity of its activities through the mass media as well.

**Article 12.** (1) The Commission shall periodically issue an official bulletin to inform the public and ensure transparency of its activities.

(2) The bulletin may be in an electronic form only.

**Article 13.** The procedure for access to the documents kept at the Commission and the terms and conditions to receive such documents shall be set forth in an ordinance of the Commission.

## Section II

### Organisation of Meetings

**Article 14.** (1) The Commission shall adopt a six-month regulatory activities programme.

(2) The programme shall be elaborated by the Secretary General based on proposals by the members of the Commission and be presented for approval by the Chairperson.

(3) The regulatory activities programme of the Commission shall include:

1. the regulatory act name, objectives, scope and expected effect;
2. the meetings where the draft regulatory act is to be discussed;
3. the meeting where the regulatory act is to be adopted;
4. the member of the Commission responsible for the regulatory act preparation.

(4) The proposals on legislation improvement presented by citizens, legal entities or other national bodies to the Commission shall be redirected to the member in charge of the Commission to issue a statement of opinion.

**Article 15.** (1) A proposal on written instructions issuance may be made by each member of the Commission.

(2) The proposal shall be made in writing and grounded, including:

1. name of the person making the proposal;
2. presentation of the circumstances underlying the proposal;
3. the proposal substance;
4. signature of the person making the proposal.

(3) The proposal may be made in an electronic form where it is to bear the electronic signature of the member of the Commission and be sent to the email of the Commission.

**Article 16.** (1) The members of the Commission shall be responsible for preparation of the draft acts within the scope of competence of the Commission at the divisions under their management.

(2) Where necessary, the members of the Commission shall agree the draft acts with the directorates of the Commission Administration as per their functional competence.

**Article 17.** (1) The issues to be discussed by the Commission shall be put forward with a memo signed by the presenter and be accompanied by:

1. a written report including grounds;
2. a draft act endorsed by the presenter and by a legal expert of the particular directorate;
3. information on compliance with the European law where a regulatory act is put forward;

4. a statement of opinion on the budget of the Commission approved by the Financial and Economic Activities Directorate in advance;

5. other documents where required or necessary for the act discussion and adoption.

(2) All materials under Paragraph 1 shall be presented in an electronic form as well.

**Article 18.** (1) All materials to be discussed by the Commission shall be presented to the Records and Administrative Services Directorate not later than 3 business days prior to the regular meeting date.

(2) Where the requirements set forth in Article 17 have not been met, the Secretary General of the Commission shall return the materials with instructions on irregularity elimination.

(3) Where the time limit under Paragraph 1 is not observed but the materials meet the requirements set forth in Article 17, such materials shall be included in the next meeting agenda.

(4) As an exception, materials that do not meet some of the requirements set forth in Article 17 and presented after the time limit under Paragraph 1 shall be included in the agenda based on a decision of the Chairperson of the Commission following a report by the Secretary General.

**Article 19.** (1) The Commission shall discuss and settle the issues within its scope of competence at open and closed meetings.

(2) An open meeting must be attended by officials employed at the Commission Administration designated by a decision of the Commission.

(3) At the discretion of the Chairperson, open meetings where particular issues are discussed may be attended by other persons as well.

(4) Closed meetings shall be attended by the members of the Commission and a record-keeper only.

(5) As an exception and based on a proposal by the Chairperson, the Commission may hold a meeting through a video or audio conference connection that allows perception and participation in all discussions and decision making.

**Article 20.** (1) The Commission shall hold a meeting with an agenda approved by the Chairperson at least once a week.

(2) All agenda materials shall be provided to the members of the Commission not later than 2 business days prior to the meeting date.

(3) At the grounded request by a member of the Commission or at own initiative, the Chairperson may convene a meeting of the Commission without observing the time limit under Paragraph 2.

(4) In each case under Paragraph 3, the members of the Commission shall be informed of the meeting date, time and agenda on the preceding day. Informing may be also performed electronically via the business emails of the members.

**Article 21.** (1) A meeting of the Commission shall be held if more than a half of the members of the Commission attend it in person or through a video and/or an audio conference connection.

(2) A meeting of the Commission shall be presided by its Chairperson or a Deputy

Chairperson appointed by the Chairperson where the latter is absent.

**Article 22.** (1) The Commission shall make a decision by open voting and majority of at least three votes.

(2) No abstention shall be allowed.

(3) A member of the Commission casting a negative vote must present a written statement of related grounds or send such statement bearing an electronic signature to the email of the Commission. Such statement shall be enclosed to the meeting minutes.

**Article 23.** (1) At each meeting of the Commission, minutes shall be taken on paper to be signed by all attending members. A meeting audio record shall be also permitted.

(2) The protocol may be also taken in an electronic form only. In such case, it shall bear the electronic signature of each member of the Commission.

(3) Based on the protocol, a copy including discussed agenda items and made decisions shall be prepared. That copy shall be signed by the Chairperson and an administration official designated by the Commission.

(4) The minutes shall be prepared within 2 business days as of the meeting closing date.

**Article 24.** All decisions made by the Commission shall be communicated to stakeholders within the statutory time limits.

**Article 25.** (1) Complaints and signals filed against any decisions made by the Commission or its bodies may be reported for investigation only by the Member of the Commission under Article 3, Item 5 of the FSCA except for cases where such Member acts as a Deputy Chairperson with substitute powers. In any such case, the Commission shall elect a reporting person among the Deputy Chairpersons.

(2) The reporting person under Paragraph 1 shall have all powers required for a thorough and overall inspection, including the following rights:

1. to require and obtain case-related information and documents;
2. to require written or verbal explanations from all stakeholders;
3. to collect other evidence admissible in accordance with the Administrative Procedure Code.

(3) The verbal explanations under Article 2, Item 2 shall be recorded and signed by the relevant person.

(4) All collected inspection-related facts and circumstances may be used for the purposes of complaint or signal examination by the Commission only.

(5) The reporting person shall be obligated to undertake all measures to protect any information provided in relation to the exercising of his/her powers against unauthorised use or disclosure.

(6) In exercising his/her powers, the Member of the Commission under Article 3, Item 5 of the FSCA shall be assisted by the responsible units as per their functions.

(7) Where the Member of the Commission under Article 3, Item 5 of the FSCA is absent,

his/her powers shall be exercised by a Deputy Chairperson of the Commission designated by an order issued by the Chairperson on an individual basis.

(8) Where a complaint or a signal is filed against any decision made by the Deputy Chairperson designated as set forth in Paragraph 7, the Commission shall appoint another Deputy Chairperson as the reporting person.

**Article 26.** (1) The reporting person shall prepare a grounded report on the complaint or signal and present it to the Commission.

(2) The report shall be presented not later than 3 business days prior to the expiry of the time limits for making a decision on the complaint or signal by the Commission.

(3) The report shall include:

1. the conclusion on the complaint or signal made by the reporting person;
2. the conclusion underlying evidence and other materials;
3. other matters relating to or resulting from the performed inspection;
4. where necessary, recommendations on undertaking of measures in relation to any ascertained omissions or violations in the proceedings of the Commission and its bodies, including required amendments or supplements to the financial markets regulation acts.

**Article 27.** (1) The Commission shall examine the report based on the investigation as well and make a decision on the particular complaint or signal. A body whose decision is appealed shall not participate in the discussion and voting.

(2) Where necessary, the Commission shall undertake actions relating to amendments to the supervisory policy and established practice on regulatory acts implementation and ensure proper disclosure in accordance with Article 11.

**Article 28.** (1) All complaints and signals against supervised entities filed with the Commission and its bodies shall be entered into a special register kept by the Records and Administrative Services Directorate and redirected to the Member under Article 3, Item 5 of the FSCA and the responsible Deputy Chairperson for examination.

(2) The Deputy Chairperson shall present a written statement of opinion on the filed complaint or signal to the Member under Article 3, Item 5 of the FSCA as well as information on subsequent actions relating to the complaint examination.

(3) The Member under Article 3, Item 5 of the FSCA shall examine the filed complaint or signal having the powers set forth in Article 25, Paragraph 2.

(4) The reply to the person filing the complaint or signal shall be prepared by the Member of the Commission with the assistance of the Legal Directorate.

(5) The Commission shall undertake measures to protect the personal data of persons filing complaints or signals.

(6) Access to the information contained in complaints and signals filed against supervised entities shall be provided only to the employees who need access to such data to perform their official duties.



### Section III

#### **Coordination of the Activities of the Commission Bodies**

**Article 29.** (1) The Chairperson of the Commission may convene a working meeting of all members to discuss and give opinions and recommendations on matters of special interest, importance or factual complexity relating to particular proceedings within the scope of competence of the responsible Deputy Chairperson.

(2) Where necessary, an advisory board established as set forth in Article 8 may give an opinion on matters of special interest, importance or factual complexity.

(3) At the request of the Chairperson, where necessary to clarify circumstances relating to issuance of an administrative act or performance of a given action, the members of the Commission shall present a written statement of advisory opinion on the administrative act under Article 7, Paragraph 2 presented for approval.

**Article 30.** (1) The materials for discussion shall include all internal acts containing expert opinions, statements and recommendations relating to the particular proceedings.

(2) The materials shall be presented to the Records and Administrative Services Directorate not later than three business days prior to the working meeting date.

(3) At the request of the Chairperson, the members of the Commission shall present a written statement of advisory opinion on the issue where necessary.

### Section IV

#### **Organisational Matters**

**Article 31.** (1) In exercising his/her powers, the Chairperson of the Commission shall travel in Bulgaria and abroad with no need for issuance of a business trip order. In any such case, the Secretary General shall prepare a memo including all requisites of a business trip order and a business trip report.

(2) The Deputy Chairpersons and the Member of the Commission shall be sent on business trips in Bulgaria and abroad by orders issued by the Chairperson of the Commission.

**Article 32.** (1) The members of the Commission shall be entitled to use the leaves set forth in the labour legislation.

(2) Leave use by the Deputy Chairpersons and the Member of the Commission shall be approved by the Chairperson.

(3) As to leave use by the Chairperson of the Commission, the Secretary General shall prepare a memo including all requisites of an order on leave approval.

**Article 33.** The procedural representation as to disputes involving the Commission or any of its bodies shall be performed by persons designated by the Chairperson.

### Chapter Three

#### **STRUCTURE AND FUNCTIONS OF THE COMMISSION ADMINISTRATION**

### Section I

## **General Provisions**

**Article 34.** (1) In exercising its powers, the Commission shall be assisted by an Administration.

(2) At the proposal by a Deputy Chairperson and/or the Secretary General, the Chairperson of the Commission may establish departments and units within the directorates. Where a proposal concerns a sphere of activities under the management of a Deputy Chairperson, the proposal shall be approved by the latter.

**Article 35.** (1) The Commission Administration shall have a total number of 250 regular officials.

(2) The position schedule of the Commission Administration shall be approved by the Chairperson of the Commission.

## **Section II**

### **Secretary General**

**Article 36.** (1) The administrative governance of the Commission Administration shall be the responsibility of the Secretary General.

(2) Under the direct management of and following coordination with the Chairperson, the Secretary General shall ensure the functioning of the Commission Administration and the interaction among structural units.

(3) Where the Secretary General is abroad or use a statutory leave, his/her functions shall be performed by a senior official designated by the Chairperson of the Commission on an individual basis.

**Article 37.** The Secretary General shall:

1. manage the Commission Administration;
2. organise the allocation of tasks performance to the administrative units of the Commission;
3. coordinate and control the administrative units to ensure strict compliance with the regulatory acts and the statutory orders issued by the Chairperson and the bodies of the Commission;
4. be responsible for the planning and reporting relating to achievement of the annual objectives of the Commission Administration;
5. represent the Commission Administration as per his/her powers assigned by the Chairperson of the Commission before individuals and legal entities in Bulgaria and abroad;
6. coordinate and control the establishment of a single information and communication infrastructure to secure the activities of the Commission and its Administration;
7. coordinate and control the preparation of materials for the meetings of the Commission;
8. be responsible for the functioning of the financial management and control system;
9. organise and control the keeping of documents and other information carriers as well as the provision of public information to citizens, legal entities and national authorities;
10. be responsible for the human resources management and approval of official job

descriptions;

11. propose the functional descriptions of the administrative units of the Commission for approval and, where a proposal concerns the directorates within the three divisions, the proposal is to be approved by the competent Deputy Chairperson;

12. manage, coordinate and control the flow of documents;

13. determine the terms and procedure for using the property provided to the Commission;

14. coordinate the operational interaction of the Commission with the legislative, executive and judicial authorities and the local self-governing authorities and non-governmental organisations;

15. organise, coordinate and control the overall activities relating to the preparation, printing and distribution of the official bulletin and other publications of the Commission;

16. approve certain budgetary expenditures where authorised by the Chairperson;

17. ensure the operational compatibility and information security of the information systems of the Commission for the purposes of providing electronic administrative services;

18. perform the functions relating to the use of certificates with electronic signatures at the Commission;

19. perform other tasks assigned by the Chairperson of the Commission.

**Article 38.** (1) The Secretary General shall hold operational meetings concerning ongoing administrative matters relating to the activities of the Commission Administration and the elaboration of a common approach to the preparation of issues to be discussed by the Commission.

(2) An operational meeting shall be attended by the senior officers and other officials of the Commission Administration invited by the Secretary General.

(3) The agenda and materials to be discussed shall be approved by the Secretary General.

### Section III

#### **Internal Audit Unit**

**Article 39.** (1) The Internal Audit Unit shall directly report to the Chairperson of the Commission and perform internal audits in accordance with the Public Sector Internal Audit Act (PSIAA).

(2) The Internal Audit Unit under Paragraph 1 shall perform internal audit of all structures, programmes, activities and processes at the Commission in accordance with Article 13 of the PSIAA.

(3) The Internal Audit Unit shall directly report to the Chairperson of the Commission.

(4) The Internal Audit Unit shall:

1. plan, perform and report the activities relating to internal audit in accordance with the requirements of the PSIAA, the Internal Audit Standards, the Code of Ethics of Internal Auditors, the internal audit status and the methodology for public sector internal audit approved by the Minister of Finance;

2. prepare, based on risk assessment, a three-year strategic plan and an annual activities plan to be approved by the Chairperson;
3. prepare an audit plan for each audit engagement, including the related scope, objectives, time period and resources allocation;
4. present an independent and objective assessment of the status of audited financial management and control systems to the Chairperson;
5. assess the risk identification, assessment and management processes applied at the Commission;
6. inspect and assess: the activities compliance with applicable legislative instruments, internal acts and contracts, the financial and operational information reliability and comprehensiveness, the established organisation of assets and information protection, the activities effectiveness, efficiency and cost-effectiveness, the tasks and contracts performance, the made commitments and the objectives achievement;
7. consult the Chairperson upon request by advising, giving an opinion, training and other with the purpose of improving the risk management and control process without assuming managerial responsibility;
8. report to and discuss with the Chairperson and the heads of structures whose activities have been audited the findings from each performed audit engagement and present an audit report;
9. give recommendations in audit reports on improving the adequacy and effectiveness of financial management and control systems, assist the Chairperson in the preparation of an action plan and perform inspections to track recommendations application;
10. prepare and present quarterly reports and an annual internal audit report to the Chairperson.

#### Section IV State Inspector

**Article 40.** (1) The State Inspector shall directly report to the Chairperson and exercise administrative control of the activities of structural units and officials at the Commission Administration.

(2) The State Inspector shall perform inspections based on an annual schedule approved by the Chairperson and non-scheduled inspections as set forth in the unit internal rules of operation.

(3) The State Inspector shall perform his/her functions in accordance with the principles of law, loyalty, honesty, impartiality, political neutrality, responsibility and reporting.

(4) The activities of the State Inspector shall be focused on complex, objective, impartial and detailed clarification of all investigated issues and proposal of proper settlement measures with the purpose of:

1. prevention and elimination of any violations relating to the functioning of the Administration;
2. improvement of the operation of the Administration;

3. prevention and limitation of corruption.

(5) In performing his/her controlling functions, the State Inspector shall:

1. perform general, specialised, issue-specific, scheduled, non-scheduled and subsequent inspections of structures, activities and processes relating to the administrative activities performance at the Commission;

2. study the risk of corruption and propose measures to limit any ascertained vulnerable points;

3. collect and analyse information and perform inspections at own initiative to ascertain violations, potential corruption acts and non-effective operation of the Administration;

4. perform inspections based on signals and proposals against illegal or improper actions or inactions by officials of the Commission Administration;

5. verify the compliance with applicable laws and secondary legislative and internal acts on the organisation of the activities of officials of the Commission Administration;

6. make proposals on disciplinary proceedings initiation in case of any ascertained violations of official duties and the Code of Professional Ethics to the Chairperson;

7. control and perform inspections to ascertain any conflict of interests as set forth in the Conflict of Interest Prevention and Ascertainment Act (CIPAA);

8. participate in project development and make proposals on new or amendments to effective internal acts regulating the organisation of operation and activities of the Commission Administration;

9. send signals to the prosecution authorities in case of any data on a committed crime by an official of the Commission ascertained through inspection;

10. perform other administrative control activities as set forth in applicable regulatory acts or assigned by the Chairperson of the Commission.

(6) The State Inspector shall report the inspection findings to the Chairperson of the Commission and make proposals on elimination of any ascertained omissions or violations.

(7) In performing his/her functions, the State Inspector shall be entitled to require documents, data, information, information sheets and other information carriers from inspected persons that are necessary for inspection performance. The officials of the Commission Administration shall fully cooperate the State Inspector in the performance of his/her functions.

(8) The State Inspector shall present an annual activity report to the Chairperson of the Commission for the particular year and regularly report the progress of ongoing inspections.

## Section V

### **Information Security Officer**

**Article 41.** (1) The Information Security Officer shall directly report to the Chairperson and perform the activities set forth in Article 22 of the Classified Information Protection Act (CIPA).

(2) The Information Security Officer shall also:

1. organise the security, the admission regime observance and the keeping of the property of

the Commission;

2. organise the operational preparation of the staff for participation in the integrated rescue system in accordance with the National Disaster Protection Programme;

3. organise the fulfilment of the obligations relating to the defence and mobilisation preparation at the Commission;

4. perform other activities in accordance with the Classified Information Protection Act, the Disaster Protection Act and the Defence and Armed Forces Act of the Republic of Bulgaria assigned by the Chairperson of the Commission.

(3) The Information Security Officer shall report his/her operational results to the Chairperson of the Commission, analyse the practice relating to fulfilment of the obligations of the Commission relating to the application of the Classified Information Protection Act, the Disaster Protection Act and the Defence and Armed Forces Act of the Republic of Bulgaria and make proposals on changes in relation to elimination of any ascertained omissions.

## Section VI

### General Administration

**Article 42.** Based on functions allocation, the Commission Administration shall be general and specialised.

**Article 43.** (1) The General Administration shall assist the Chairperson of the Commission in exercising his/her powers in the capacity of Administration Head and the Member of the Commission under Article 3, Item 5 of the FSCA in exercising his/her powers, ensure the technical provision for the activities of the Commission and of the Specialised Administration and perform activities relating to administrative services rendering to citizens and legal entities.

(2) The General Administration shall include the following directorates:

1. Legal Directorate;

2. Records and Administrative Services Directorate;

3. Financial and Economic Activities Directorate;

4. International Cooperation Directorate;

5. Information Technologies Directorate;

6. Public Relations and Protocol Directorate;

7. Regulation and Supervision Coordination, Analysis and Policy Directorate;

8. Investment Intermediaries Resolution Directorate.

**Article 44.** The Legal Directorate shall:

1. ensure the procedural representation relating to claim, security, executive, administrative and administrative and penal proceedings involving the Commission or any of its bodies;

2. prepare legal analyses and drafts of acts and other regulatory acts relating to the powers and functions of the Commission and its bodies;

3. prepare and/or approve drafts of decisions and other acts of the Commission;

4. prepare and/or approve orders and other acts of the Chairperson of the Commission;

5. prepare and/or approve contracts and agreements involving the Commission as a party in accordance with applicable laws;

6. prepare legal statements of opinion on the implementation of acts and other regulatory acts relating to the powers and functions of the Commission and its bodies;

7. provide assistance to the Member under Article 3, Item 5 of the FSCA by preparing statements of opinion on complaints and signals filed against decisions made by the Commission or its bodies;

8. prepare replies to complaints and signals filed against supervised entities;

9. assist in the formulation of the policy on protection of the interests of investors, commercial insured and social-insured persons of the Commission;

10. elaborate the methodology for performing the activities of the Commission relating to regulation and supervision;

11. analyse the practice in the course of performing the activities relating to regulation and supervision and make proposals on improvement of the activities of the Commission;

12. develop methodology and apply generally accepted methodologies for preliminary and subsequent assessment of the effect of regulatory acts on the powers of the Commission;

13. coordinate the procedure for making preliminary and subsequent assessment of the effect of regulatory acts;

14. organise the public consultations and prepare a final report on the effect assessment;

15. participate in the preparation and assignment of public procurements;

16. perform other activities assigned by the Chairperson of the Commission.

**Article 45.** The Records and Administrative Services Directorate shall:

1. organise, manage and control the flow of documents of the Commission;

2. organise the technical preparation and holding of the meetings of the Commission;

3. prepare the operational meetings of the Secretary General;

4. prepare and keep the protocol from the meetings of the Commission and all related materials;

5. control the timely implementation of the decisions of the Commission;

6. organise the required information exchange between interested parties;

7. maintain and keep a register of the individual administrative acts issued by the Commission and its bodies;

8. maintain and keep a card file of the correspondents at the Commission;

9. ensure the registration servicing of the members of the Commission and the officials of its Administration;

10. certify copies of the acts issued by the Commission, the Chairperson and the Deputy Chairpersons;

11. keep the archives;

12. perform other activities assigned by the Chairperson of the Commission.

**Article 46.** The Financial and Economic Activities Directorate shall:

1. organise the financial and economic activities and accounting reporting at the Commission in accordance with the provisions of effective regulatory acts and prepare rules on their organisation;
2. prepare a three-year budget projection and an annual draft budget of the Commission and monthly and quarterly reports and an annual cash report on realisation of the budget of the Commission;
3. prepare quarterly trial balances, an annual trial balance and annual financial statements, including an annual balance sheet and related notes;
4. be responsible for ensuring preliminary legitimacy control;
5. perform the activities relating to the calculation and collection of receivables of the Commission;
6. be responsible for managing the assets of the Commission and stocktaking;
7. participate in the preparation and assignment of public procurements and monitor the observance of contractual time limits;
8. be responsible for keeping the financial and accounting documents;
9. prepare documents relating to staff appointment, re-appointment and dismissal and create, maintain and keep the official and work dossiers of the staff;
10. organise and participate in the preparation and realisation of competitions for civil servants and recruitment of employees under employment contracts and in the process of employee performance assessment at the Commission;
11. apply the payroll system at the Commission and the applicable laws;
12. elaborate the job and personal descriptions of the officials of the Administration;
13. provide methodological, organisational and technical assistance in the job description elaboration and amendment;
14. prepare the monthly payroll sheets and organise their keeping;
15. prepare an annual plan for employee training and professional qualification enhancement of the employees in cooperation with the unit heads of the Commission Administration;
16. organise and participate in the preparation and conduct of probations at the Commission;
17. organise the activities related to ensuring health and safety at work in accordance with the effective legislation;
18. prepare draft acts relating to the organisational and human resources development;
19. coordinate the work relating to national and international human resource programmes;
20. keep the book (register) where the declarations under Articles 61 and 62 are entered;
21. perform other activities assigned by the Chairperson of the Commission.

**Article 47.** The International Cooperation Directorate shall:

1. prepare and organise the implementation of international projects and programmes;
2. coordinate the activity of the Commission relating to its membership with international



organisations, the European Supervisory Authorities, the committees and working groups at the European Commission and the participation of representatives of the Commission in working groups of the Council of the European Union;

3. establish contact and coordinate the relations of the Commission with governmental authorities and joint working groups with regard to European issues concerning the powers of the Commission and its bodies;

4. establish contact and coordinate the relations and exchange of information with foreign authorities for financial market supervision and keep up with amendments to their supervisory policies;

5. keep up with the acts adopted by the European Union and the international treaties concluded by the European Communities that require adoption of national-level measures concerning the powers and functions of the Commission and its bodies;

6. organise the translation of regulatory acts, official correspondence and other documents relating to the activities of the Commission and its bodies;

7. perform other activities assigned by the Chairperson of the Commission.

**Article 48.** The Information Technologies Directorate shall:

1. build and maintain the structural cable network and the information, computer and communication system of the Commission;

2. prepare and propose for update the rules on organising the work with the information and communication system of the Commission and ensure training of the employees as to their application;

3. maintain the web site of the Commission;

4. maintain contact with the information centres of other governmental authorities involved in matters related to the securities market and exchange information on important issues;

5. ensure the keeping of and access to the registers kept at the Commission;

6. perform other activities assigned by the Chairperson of the Commission.

**Article 49.** The Public Relations and Protocol Directorate shall:

1. organise the relations of the members of the Commission and the officials at its Administration with the mass media;

2. provide information on the activities of the Commission and its bodies through the mass media and other appropriate communication channels;

3. organise public events relating to the activities of the Commission and its bodies;

4. organise the preparation and publication of presentation materials and periodicals of the Commission and its bodies;

5. organise the activities of the Information Centre of the Commission;

6. coordinate the activity relating to the maintenance, update and development of the web site of the Commission;

7. prepare and organise the schedules of the Chairperson and the members of the Commission

in relation to participation in international events;

8. organise the business trips and specialisations of the members of the Commission and the officials at its Administration abroad;

9. organise and coordinate the educational events and initiatives focused on enhancement of the financial knowledge of the public and individual target groups;

10. process and keep the library stock of the Commission;

11. perform other activities assigned by the Chairperson of the Commission.

**Article 50.** The Regulation and Supervision Coordination, Analysis and Policy Directorate shall:

1. assist the Chairperson in the performance of his/her functions under Article 14, Paragraph 3, Item 3 of the FSCA;

2. organise the methodological guidance and coordination in relation to the regulatory policy and supervision applicable to investment, insurance and social security activities;

3. ensure approval of rules and procedures for establishment of single practice and common approaches in the course of performance of regulatory functions and the financial supervision of investment, insurance and social security activities;

4. prepare statements of opinion on the financial market regulation and supervision functions;

5. ensure approval of individual administrative acts in relation to the regulatory policy and supervision applicable to investment, insurance and social security activities;

6. ensure approval of information and materials in relation to the participation of the Commission or its bodies in national and international organisations;

7. coordinate the exchange of information with national and international institutions, governmental authorities, local self-governing and administrative authorities and non-governmental organisations in relation to the regulatory policy and supervision applied and performed by the Commission with regard to investment, insurance and social security activities;

8. participate in the elaboration and preparation of drafts of acts, ordinances, instructions, written guidelines and practices relating to the activities of the Commission;

9. prepare annual and regular market and segment analyses in the field of securities, insurance and supplementary social security;

10. prepare quantity studies of the effects of discussed regulatory changes;

11. consider the regulation effect and make specific proposals on preparation of financial supervision methodology;

12. make economic analyses of the status of the non-banking financial sector;

13. systematise the available financial and economic information in a single data base;

14. prepare general assumptions and forecasts on the Bulgarian economy development;

15. analyse and assess the systemic risk and develop an early warning system;

16. prepare a financial stability report in cooperation with the other directorates, the

Specialised Administration where assigned by the Commission;

17. identify and analyse the risks related to the prudent management of supervised entities;
18. assist in the formation of the policy of the Commission on managing risks relating to the prudent management of supervised entities;
19. identify and analyse the risks related to the market behaviour of supervised entities and make proposals on their management;
20. participate in the activities of the committees and working groups of the European Systemic Risk Board and the European Securities and Markets Authority;
21. perform other activities assigned by the Chairperson of the Commission.

**Article 50a.** (1) The Investment Intermediaries Resolution Directorate shall:

1. prepare statements of opinion and make proposals to the Commission and the Member under Article 3, Item 5 of the FSCA on adoption, update or approval of plans for resolution of each investment intermediary;
2. prepare draft letters and instructions to the investment intermediaries related to the implementation of the regulatory framework for investment intermediaries resolution and the reporting in that sphere;
3. prepare statements of opinion on determination of measures for reduction or elimination of the impediments preventing the possible resolution of an investment intermediary where it is established, based on the assessment of possible resolution, that there are material impediments preventing such resolution and define requirements to the investment intermediary to present a proposal on proper measures to remove or eliminate these impediments;
4. prepare statements of opinion on imposing requirements to an investment intermediary to undertake one or more specific measures as set forth in Article 29, Paragraph 4 of the RRCIIFA;
5. prepare proposals to the Commission on determination of a minimal requirement for equity and acceptable obligations for each investment intermediary in proportion to its total liabilities;
6. control the fulfilment of the minimum requirement for equity and acceptable obligations by investment intermediaries jointly with the Investment Supervision Division;
7. prepare proposals on determination of due payments to the Investment Intermediaries Resolution Fund (IIRF) and control their execution by investment intermediaries;
8. prepare proposals on application of measures in the sphere of resolution of investment intermediaries that are considered to simultaneously fulfil all conditions for undertaking resolution actions;
9. undertake actions to ensure an assessment of the assets and liabilities of an investment intermediary to be resolved by an independent person;
10. prepare statements of opinion on the fulfilment of resolution conditions;
11. perform all procedural obligations of the investment intermediaries resolution authority related to undertaking resolution actions;
12. prepare proposals on approval of plans for reorganisation of investment intermediaries to

which the loss sharing instrument has been applied;

13. prepare all notices under Article 115 of the RRCIIFA;

14. perform other activities assigned by the Chairperson of the Commission.

(2) Where information obtained or created in relation to recovery and resolution of investment intermediaries is used, all confidentiality requirements under Article 116 of the RRCIIFA shall apply and all such information shall be used for performing the official duties in accordance with the RRCIIFA only.

(3) To ensure compliance with the requirements under Paragraph 2, the Investment Intermediaries Resolution Directorate shall prepare and propose for adoption by the Commission internal rules, including rules on guaranteeing the professional secret confidentiality by the persons directly involved in the resolution process.

(4) In its operational activities related to the performance of the functions in accordance with the RRCIIFA, the Investment Intermediaries Resolution Directorate shall interact with the Investment Supervision Division as set forth in specific internal procedures for interaction.

## Section VII

### **Specialised Administration**

**Article 51.** (1) The Specialised Administration shall assist in and ensure the exercising of the powers of the Commission and its bodies.

(2) The Specialised Administration shall include the following directorates:

1. Investment Regulatory Regimes Directorate;
2. Insurance Supervision Regulatory Regimes Directorate;
3. Social Security Supervision Regulatory Regimes Directorate;
4. Investment Supervision Directorate;
5. Insurance Supervision Directorate;
6. Social Security Supervision Directorate.

**Article 52.** (1) The Investment Regulatory Regimes Directorate and the Investment Supervision Directorate shall establish an Investment Supervision Division. The Deputy Chairperson in charge of investment supervision shall be the Head of Division as per his/her scope of competence.

(2) The Insurance Supervision Regulatory Regimes Directorate and the Insurance Supervision Directorate shall establish an Insurance Supervision Division. The Deputy Chairperson in charge of insurance supervision shall be the Head of Division as per his/her scope of competence.

(3) The Social Security Supervision Regulatory Regimes Directorate and the Social Security Supervision Directorate shall establish a Social Security Supervision Division. The Deputy Chairperson in charge of social security supervision shall be the Head of Division as per his/her scope of competence.

(4) In exercising their functions, the Directorates under 1 – 3 shall coordinate their activities

with the Regulation and Supervision Coordination, Analysis and Policy Directorate.

**Article 53.** The Investment Regulatory Regimes Directorate shall:

1. prepare statements of opinion on applications and documents filed by supervised entities in relation to the regulatory regimes under the Public Offering of Securities Act, the Special Purpose Investment Companies Act, the Markets in Financial Instruments Act and the Collective Investment Schemes and Other Undertakings for Collective Investments Act;
2. prepare drafts of individual administrative acts in relation to the investment regulation;
3. prepare statements of opinion on appealed administrative acts prepared by the Directorate;
4. control the realisation of public issues of securities;
5. prepare drafts of orders for entering circumstances into the registers of regulated securities markets, investment intermediaries, public companies and other issuers of securities, investment companies, managing companies and funds under their management and individuals who directly provide investment consultations and execute transactions in securities;
6. participate in the activities of the committees and working groups of the European Systemic Risk Board and the European Securities and Markets Authority;
7. prepare statements of opinion on the policy, implementation and interpretation of the regulatory acts governing the capital market;
8. analyse the Bulgarian and foreign legislation regulating securities and prepare statements of opinion and make proposals on regulatory amendments;
9. prepare comparative analyses of the legal framework and key indicators concerning the capital market;
10. prepare statements of opinion and make proposals on the application of the European Union law regulating the securities market;
11. prepare statements of opinion, memos and letters related to requests, complaints or signals received in relation to the operation of securities markets and the participants in securities trading;
12. prepare information and materials and coordinate the participation of employees at the Division in international organisations in the sphere of investments;
13. analyse, prepare proposals and make regular and ad-hoc market and segment analyses in the field of securities markets and financial intermediation and specific analyses of the securities market;
14. perform other activities assigned by the Chairperson of the Commission.

**Article 54.** The Insurance Supervision Regulatory Regimes Directorate shall:

1. prepare statements of opinion on applications and documents filed by supervised entities in relation to the early supervision regimes in accordance with the Insurance Code;
2. prepare drafts of individual administrative acts in relation to the insurance regulation;
3. prepare statements of opinion on appealed administrative acts prepared by the Directorate;
4. register auditors in the list kept by the Commission;

5. prepare and conduct exams for insurance brokers;
6. prepare statements of opinion on the regulatory policy, implementation and interpretation of the regulatory acts applicable to insurance;
7. prepare drafts of laws, secondary legislative acts, instructions, written guidelines and practices applicable to insurance and reinsurance;
8. prepare statements of opinion and make proposals on the application of the achievements of the European Union law regulating insurance, reinsurance and insurance intermediation;
9. prepare statements of opinion and replies to requests filed by supervised entities and authorities and organisations involved in insurance regulation and supervision;
10. participate in the activities of the commission and working groups of the technical bodies of the European Insurance and Occupational Pensions Authority and the European Systemic Risk Board;
11. prepare annual and regular market and segment analyses in the field of insurance, reinsurance and insurance intermediation;
12. inspect and aggregate the statistical information provided by insurance brokers;
13. approve internal models for calculation of the capital adequacy of insurance companies;
14. inspect the statistical information on the insurance market prior to publication and propose its publication;
15. prepare drafts of orders for entering circumstances in the registers of insurers and reinsurers, insurance brokers and insurance agents kept by the Commission;
16. exchange information and interact with other authorities and institutions in Bulgaria, other Member States and third countries;
17. prepare information and materials in relation to the participation in European institutions and international organisations in the field of insurance, reinsurance and insurance intermediation;
18. perform other activities assigned by the Chairperson of the Commission.

**Article 55.** The Social Security Supervision Regulatory Regimes Directorate shall:

1. prepare statements of opinion on applications and documents filed by supervised entities in relation to the regulatory regimes and the application of the regulatory acts governing social security;
2. prepare drafts of individual administrative acts in relation to the social security regulation;
3. prepare statements of opinion on appealed administrative acts prepared by the Directorate;
4. prepare statements of opinion on the regulatory policy, implementation and interpretation of the regulatory acts applicable to supplementary social security;
5. prepare drafts of written instructions, policies and practices on the interpretation and implementation of the Social Security Code and the secondary acts on its implementation;
6. make analyses of the business of supplementary social security and comparative analyses of the legal framework and good practices applicable in the same field in other countries;

7. participate in the elaboration of draft laws and secondary legislative acts governing the business of supplementary social security;

8. make analyses and forecasts of the development of supplementary social security and analyse and assess supplementary social security companies and the funds under their management and their risk profiles;

9. analyse the actuary accounts of offered pension schemes;

10. participate in the activities of the committees and working groups of the European Systemic Risk Board and the European Insurance and Occupational Pensions Authority;

11. prepare information and materials in relation to the participation of the Commission or its representatives in national and international organisations operating in the field of social security supervision;

12. exchange information on the business of supplementary pension insurance with the Bulgarian National Bank, the National Social Security Institute, the National Statistical Institute and other authorities, institutions and organisations, including Eurostat, the International Organisation of Pension Supervisors, the European Insurance and Occupational Pensions Authority, the Organisation for Economic Co-operation and Development, etc.;

13. prepare drafts of orders for entering circumstances in the register of supplementary social security companies and the funds under their management in the register of occupational schemes and in the register of social security intermediaries of supplementary social security companies;

14. perform other activities assigned by the Chairperson of the Commission.

**Article 56.** The Investment Activity Supervision Directorate shall:

1. exercise remote supervision and perform on-site inspections of the compliance with the requirements of the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Market Abuse of Financial Instruments Act, the Special Purpose Investment Companies Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Financial Supervision Commission Act and the acts on their implementation;

2. keep up with the timely submission of the mandatory reporting information and the mandatory information on changes in the circumstances of supervised entities and the compliance of that information with the requirements of applicable laws and secondary legislative acts;

3. make proposals on determination of the type and contents of reports to be submitted by supervised entities;

4. make proposals on undertaking coercive administrative measures against supervised entities and other supervisory actions related to investment activities;

5. make proposals on notifying the prosecution authorities of detected data on any committed crime related to the activities of supervised entities;

6. prepare drafts of individual administrative acts issued in relation to the investment

regulation;

7. prepare notices establishing administrative violations, penal rulings, prescriptions and instructions related to investment supervision;

8. exercise control of payment of fees due by supervised entities;

9. plan supervision and analyse and report the related results;

10. prepare statements of opinion, memos and letters relating to requests, complaints or signals concerning the activities of supervised entities;

11. exchange information with the Bulgarian National Bank, other national authorities and institutions, local self-governing and administrative authorities and non-governmental organisations involved in matters related to the securities market operation;

12. prepare explanatory information to enhance the level of knowledge of investors in securities;

13. prepare information and materials in relation to the participation of the Commission or its representatives in national and international organisations operating in the field of securities;

14. prepare statements of opinion on court proceedings in relation to supervision exercising;

15. prepare statements of opinion on appealed individual administrative acts in relation to investment supervision and prepare the complaint files;

16. perform the registration and supervision of credit rating agencies;

17. participate in the activities of the committees and working groups of the European Systemic Risk Board and the European Securities and Markets Authority;

18. perform other activities assigned by the Chairperson of the Commission.

**Article 57.** The Insurance Supervision Directorate shall:

1. exercise remote supervision and perform on-site inspections of the compliance with the Insurance Code, the Health Insurance Act and the secondary legislative acts on their implementation and propose measures where a violation is established;

2. make proposals on initiation of winding-up and insolvency proceedings against supervised entities and supervise the activities of supervised entities in winding-up and insolvency proceedings;

3. prepare statements of opinion and make proposals in relation to supervision of the solvency and financial stability of supervised entities, including supervision of tariffs, insurance and technical plans and reinsurance programmes;

4. prepare drafts of notices establishing administrative violations, penal rulings respectively, in relation to insurance supervision;

5. analyse the financial positions of supervised entities based on presented annual and regular reports and their annexes and information sheets;

6. plan supervision and analyse and report the related results;

7. participate in the activities of the committees and working groups of the European Insurance and Occupational Pensions Authority and the European Systemic Risk Board;



8. perform other activities assigned by the Chairperson of the Commission.

**Article 58.** The Social Security Supervision Directorate shall:

1. control the lawful conduct of the business of supplementary social security;
2. perform on-site inspections at the offices of pension insurance companies and trustee banks under the Social Security Code and prepare statements of findings and notices establishing administrative violations;
3. exercise remote control of the activities of pension insurance companies and the funds under their management and the trustee banks based on regularly presented reporting information and prepare reports and notices establishing administrative violations;
4. control the supplementary social security companies in reorganisation, insolvency and winding-up proceedings;
5. make proposals on undertaking coercive administrative measures against pension insurance companies and other supervisory actions;
6. make proposals on notifying the prosecution authorities of detected data on any committed crime;
7. prepare notices establishing administrative violations and drafts of individual administrative acts on imposing coercive administrative measures;
8. prepare legal statements of opinion in relation to imposing supervisory measures against persons that have violated or admitted violation of the acts regulating supplementary social security;
9. prepare drafts of decisions and other acts in relation to the supervision of the business of supplementary social security;
10. make proposals on determination of the type and contents of the reports to be submitted to the Commission by supplementary social security companies and trustee banks;
11. control the payment of fees due by supervised entities for general financial supervision;
12. prepare statements of opinion on matters related to the business of supplementary social security and elaboration of drafts of laws, ordinances, instructions, written guidelines and practices;
13. plan supervision and analyse and report the related results;
14. perform inspections and prepare statements of opinion, memos and written replies to filed requests, complaints and signals relating to the business of supplementary social security;
15. prepare statements of opinion on court proceedings relating to administrative and administrative and penal proceedings initiated on the basis of complaints against acts regulating social security supervision;
16. participate in the activities of the committees and working groups of the European Systemic Risk Board and the European Insurance and Occupational Pensions Authority;
17. perform other activities assigned by the Chairperson of the Commission.

## Section VIII

## **Rights and Obligations of the Officials**

**Article 59.** The officials entitled to prepare acts establishing administrative violations under Article 32, Paragraphs 1 and 2 of the FSCA shall be designated with an order issued by the Chairperson of the Commission.

**Article 60.** (1) The Chairperson of the Commission or the Secretary General, where authorised, shall send the officials on business trips in Bulgaria and abroad.

(2) Leave use shall be approved by the Chairperson or the Secretary General, where authorised, upon an expressed approval of the Unit Head.

**Article 61.** (1) An official at the Commission Administration shall submit form-based declarations under Article 29 of the Civil Servants Act and Article 107a of the Labour Code concerning his/her property position upon entry into office and as at 31 December of each calendar year, specifying the following possessions:

1. real properties in Bulgaria and abroad, including limited property rights;
2. motor vehicles.

(2) The declarations under Paragraph 1 shall be kept in a special book (register) by the Financial and Economic Activities Division. The information specified in the declarations shall be processed in accordance with the requirements of the Personal Data Protection Act.

**Article 62.** (1) The officials at the Commission Administration shall undertake to disclose information on any direct or indirect vested interest in supervised entities that they own or acquire.

(2) The information under Paragraph 1 shall be disclosed through submission of a written declaration to the Chairperson of the Commission upon entry into office, occurrence of the specified circumstances or any related change respectively. The declarations shall be kept in a special book (register) by the Financial and Economic Activities Directorate.

**Article 63.** (1) For the purposes of Article 22 of the FSCA, the notification shall be given upon matter assignment for review or upon scheduling the inspection of a supervised entity in writing, specifying the issue to be reviewed by the person and the related vested interest, the interest in the performed inspection respectively. A notification given by the inspected entity shall be reviewed by the Commission only where it is grounded.

(2) Where the matter as to which there is a conflict of interests is within the scope of competence of the Commission, all its members shall be informed of all given notifications under Paragraph 1 when opening the meeting and the presence of such conflict of interests shall be expressly indicated in the minutes. The matter to be discussed and the person involved in the conflict of interests shall be specified.

**Article 64.** In performing their activities, the members of the Commission and the officials of the Commission Administration shall comply with the Code of Professional Ethics adopted by the Commission.

## **Organisation of the Activities of the Administration**

**Article 65.** (1) In performing their functions and assigned tasks, the structural units of the Commission Administration shall prepare drafts of legislative acts, statements of opinion, reports, statements, analyses, programmes, concepts, information sheets, memos, decisions on specific matters, internal acts and other documents.

(2) The Head of the Unit that has prepared and approved the specific document under Paragraph 1 shall sign or endorse it prior to its presentation for signature by the Chairperson, a Deputy Chairperson or the Member of the Commission.

(3) The Heads of the Specialised Administration Units shall ensure approval of the specific document under Paragraph 1 by the Director of the Regulation and Supervision Coordination, Analysis and Policy Directorate prior to its presentation for signature by the Chairperson, a Deputy Chairperson or the Member of the Commission.

(4) The general control of assigned tasks performance shall be the responsibility of the Secretary General.

(5) An Administrative Head of Unit shall exercise overall control of the unit activities and tasks performance within its scope of functions.

**Article 66.** (1) A Directorate Director shall:

1. guide the officials in the performance of their functions as set forth in the Rules;
2. allocate the received materials for statements of opinion to the officials and control and bear responsibility for their timely and precise preparation;
3. attend a meeting of the Commission where the agenda includes matters within the scope of competence of the particular directorate, including through presenting statements of opinion;
4. make proposals on appointment, re-appointment, dismissal, stimulation or promotion of or penal actions against the officials under his/her management;
5. elaborate the functional description of the specific directorate;
6. set annual objectives and assess the performance of the officials under his/her management;
7. make proposals on sending directorate officials on business trips in Bulgaria and abroad;
8. perform other activities assigned by the Secretary General.

(2) Where a Director is absent, he/she is substituted by an official designated by the Secretary General based on a proposal by the Director on an individual basis.

**Article 67.** (1) The business hours of the officials at the Commission Administration shall be from 09:00 am until 6:00 pm during weekdays with one-hour break between 12:00 pm and 2:00 pm.

(2) The Secretary General may determine other business hours for officials at individual administrative units.

**Article 68.** Other operational matters related to the organisation of the activities of the Commission Administration shall be settled with an order issued by the Chairperson of the Commission.

## Chapter IV

### RELATIONS WITH OTHER NATIONAL AUTHORITIES, INSTITUTIONS AND PERSONS

**Article 69.** (1) In performing its functions, the Commission shall interact with the National Assembly, the Bulgarian National Bank, other national authorities and institutions, local self-governing and administrative authorities and non-governmental organisations involved in matters related to financial markets regulation and control.

(2) For the purposes of Paragraph 1, agreements and other joint acts, providing for specific rights and obligations, may be concluded and adopted.

**Article 70.** (1) The Commission shall be a member of international organisations, the European Supervisory Authorities and the working groups at the European Commission.

(2) The formulation and implementation of the policy of the Commission on the membership of the Republic of Bulgaria with the European Union shall be the responsibility of the directorates of the Specialised Administration within their scopes of competence.

(3) The draft acts within the scope of competence of the Commission that adopt national-level measures required to implement and apply acts of the European Union shall be approved as set forth in Decree No 85/2007 of the Council of Ministers on the coordination of the European Union affairs.

(4) The actions of the Commission and its bodies in case of notification shall be settled in rules adopted by the Commission.

**Article 70a.** (1) The Financial Supervision Commission, in its capacity of a resolution authority, shall cooperate with the European Banking Authority (EBA) in performing its obligations under the RRCIIFA in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC. The Commission shall immediately provide the EBA with the information required for performance of its obligations to provide information.

(2) The key aspects of cooperation with the EBA shall be related to sending notifications to the EBA and requests to the EBA for cooperation to make joint decisions on cross-border financial groups within the resolution colleges.

**Article 71.** In performing its supervisory functions, the Commission shall interact with other national authorities, institutions of Member States of the European Union or countries that are members of the European Economic Area to perform its obligations regulated by law or regulation.

### TRANSITIONAL AND FINAL PROVISION

**Single paragraph.** These Rules have been adopted on the basis of Article 10, Paragraph 6, Article 13, Paragraph 1, Item 1 and Article 17a, Paragraph 3 of the Financial Supervision Commission Act and Article 3, Paragraphs 2 and 3 of the Recovery and Resolution of Credit Institutions and Investment Firms Act.

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Chairperson: **Karina Karaivanova**