

Forthcoming obligation of leasing companies for registration with the Bulgarian National Bank

On 7 January 2009 the Council of Ministers submitted to the Parliament a Bill amending the Credit Institutions Act (the “Bill”). If adopted within the term specified in the Bill, the amendments will enter into force on 1 March 2009.

The Obligation for Registration

The Bill provides that in order to be able to carry on their activities leasing companies as well as the other financial institutions (factoring companies, companies whose main scope of activity is granting loans with funds which are not accumulated through public collection of deposits or other repayable funds, etc.), should be entered into a register of the Bulgarian National Bank (“BNB”). The registration has to be completed within 3 months from the entry into force of the amendments, i.e. until 1 June 2009.

Requirements towards Leasing Companies

The Bill contains requirements which a leasing company should meet in order to be registered with BNB, namely:

- It should be established as a joint-stock company or a limited liability company;
- It should have share capital the amount of which will be determined in an Ordinance of BNB, paid in in monetary contributions;
- It should carry on its main activities on the territory of Bulgaria;
- The persons who manage and represent the company as well as the persons who directly or indirectly hold qualified share participation in the company should have sufficient qualification, professional experience and reputation, etc.

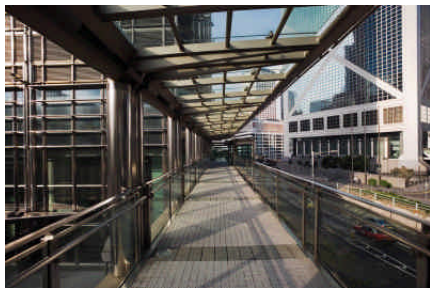


Awaited Ordinance of BNB

BNB will issue an Ordinance to specify the documents and information needed for the registration. The requested information is expected to include data on the shareholder structure of the company, the origin of the funds used for provision of the services, the professional qualities of the company's management.

Transaction Rules and Reporting Obligation

Leasing companies should have transaction rules and should present to BNB reports and information specified in an Ordinance of BNB.



Our Assistance

We would like to offer to you our assistance with the performance of the above registration including with drafting the transaction rules and other necessary documents.

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