

**ORDINANCE ON THE PROSPECTUSES FOR PUBLIC OFFERING OF
SECURITIES AND DISCLOSURE BY PUBLIC COMPANIES AND OTHER
ISSUERS OF SECURITIES**

**Chapter One
GENERAL PROVISIONS**

Art.1 (1) The current regulation stipulates requirements for:

1. the content and the endorsement and publication process of prospectuses primary and secondary public offering of securities, including for granting of partial or full exemption from the obligation to publish a prospectus;
2. the regular and current disclosure of information by public companies and other issuers of securities;
3. the content and disclosure in the event of raising a public company's capital through public offering of shares solely to its shareholders and/or employees under a contract of employment.

(2) The provisions of the present Ordinance shall apply respectively for public offering of in the country of securities, issued by foreign persons under the Foreign Investment Act.

Art.2 (1) Primary public offering of securities shall be permitted only if:

1. the founders, in the case of a company in the process of incorporation; the issuer, respectively or
2. the investment broker, authorized to float the securities for listing; respectively the investment broker who offers the securities at a primary sale in accordance with an underwriting contract signed with the issuer,
3. the management company in charge of managing the activities of an open-end investment company publishes prospectus and notices aligned with the process and content stipulated under the Public Offering of Securities Act (POSA) and the current regulations.

(2) The secondary public offering on the organized stock marketplace for securities that have not been issued prospectuses for a primary public offering shall be permitted only if:

1. the issuer; or
2. the investment broker authorized by the issuer to conduct the secondary public offering, publish an abridged prospectus and a notice aligned with the process and content stipulated under the POSA and the current regulations.

(3) The prospectus and the notice on the public offering may be published only

if the National Securities Commission (The Commission) has issued a written endorsement of the prospectus.

(4) The listing or sale and the proposal to list or trade the securities that have not been accompanied by a prospectus endorsed by the Commission shall be prohibited.

Art. 3 (1) The prospectus shall contain information about the issuer and the securities on offer that the investor needs for an accurate assessment of the economic and financial condition of the issuer and the rights the securities entail.

(2) The prospectus shall be drafted in the Bulgarian language in a manner legible to investors and shall be signed by:

1. the founders or the persons who represent them, the issuer respectively; and
2. the investment broker, authorized to float the securities for listing; respectively, the investment broker who shall offer the securities for initial trading pursuant of an underwriting contract concluded with the issuer.

Art. 4 (1) Persons under Art.3, para 2 shall declare that the prospectus complies with legal requirements.

Chapter Two

CONTENT OF THE PROSPECTUS FOR PUBLIC OFFERING OF SECURITIES AND DISCLOSURE

Section I

PROSPECTUS FOR A NEW SHARE ISSUE OF A COMPANY UNDER INCORPORATION

Art. 5. The prospectus of a new issue by a company under incorporation shall contain as a minimum:

1. data about the issuer, inclusive of:
 - (a) name, seat, and management address;
 - (b) purpose and term, if such is envisioned;
 - (c) preferences that the founders retain;
 - (d) proposed system of governance;
 - (e) name, middle name and patronymic, PIN, current and permanent address, education, training, professional record over the past three years of the nominated natural persons for members of the Board of Directors, the Supervisory Board respectively;
 - (f) name, registered seat and management address, purpose, number and registration batch number in the court register, BULSTAT code and tax number of the legal entity nominated for member of the Board of Directors, the Supervisory Board respectively, as well as data pursuant of item (b)e. about the person who will be empowered to perform those duties on the Board;
 - (g) seat, address and telephone number for further information about the founders and the Company being incorporated.
2. data about the founders, inclusive of:
 - a) physical persons - name, middle name, patronymic, PIN, current and permanent address;

- b) legal entities - name, registered seat, management address, telephone (fax) number, purpose, number and batch number in the court register, BULSTAT code and tax number;
 - c) statement on the status of related parties pursuant of # 1, item 11 of the Additional Provisions of the POSA;
 - d) the number of shares that will be subscribed following the announcement of the subscription, if such is envisaged;
3. data about the issue, inclusive of:
- a) size of the capital to be raised and admissible deviations that would allow the fulfillment of the intentions of the founders relevant to the future business activities of the newly incorporated company;
 - b) number, nominal and issue value of the shares, including the methods of calculation of the issuance price;
 - c) type, class of shares and attendant rights , inclusive of special rights and preferences, if envisioned;
 - d) minimum and maximum number of shares to be subscribed by one person;
 - e) location and address, beginning and ending date for the subscription;
 - f) types of subscription and distribution among them;
 - g) terms and procedures for the subscription of shares and the paying-in, inclusive of name, location and management address of the bank where an account has been opened to deposit the amount, seat and address of its branch offices and account number;
 - h) procedures to be applied in case all shares are subscribed before the subscription deadline; procedures to be applied if by the end of the subscription deadline all issued shares are not subscribed; procedures to be applied if by the expiration of the subscription deadline the issue is oversubscribed; procedures to satisfy orders in the event of competition among them;
 - i) procedures and term for the recovery of paid-in amounts with interest netted in by the bank in the event of a failed subscription or in the event the company is not registered in the commercial register;
 - j) terms, procedures and term for the receipt of share certificates on paid-in capital, including the share certificates for the shares issued through the investment intermediary which holds the clients' sub-accounts for the shares;
 - k) procedures for the convening, holding and presentation of the constitutive meeting;
 - l) citation to the effect that after registration of the company in the commercial register it shall become a public company and shall not increase capital pursuant of Art.193 and Art.195 of the Commercial Code;
 - m) share transfer procedures;
 - n) tax liability of investors under the current issue in accordance with the tax legislation.
4. business operation forecast of the issuer for the current and subsequent fiscal years, inclusive of:
- a) description of the core activities;

- b) forecast about the volume, structure and dynamics of sales;
 - c) intended future R & D activities;
 - d) uses of raised capital from the issue as well as priorities in case the entire issue is not placed;
 - e) other sources of finance, if any;
 - f) estimated revenues, expenses and financial performance relative to issuer operations;
 - g) estimated invested capital yield in the cited areas;
 - h) description of expected risks relative to issuer operations and management methods.
5. data about the investment broker (intermediary), empowered by the founders to float the shares for listing, inclusive of:
- a) name, seat, management address, telephone (fax) and e-mail address, if available;
 - b) number and date of the license to operate as an investment broker, issued by the Commission, and likewise in regard to banks - the number and date of the license issued by the Central Bank of Bulgaria, as well as the number and date of entry in the Commission register;
 - c) capital size;
 - d) representation means and the name, middle name and patronymic, PIN, current and permanent address of the person holding representative powers;
 - e) terms for the authorization or underwriting, rights and obligations relative to organizing, holding and closure of the subscription or the sale.
6. information about anticipated expenses, including, at the very minimum, data about:
- a) start-up costs, inclusive of drafting and endorsement of the prospectus, conducting a subscription, convening the constitutive meeting and remuneration to the investment broker pursuant of item 5;
 - b) average flotation costs, proportionate to an issued share;
 - c) total size of the offered annual remuneration of the members of the Board of Directors, the Supervisory Board respectively;
7. information about the issuer's non-registration in the commercial register and that all data featured in the prospectus shall be viewed solely in connection with the possible registration of the company in the commercial register.
8. information about the joint liability of the founders and the investment broker under item 5 for damages sustained because of false, misleading or incomplete information in the prospectus, pursuant of Art.81, para 3 of the POSA.
9. statement by the founders or the persons who represent them and the investment broker under item 5 to the effect that the prospectus complies with legal requirements.
10. signatures of the persons pursuant of item 9.

Section II

PROSPECTUS FOR THE PRIMARY PUBLIC OFFERING OF SHARES AND DISCLOSURE OF INFORMATION BY PUBLIC COMPANIES AND OTHER ISSUERS OF SHARES

Art.6. (1) The prospectus for a primary public offering of shares, granting exemption to cases under Art.5, shall feature at the minimum:

1. data about the issuer, inclusive of:
 - a) name, registered seat, management address and telephone (fax), e-mail address and web-site on the Internet, if available, seats and addresses of subsidiaries, if any, as well as data about changes in the name of the company, if such have occurred;
 - b) date and method of incorporation;
 - c) number and batch number of entry in the commercial register, BULSTAT code and tax number;
 - d) purpose of operation and term, if any;
 - e) size of capital and means for its increase or reduction, inclusive of quorum and majority for decision-making pursuant of the Articles of Association of the company;
 - f) types of contributions and correlation;
 - g) number and nominal value of the shares;
 - h) types, class and rights per share, inclusive of special rights and preferences, if any have been envisioned;
 - i) share transfer procedures;
 - j) own shares number and classes, redeemed by the issuer to decrease capital, respectively redeemed under the terms of the Commercial Code without capital reduction, unit price per share, purpose of the redemption and number of votes carried at the General Meeting following the redeeming;
 - k) data on whether the Company has been party to a bid offer for the acquisition of shares pursuant of Art.149 of the POSA and to what an extent the offer was supported by the shareholders;
 - l) data about effected transformations inclusive of mergers, acquisitions, divisions, splits-off and the reasons for the transformation if effected;
 - m) effected transfer or pledge of the enterprise, if effected;
 - n) with regard to physical persons, members of the Executive and Supervisory Boards, respectively the Board of Directors, including persons authorized to manage and represent the issuer while not being Board members
 - aa) name, middle name, patronymic, PIN, current and permanent address, education, training and professional record over the past three years;
 - bb) remuneration over the past fiscal year for the performance of duties on the Board;
 - cc) outside corporate activities, if any;
 - dd) data about changes in the representation during the latest fiscal year;
 - ee) statement that they are not convicted of general offense, except for the cases of exoneration
 - o) with regard to legal entities, members of the Executive and Supervisory Boards, respectively the Board of Directors - name, seat, management

address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number and remuneration over the past fiscal year, data under item b. n) about the person that represents them in the course of performing their duties on the Board, as well as data about effected changes in the representation over the latest fiscal year.

- p) number of voting shares held directly or by related parties by the members of the Executive and Supervisory Boards, respectively the Board of Directors of the issuer and their proportion in the votes at the General Meeting of the issuer;
- q) with regard to physical persons who hold directly or through related parties over 10 per cent of the votes at the General Meeting of the issuer or may exercise control over it - name, middle name, patronymic, PIN, number of voting shares and their proportion in the votes of the General Meeting of the Company, respectively ways to exercise control over the latter;
- r) with regard to legal entities who hold directly or through related parties over 10 per cent of votes in the General Meeting of the issuer or may exercise control over the latter - name, seat, management address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number, number of voting shares and their proportion in the votes of the General Meeting of the Company, respectively ways to exercise control over the latter;
- s) data about the existence of agreements to exercise voting rights as per share, if the issuer is aware of such;
- t) with regard to companies where the issuer holds directly or through related parties over 10 per cent of the votes of the General Meeting or may exercise control over the latter - name, seat, management address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number, capital size, number of votes held by the issuer and their proportion in the votes of the General Meeting of the companies, respectively ways to exercise control over the latter;
- u) citations of the national dailies where the issuer will publish the invitation to attend the General Meeting of the shareholders;
- v) location, address, telephone where additional information about the issuer may be obtained.

2. description of the business activity of the issuer over the past 3 years, preceding the year of the issuing of the prospectus and if less than 3 years have elapsed - about the period of time preceding the issuing of the prospectus, inclusive of:

- a) description of the core activities of the Company, its subsidiaries, if any, and of the business corporation if the issuer is part of one and their position therein;
- b) description of the main markets where the issuer operates and the market share;
- c) major customers and issuer dependence on them, as well as major competitors, comparative advantages and disadvantages of the issuer;
- d) volume, product structure and sales dynamics;

- e) volume, structure and asset dynamics;
 - f) data about concluded or terminated contracts to which the issuer is party or a related party, which enjoin acquisition, alienation or the right of use of assets by third parties, amounting to 20 or more per cent of the book value of the assets of the Company;
 - g) receivables and payables of the issuer - size, date of occurrence, repayment term and accrued reserve;
 - h) key financial analysis indicators - inclusive of comparative analysis of revenues, expenses and financial performance;
 - i) data about issuer dependence on patents, licensing and franchising agreements, brand names and other items subject to intellectual property, concession rights;
 - j) data about R & D projects if the Company has engaged in substantive activities of this kind;
 - k) data about the number of staff and average salaries;
 - l) data about other factors that affect issuer operations.
3. information and prospects for the current fiscal year, thereby presenting relevant data about the preceding item.
4. description of the main risks relative to issuer operations and risk management methods.
5. issuer business forecast at least for the next financial year as a result of investing capital raised by the issue, inclusive of:
- a) planned areas where issue capital will be used, as well as priorities, if the entire issue is not placed;
 - b) other sources of finance, if any are envisioned;
 - c) intended future R & D activities;
 - d) estimated volume, structure and dynamics of sales;
 - e) estimated variance in the level of revenues, expenses and the financial performance of issuer operations;
 - f) estimated yield on invested capital in the cited areas;
 - g) risks pertaining to the investment of capital in the cited areas and their impact on the total risk relative to issuer operation.
6. data about every preceding security issue, inclusive of:
- a) number of preceding issues and type of shares offered;
 - b) number of the prospectus endorsement by the Commission, if the issue has been publicly offered;
 - c) issue size, number and nominal value of the securities;
 - d) classes and security rights, inclusive of special rights and privileges, if such have been envisioned;
 - e) data on whether the issue in question had been the subject of an underwriting contract pursuant of Art.5, item 2 of the POSA and to what amount;
 - f) type and size of dividends paid out over the past 3 years, interest and other proceeds, and in the event of default - the reasons for it;
 - g) regulated markets where the issuer securities are or were traded, minimum, maximum and weighted average price, volume of trades over the past year.

7. if the issuer has put up collateral against his own or another's debt - type and size of the collateral; description of the collateralized debt; ways of satisfying creditor claims; information whether the issuer and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA.

8. if a collateral by a third party against the liabilities of the issuer has been stipulated - name, middle name, patronymic, PIN, current and permanent address respectively name, seat, management address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number of the person granting the collateral; type and size of the collateral; description of collateralized liabilities; ways to satisfy creditor claims; information whether the issuer and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA.

9. information about pending court and arbitration proceedings, lodged litigation to initiate insolvency proceedings, as well as decisions or respectively litigation to wind-up or declare the issuer in liquidation if such had or could have a substantial impact on their operation.

10. data about the shares subject to primary public offering, inclusive of:
- a) number and date of the decisions on the increase of capital by the competent bodies pursuant of the statutes;
 - b) size of the estimated subscribed capital and admissible variance;
 - c) number, nominal and issue value of the issue, methods of calculation of the issue value, as well as the fixed selling price of the shares at underwriting;
 - d) share type and class, rights therein, including special rights and privileges, if such are envisioned and their proportion to rights on already issued issuer shares;
 - e) outlining of the precedence of shareholders under Art.112, para 1 of POSA;
 - f) outlining that upon registration of the capital increase by the current issue in the commercial register, the Company shall become a public company, if not such already, and shall not be eligible to increase its capital pursuant of Art.193 and Art.194 of the Commercial Code;
 - g) the minimum and maximum number of shares that may be registered, respectively purchased through underwriting by one person;
 - h) location, address, beginning and ending date of the subscription, respectively the sale at underwriting of the issue;
 - i) terms and procedures for share subscription and payments, inclusive of name, seat and management address of the bank pursuant of Art.89 of the POSA where a special account has been opened to deposit the amounts, seat and address of the branch offices and number of the account;
 - j) procedures applied if all the shares in the issue are subscribed prior to the subscription deadline; procedures applied if within the deadline shares in the issue have been undersubscribed; procedures applied if within the deadline shares in the issue have been oversubscribed; procedures to satisfy orders in the event of competition among them;
 - k) procedures and term to recover raised capital with accrued interest calculated by the bank pursuant of Art.89 of POSA in the event of failed

subscription or if the capital increase is not registered in the commercial register;

- l) terms, procedures and term to obtain certification documents on the contributions, as well as the share certificates for the shares issued through the investment intermediary which holds the clients' sub-accounts for the shares;
- m) share transfer procedures;
- n) tax liability of investors under the current issue in accordance with the tax legislation.

11. data about the rights ensuing from the shares, through whose issuing issuer capital may be increased, if such an increase is planned, inclusive of:

- a) number and date of the General Meeting of shareholders decision when the rights issue was adopted;
- b) conditions for the increase of capital by a rights issue, pertinent to the shares subject to the primary public offering;
- c) total amount issued rights and their proportion compared the number of issuer shares prior to the capital increase;
- d) location, beginning and ending date to obtain the rights following the decision to increase capital through a rights issue;
- e) number of rights against which a new issue share may be acquired;
- f) nominal and issue value of the share to be acquired against rights, as well as the methods of calculation of the issuance price;
- g) location, beginning and ending date for the rights transfer;
- h) beginning and ending date for the registration of the new issue shares by the holder of the rights;

12. data about the investment broker, authorized to offer the shares for subscription, respectively the investment broker - underwriter of the issue, inclusive of:

- a) name, seat, management address, telephone (fax) and e-mail address, if available;
- b) number and date of the investment broker license, issued by the Commission, respectively for banks - number and date of the license, issued by the Central Bank of Bulgaria, similarly number and date of entry in the Commission register;
- c) size of capital;
- d) representation mode and the name, middle name and patronymic, current and permanent address and PIN of the person thus authorized;
- e) conditions of empowerment or underwriting, rights and obligations in connection with organizing, holding and conclusion of the subscription or sale.

13. information about the issuer expenses, inclusive of, at the very minimum, data about:

- a) costs pertaining to capital increase, including drafting and endorsement of the prospectus, conducting the subscription and remuneration to the investment broker under item 12;

- b) average costs to administer the subscription, proportionate to one share in the issue;
- c) total amount of the annual remuneration of the members of the Board of Directors, respectively the Executive and Supervisory Board, as well as to persons authorized to manage and represent the issuer without being Board members, over the past fiscal year;
- d) total amount of the annual remuneration of the certified public accountant, respectively the specialized audit company over the past fiscal year.

14. information about the joint liability of the issuer, the members of the governing and control bodies, the procurator and the investment broker under item 12 for damages sustained because of false, misleading or incomplete data in the prospectus, respectively of the chief accountant for such damages in the financial statements of the issuer and the certified public accountant or the specialized audit company - in the financial statements pursuant of Art.81, para 3 of POSA certified by them.

15. information that the price of the shares may fall and profit is not guaranteed.

16. a statement by the persons acting on behalf of the issuer and the investment broker under item 12, that the prospectus is in compliance with the law.

17. copies of the certified by the certified public accountant or the specialized audit company annual financial statements over the past 3 fiscal years, or if the 3 fiscal years have not elapsed - over the relevant period, preceding the publication of the prospectus.

18. signatures by the persons under item 16.

(2) When more than one issue of shares is planned in the same class within a year, the prospectus for the primary public offering shall cite the total amount of the capital proposed for subscription. The prospectus may forego the data pertinent to:

- 1. para 1, item 10, (c) relative to the issue price and selling price and (g), (h) and (i) relative to the bank.;
- 2. para 1, item 12 and 13, (a) and (b).

(3) If some of the data under the preceding paragraph are not contained in the prospectus prior to the publication of the announcement of the public offering under Art.32, the issuer or the investment broker shall submit to the Commission an annex to the prospectus, comprising that data for every single issue. The annex to the prospectus shall explicitly state that data contained therein pertain to the single issue.

Art. 7 (1) The issuer of shares shall be obligated to submit to the Commission an annual report within 90 days of the closure of the fiscal year.

(2) The annual report shall contain the following information on the ended fiscal year:

- 1. data under Art.6, item 1 with the exception of b. (b), (c), (f), (j), (u);
- 2. data under Art.6, para 1, item 2;
- 3. the intentions of the issuer about his operation during the current fiscal year and anticipated financial performance;
- 4. data under Art.6, para 1, item 6, b. (f) and (g) and if the issuer has realized the issued during the preceding period - data under Art.6, para 1, item 6, b. (a) and (e);

5. data under Art.6, para 1, items 7,8 and 9;
6. an annual financial statement certified by a certified public accountant or a specialized audit company with the content pursuant of Art.40, para 1 of the Accounting Act (AA) and similarly an extended audit report. If the issuer produces a consolidated financial statement, they shall be obligated to submit it to the Commission within 180 days of closure of the fiscal year;
7. in the event of replacement of the certified public accountant or the specialized audit company who have certified the annual financial statement - the reasons for the effected change.

(3) The issuer of shares shall be obligated to submit to the Commission the semiannual statement within 30 days of ending the first half of the fiscal year.

(4) The semiannual statement shall contain the following information about the first half of the year:

1. data under Art.6, para 1, item 1, b. (a) and (d);
2. data under Art.6, para 1, item 2;
3. financial statement with content pursuant of Art.40, para 1 of the AA.

(5) The issuer of shares shall publish an announcement in one national daily of the presentation of the annual financial statement and the semiannual statement, as well as about the location, time and method of disclosure within seven days of the submission of the statement to the Commission. The announcement under sentence one shall be published in the official newsletter of the Commission.

Art.8 (1) The issuer of shares shall notify the Commission about:

1. changes and/or amendments to the statutes;
2. changes in the membership of the executive and control bodies and the representation mode, inclusive of personal changes regarding persons authorized to govern and represent the issuer without being board members;
3. initiation of insolvency proceedings;
4. adoption of a decision to transform or wind up the company;
5. initiation of liquidation proceeding;
6. decision to open or close a branch office;
7. all changes in the business activities that affect or may directly or indirectly affect the value of issued securities, inclusive of:
 - a) contracts concluded or terminated, to which the issuer or a person controlled by them is party, as a result of which asset acquisition, alienation or granting use by third parties is effected, amounting to 20 or more per cent of the book value of the Company assets;
 - b) concluded or terminated contracts to which the issuer or a person controlled by them is party, amounting to 10 or more per cent of the book value of the Company assets;
 - c) loss by the issuer or a person controlled by them, as a result of chance occurrences, of assets amounting to 10 or more per cent of the book value of the Company assets;
 - d) acquisition, transfer or pledging of the enterprise;
 - e) conclusion by the issuer of one or more transactions with related parties if the value of these transactions (single or total value of the concluded

transactions over the past 6 months) is in excess of 5 or more per cent of the book value of the Company assets;

- f) loss of clients who account for 20 or more per cent of the sales revenues of the Company or establishment of relations with new suchlike clients;
- g) changes in the size of the receivables and payables of the issuer that exceed 10 or more per cent of the assets or liabilities of the Company by book value;
- h) a General Meeting decision relative to the type and size of the dividend, similarly relative to the dividend payment terms and procedures;
- i) Acceptance or rejection to accept issuer shares for trade on a regulated securities market or changes in the regulated market where the Company securities are traded;
- j) new securities issues;
- k) other circumstances at issuer discretion.

8. occurrence of other events, subject to entry in the Commission register pursuant of a separate regulation, as well as changes in those circumstances.

(2) The obligation under para 1 shall be fulfilled by the issuer within 7 days from:

1. the decision by the competent body - under items 1,2,4;
2. acknowledgment of the circumstance - under items 3 and 5;
3. entry in the commercial register - under item 6;
4. adoption of a decision by the competent body, when the circumstance is subject to entry in the commercial register - from the entry, respectively from the acknowledgment of the emergence or change of the circumstance - under items 7 and 8.

(3) The Commission shall draft sample forms for the fulfillment of the notification obligations under the provisions of the current regulation.

(4) The notification obligation may be performed by electronic mail and the dispatch of a message in a format set by the Commission.

(5) The Commission shall disclose the information it receives under para 1.

Art.9 In the event that the shares of the issuer are traded on the regulated market, the issuer shall notify and present information under Art.7 and Art.8 also to the regulated market, within the set deadlines.

Section III

PROSPECTUS FOR PRIMARY PUBLIC OFFERING OF SHARES AND INFORMATION DISCLOSURE BY INVESTMENT COMPANIES

Art.10 (1) The prospectus for a primary public offering of shares by an investment company shall comprise, at the very minimum:

1. data about the investment company, inclusive of:

- a) name, seat, management address and telephone (fax), e-mail address and Web-site on the Internet, if available, seat and addresses of branch offices, if any, as well as data about changes in the name of the Company, if such have occurred;
- b) type of the investment company - open-end or closed-end and term of the closed period in the event of an open-end investment company, if envisioned;
- c) date of incorporation, purpose and term, if any;
- d) number and date of the license, issued by the Commission;
- e) number and batch number of entry in the commercial register, BULSTAT code and tax number;
- f) in case of an open-end investment company - size of capital at company incorporation, accordingly for a closed-end investment company - size of capital, methods for capital increase or decrease, if any, quorum and majority for the adoption of a decision to that effect, pursuant of Company statutes;
- g) number and nominal value of shares, where in the case of an open-end investment company data shall be presented about the number of shares at incorporation;
- h) type of shares and ensuing rights, inclusive of share classes in the case of a closed-end investment company;
- i) share transfer procedures;
- j) data about effected transformation - acquisitions, mergers, splits-off and divisions, inclusive of transforming an open-end investment company into a closed-end company and vice-versa, as well as the reasons for the transformation, if such has been effected;
- k) for a closed-end investment company - data whether the company has been subject to a bid offer for the purchase of shares under Art.149 of POSA and within what amount was the offer accepted by the shareholders;
- l) in case of physical persons - members of the Board of Directors, respectively the executive and supervisory board, including persons empowered to manage and represent the company without being Board members
 - aa) name, middle name, patronymic, PIN, current and permanent address, education, training and professional record over the past three years;
 - bb) remuneration over the past fiscal year for the performance of duties on the Board;
 - cc) outside corporate activities, if any, as well as the remuneration for these activities over the preceding fiscal year;
 - dd) data about changes in the representation during the latest fiscal year;
 - ee) statement that they are not convicted of general offense, except for the cases of exoneration;
- m) in case of legal entities - members of the Board of Directors, respectively the executive and supervisory board - name, seat, management address, purpose, number and batch number of entry in the court register, BULSTAT code, tax number and remuneration over the past fiscal year, data under b.(k) about the person that acts on their behalf while performing duties on the Board, as well as data about occurred changes in the representation over the past fiscal year;

n) number of voting shares held directly or through related parties by the members of the executive and supervisory board, respectively of the Board of Directors and their share in the votes at the General Meeting;

o) in case of physical persons who hold directly or through related parties over 10 per cent of the votes at the General Meeting of the company or may exercise control over the latter - name, middle name, patronymic and PIN, number of voting shares and their proportion in the votes at the General Meeting of the Company, respectively methods of control over the latter;

p) in case of legal entities who hold directly or through related parties over 10 per cent of the votes at the General Meeting of the company or may exercise control over the latter - name, seat, management address, purpose, number and batch number of entry in the court register, BULSTAT code, tax number, number of voting shares and their proportion in the votes at the General Meeting of the company, respectively methods of control over the latter;

q) data about extant agreements to exercise share voting rights, if known by the Company;

r) in case of companies where the Company owns directly or through related parties 10 per cent of the votes at the General Meeting of the Company - name, seat, management address, purpose, number and batch number of entry in the court register, BULSTAT code, tax number, size of capital, number of votes held by the investment company and their proportion in the votes at the General Meeting of the companies;

s) citation of the national dailies that the investment company shall use to publish the invitation to convene the General Meeting of shareholders, including the national daily under Art.190 of POSA for open-end investment companies.

t) location and address where the constitutive acts of the Company shall be accessible to the members of the public and where additional information may be obtained, as well as a telephone contact number.

2. main objectives and constraints on investment activities pursuant of the company statutes, inclusive of:

- a) investment strategy to attain investment objectives;
- b) structure of the investment company assets and stock in securities of one kind or another;
- c) sectoral structure of the investment.

3. description of the main risks, related to company operations, anticipated risks, related to the investment portfolio and risk management methods.

4. description of the investment activities of the company over the past 3 years preceding the publication and updating of the prospectus, and if 3 years have not elapsed - over the relevant period;

- a) volume, structure and dynamics of the investment company assets, including stock in securities of one kind or another - totals and by asset kind;
- b) sectoral structure of the investment portfolio and investment by individual issuer in the relevant sectors;
- c) analysis of the output of investment activities with regard to portfolio structure and changes therein;

- d) data about the net asset value, the number of shares in circulation and the net asset value per share at the beginning and the end of the preceding year, similarly average annual net asset value.
 - e) data about the approved and disbursed loans pursuant of Art.197, para 2, accordingly Art.201, para 4 of POSA, including the size, the loan term and interest, portion utilized, interest paid and outstanding remainder.
 - f) information about allocated dividend per share and distribution format per every preceding year, and in the event of default - the reasons for that;
 - g) data about other factors that affected company operations;
5. information and prospects for the current fiscal year, thereby presenting the data under the preceding item.
6. data about the receivables and payables of the investment company circa the month, preceding the publication, accordingly the updating of the prospectus.
7. estimated investment activity of the Company over the next fiscal year, inclusive of:
- a) planned investment, to draw on capital raised through the issue, similarly in the case of a closed-end investment company - financing priorities if the entire issue is not placed;
 - b) other sources of finance for the planned investment, if such are envisioned;
 - c) estimated volume, structure and asset dynamics of the investment company;
 - d) estimated level and variance in the net asset value;
 - e) estimated level and variance in the financial performance from company operations;
 - f) estimated return on investment in the cited investment;
 - g) risks related to investment in the cited ventures and their impact on total risk relative to company operation.
8. terms and procedures for share issue and sale.
9. terms and procedures for computing net asset value and asset valuation methods.
10. terms and procedures to compute the issue value of shares, including cases of open-end investment companies - frequency of computations, disclosure to the Commission and setting of the days for publication in a national daily under item 1, b. (u).
11. in the case of an open-end investment company - terms and procedures for computing the price of redeemed shares, frequency of computations, disclosure to the Commission and setting of the days for publication in a national daily under item 1, b. (u).
12. in the case of an open-end investment company - terms and procedures for redeeming shares and temporary suspension of redemption.
13. ban on the preemptive allocation of dividends.
14. terms, procedures, regularity and location for dividend payment.
15. in the case of a closed-end investment company - data about every preceding issue under Art.16, para 1, item 6.
16. information about the Company under Art.6, para 1, items 7, 8 and 9.
17. in the case of a closed-end investment company - data about the shares,

subject to a primary public offering under Art.6, para 1, item 10, where b. (f) cites that following the entry on capital increase through the current issue in the commercial register, the Company shall not increase capital pursuant of procedures under Art.193 and Art.195 of the Commercial Code.

18. in the case of a closed-end investment company - data about the rights under Art.6, para 1, item 11, relative to company shares through which capital may be increased if such an increase is envisioned;

19.data about the managing company that manages investment company operations, inclusive of:

a) name, seat, management address, telephone (fax) and e-mail address, if available;

b) number and date of the license issued by the Commission;

c) size of capital;

d) representation mode and the name, middle name, patronymic, PIN, current and permanent address of the authorized person;

e) list of institutional investors whose portfolio is managed by the managing company;

ff) number of investment company shares held by the managing company;

gg) substantive terms of the management contract.

20. name, middle name, patronymic, PIN, current and permanent address, education, training and professional record, number and date of issue of the certificate by the Commission to the person entitled to consult closed-end investment companies on investment in instances pursuant of Art.168, para 5 of POSA.

21. data about investment brokers, authorized by the management body of an investment company to implement investment decisions and instructions issued by the managing company, inclusive of:

a) name, seat, management address, telephone (fax) and e-mail address, if available;

b) number and date of the license to operate as an investment broker, issued by the Commission, respectively for banks - number and date of the license, issued by the Central Bank of Bulgaria and number and date of entry in the Commission register;

c) size of capital;

d) representation manner and name, middle name and patronymic, PIN, current and permanent address of the person authorized with representative powers;

e) statement that the members of the Executive and Control Board of the investment company, the managing company, the bank depository and any decision-maker with regard to the management of Company investment ventures is not identical or a related party with the investment brokers.

f) authorization conditions.

22. data under the preceding item about the investment broker - issue underwriter, as well as the terms under which the initial sale will be conducted.

23. data about the bank-depository, inclusive of:

a) name, seat, management address, BULSTAT code and tax number;

- b) statement that the bank-depository is not identical or a related party with the managing company, the members of the Executive and Control Board of the investment company or another person that acts as manager or comptroller in the investment company, the investment broker through which investment deals are concluded and conducted, as well as persons who control the investment company;
- c) substantive contractual conditions on deposit services.

24. data about the expenses of the investment company over the past 3 years, preceding the year of issue or updating of the prospectus, and in case 3 years have not elapsed - about the relevant period, presented as the total amount and in percentage terms comparative to the average net book value of the assets as at the current year and inclusive of:

- a) annual remuneration of the managing company pursuant of item 19 or the person pursuant of item 20;
- b) paid commission fees to the investment brokers pursuant of item 20 who implement investment decisions and instructions, issued by the managing company, respectively the annual remuneration of the investment intermediary (broker) pursuant of item 22;
- c) annual remuneration of the bank-depository pursuant of item 23;
- d) annual remuneration of the members of the Executive and Control bodies of the Company;
- e) annual remuneration of the certified public accountant, respectively of the specialized audit company that certified the annual and semiannual statements;
- f) other expenses of the investment company;
- g) total amount of all expenses under the preceding indents.

25. information about the joint liability of the investment company, the members of its executive and control bodies, its procurator and investment broker under item 22 for damages sustained because of false, misleading or incomplete data in the prospectus, respectively of the chief accountant for such damages in the financial statements of the issuer and of the certified public accountant or specialized audit company - in the financial statements pursuant of Art.81, para 3 of POSA certified by them.

26. information that the value of the shares and the yield may drop, that profit is not guaranteed and that investors face the risk of being unable to recover the investment to the full extent, and likewise that investment in the Company is not guaranteed by a guarantee fund and that previous operating results have no bearing on the future performance of the Company.

27. a statement by the persons who represent the investment company and the investment broker under item 22 that the prospectus complies with legal requirements.

28. copies of certified by a certified public accountant or a specialized audit company annual financial statements for the past 3 fiscal years and if the 3 fiscal years have not elapsed - for the relevant period, preceding the issuing or updating of the prospectus.

- 29. signatures of the persons under item 27.

(2) In regard to a closed-end investment company - information as to whether the issuing of more than one share issues is planned in the same class, within one year, and if so intended, Art.6, paras 2 and 3 shall apply.

Art.11 (1) The investment company shall submit to the Commission an annual report within 90 days after closure of the fiscal year.

(2) The annual statement shall contain the following information on the ended fiscal year:

1. data under Art.10, para 1, item 1 with the exception of b (i), items 2, 4, 15, 16, 19-23;
2. if the closed-end investment company has realized an issue during the ended period - data under Art.10, para 1, item 15;
3. if the closed-end investment company has realized a rights issue during the ended period - data under Art.10, para 1, item 18;
4. analysis of the financial condition of the Company during the period under review, including return on investment;
5. minimum, maximum and weighted average value and redeeming price, including for an open-end investment company - number of issues, sold and redeemed shares over the period under review, and in the event of a closed-end investment company - minimum, maximum and weighted average price, volume of traded shares during the period under review;
6. the date, reasons and term in the event of a temporary suspension of the redeeming of the shares of the open-end investment company;
7. data about the expenses of the Company under Art.10, para 1, item 24;
8. licenses issued by the Commission during the period under review pursuant of Art.196, para 3 or 201, para 2 of POSA;
9. annual financial statement certified by a certified public accountant or a specialized audit company with the content under Art.40, para 1 and consistent with requirements under Art.41 of AA, as well as an extended audit report.

(3) The investment company shall submit to the Commission the semiannual report within 30 days of ending the first half of the fiscal year.

(4) The semiannual report shall contain the following information on the first half of the fiscal year:

1. data under Art.10, para 1, item 1, b. (a) and (b), (k)-(u), items 15-16, items 19-23, if changes have occurred in these data during the period under review;
2. data under para 2, items 2-8;
3. financial statement with content pursuant of Art.40, para 1 and in compliance with requirements pursuant of Art.41 of AA.

(5) The investment company shall submit to the Commission a quarterly report by the 15th of the month in which the new quarter starts.

(6) the quarterly report shall comprise:

1. data under Art.10, para 1, item 15 on issues realized during the period under review;
2. data under para 2, items 2-8;

3. financial statement with content under Art.40, para 1 and in compliance with requirements pursuant of Art.41 of AA.

(7) The investment company shall submit to the Commission a monthly report by the 10th of the month following the one in question.

(8) The monthly report shall contain the following information:

1. monthly balance sheet;
2. data under para 2, items 4-8.

(9) The investment company shall publish an announcement in a national daily under Art.10, para 1, item 1, b. (t) on submitting the annual, semiannual and quarterly statement, as well as on the location, time and presentation method for them within seven days of the submission of the report to the Commission. The announcement under sentence one shall be published in the official newsletter of the Commission.

Art.12. (1) The investment company shall notify the Commission about:

1. changes in the membership of the Executive and Control bodies;
2. changes of the persons authorized to manage and represent the investment company, including non-members of the boards, and changes in the representation mode.
3. opening and closure of branch offices;
4. changes of the person entitled to provide investment advice to the closed-end investment company in the cases pursuant of Art.168, para 5 of POSA.
5. change of investment brokers, authorized by the management body of the investment company to implement investment decisions and instructions , issued by the managing company;
6. decisions by the General Meeting relative to the type and size of the dividend, similarly relative to the terms and procedures for its payment;
7. temporary suspension or extension of the temporary suspension of the redeeming, respectively resumption of the redeeming of the shares of the open-end investment company;
8. acceptance or refusal to accept the shares of the closed-end investment company to be traded on the regulated securities market, as well as changes on the regulated market;
9. change in the national dailies under Art.10, para 1, item 1, b. (t);
10. change of the certified public accountant or the specialized audit company;
11. information about initiated proceedings under Art.10, para 1, item 16, similarly about the outcome of such proceedings;
12. striking off of the company;
13. change and/or amendment to other documents and data that has served as grounds to issue the license to operate as an investment company;
14. any other change in the data that, by virtue of its impact on the assets and liabilities of the investment company or the financial condition as whole, or on the general direction of its operations, may substantially affect the value of company shares;

15. occurrence of other circumstances, subject to entry in the Commission register pursuant of a separate regulation, as well as any changes in those circumstances.

(2) The obligation under para 1 shall be fulfilled within 7 days from:

1. the adoption of the decision by the competent bodies - under items 1, 2, 4, 5, 6, 7, 9 and 10;
2. entry in the commercial register - under items 3 and 12;
3. acknowledgment of the circumstance - under items 8, 11, 13;
4. adoption of the decision by the competent body, and when the circumstance is subject to entry in the commercial register - from the entry, respectively from the moment of acknowledgment of the emergence or change in the circumstance - under items 14 and 15;

(3) The Commission shall have the right to draft sample forms for the fulfillment of the notification obligations under the provision of the current regulation.

(4) The notification obligation may be performed by electronic mail and the dispatch of a message in a format set by the Commission.

(5) The Commission shall disclose the information it receives under para 1.

Art.13 In the event that the shares of the issuer are traded on the regulated market, the company shall present information under Art.11 and Art.12 to the regulated market as well within the set deadlines.

Section IV

PROSPECTUS FOR PRIMARY PUBLIC OFFERING OF BONDS AND INFORMATION DISCLOSURE BY THE BOND ISSUERS

Art.14 The prospectus for the primary public offering of bonds shall contain the data under Art.6, with the exception of items 5, 10, 11 and 15, similarly the following data at the minimum:

1. about the bond issue, subject to the public offering, inclusive of:
 - a) number and date of the decision of the General Meeting of shareholders to declare the loan, pursuant of Art.204, para 3 of the Commercial Code;
 - b) number and date of the decision of the General Meeting of shareholders who hold preference shares pursuant of Art.182, para 5 of the Commercial Code;
 - c) number and date of the decision of the General Meeting of bondholders of the company pursuant of Art.207 of the Commercial Code if the bonds carry preferential payment rights;
 - d) size of the bond loan and admissible variance within which the loan shall be considered concluded, correlation between the size of the bond issue loan and the raised issuer capital, as well as between the size of the current issue and all earlier outstanding issues and the raised capital;
 - e) number, nominal and issue value, methods of calculation of the issue value, as well as the fixed selling price of the shares at underwriting;
 - f) type, bond classes and attendant rights and privileges, as well as specifying that all bonds from the current issuance entitle to equal dividend right;

- g) minimum and maximum number of bonds that may be registered or purchased at underwriting by one person;
- h) rights of the holders of preference shares compared to bonds, if any;
- i) rights of the bondholders with regard to the holders of other issuer securities or in regard to creditors, if envisioned;
- j) subordination of the bond issue loan, including other liabilities ensuing from earlier bond issue loans of the issuer;
- k) if collateralization of the bond issue loan has been envisaged - name, middle name, patronymic, PIN, current and permanent address respectively name, seat, management address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number of the person granting the collateral; type and size of the collateral; ways to satisfy creditors claims; information whether the issuer and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA.
- l) if insurance of the bond issue has been envisaged - name, seat, management address, purpose, number and batch number of entry in the commercial register, BULSTAT code, tax number of the insurer, number and date of the insurance license issued by the National Insurance Council, number of the insurance policy, risk coverage and premium payment procedures in case an insurance event occurs;
- m) precedence of shareholders to subscribe for bonds that may be converted to shares, pursuant of Art.215, para 1, third sentence of the Commercial Code and precedence of the bondholders of earlier issues, if any;
- n) terms for bonds subscription by issuer shareholders, members of the management bodies or related parties and similarly other constraints in regard to the scope of participants in the subscription, if envisioned;
- o) location, beginning and ending date for the subscription or the sale at issue underwriting;
- p) terms and procedures for bond subscription and payment, inclusive of the name, seat and management address of the bank where a special account has been set up to deposit the amounts.
- q) procedures to be applied if all the bonds in the issue are subscribed prior to the subscription deadline; procedures applied if within the deadline bonds in the issue have been undersubscribed; procedures applied if within the deadline bonds in the issue have been oversubscribed; procedures to satisfy orders in the event of competition among them;
- r) term and ways to recover paid-in amounts and accrued interest pursuant of Art.206, para 5 of the Commercial Code;
- s) terms, procedures and term to obtain certification documents for paid-in capital, as well as the certificates for the bonds issued through the investment intermediary which holds the clients' sub-accounts for the bonds;
- t) bond transfer procedures;
- u) method, procedures and term to convert bonds into shares, including value under Art.215, para 4 of the Commercial Code , number and date of the

decision of the General Meeting of bondholders following the conversion of bonds into shares, the proportion of the new shares in the votes at the General Meeting and a statement on the size of state participation in the issuer capital;

- v) redemption procedures at the request of the issuer and/or the bondholder, payment terms and term, methods to calculate the price and the premium, if any, in the event of bond redemption;
- w) procedures and deadline on the repayment of bonds, as well as means to verify bonds payments;
- x) in the event of interest-bearing bonds - bond maturity date, bond loan repayment schedule, including grace period, if any, interest payments, computation methods and regularity of payments, and in the event of bonds with a different yield structure - yield formation methods and maturity on payments;
- y) persons liable to repay the loan;
- z) tax liability of investors under the current issue in accordance with the tax legislation.

2. location where the annual financial statements of the issuer over the past 3 years, the decision of the General Meeting announcing the loan and other information about the issuer of the issue shall be available to investors.

3. planned areas where the loan raised through the issue shall be used, as well as priorities if the entire issue is not placed.

4. estimated level and variance in the financial performance of the issuer as a result of the use of the loan raised through the issue.

5. estimated cash flows of the issuer for the term of the bond loan, inclusive of capital raised through the loan and payments thereof.

6. description of the credit, inflation, interest and liquidity risk relative to the bond loan.

7. existence of an issuer representative with regard to bondholders.

8. if envisaged - name, middle name, patronymic of the person who will monitor the regularity of fund use, as well as his rights and bondholder rights in the event of irregular use of funds.

9. disclosure methods of the statutory statements pursuant of Art.97, para 1 of POSA.

10. term and location to convene the first General Meeting of the bondholders pursuant of Art.208 of the Commercial Code.

11. conditions stipulated in the Articles of Association to hold general meetings of the bondholders and their representation on the general meeting of shareholders.

12. remuneration of the representatives of the bondholders pursuant of Art.213 of the Commercial Code.

13. information guaranteeing that the yield of the bonds does not depend on the financial results of the issuer, as well as that the bondholders do not participate in the distribution of the earnings of the issuer.

(2) When more than one bond issue is planned in the same class within a year, the prospectus for the primary public offering shall cite the total amount of the proposed loan. The prospectus may forego the data pertinent to:

1. para 1, item 1, b. (d) - relative to the issuance value and the selling price, as well as (g), (o) and (p) relative to the bank;
2. Art. 6, para 1, item 12 and 13, (a) and (b);

(3) If some of the data under the preceding paragraph are not contained in the prospectus prior to the publication of the announcement of the public offering under Art.32, the issuer or the investment broker shall submit to the Commission an annex to the prospectus, comprising that data for every single issue. The annex to the prospectus shall explicitly state that data contained therein pertain to the single issue.

Art.15 (1) The issuer of the bonds shall be obligated to submit to the Commission:

1. the annual statement with the content and term pursuant of Art.7, paras 1 and 2, as well as information about redeemed bonds;
2. the semiannual statement with the content and term pursuant of Art.7, paras 3 and 4;
3. the quarterly statements by the 15th of the month in which the new quarter begins.

(2) The quarterly statement under para 1, item 3 shall contain:

1. statement on the use of loan funds;
2. quarterly profit and loss statements and cash flow statements of the issuer.

(3) The bond issuer shall publish an announcement in one national daily of the publication of the annual, the semiannual and the quarterly statements, as well as about the location, time and disclosure method within seven days of the submission of the statement to the Commission. The announcement under sentence one shall also be published in the official newsletter of the Commission.

(4) Art.8 and Art.9 respectively shall be applicable to the issuer of bonds.

Section V

PROSPECTUS FOR PRIMARY PUBLIC OFFERING OF MUNICIPAL BONDS AND INFORMATION DISCLOSURE BY THE ISSUERS OF MUNICIPAL BONDS

Art.16 (1) The prospectus for a primary public offering of municipal bonds shall contain the following data at the minimum:

1. about the municipality;
 - a. name and address where the municipal administration is located;
 - b. unified classification code for administrative and territorial units (EKATTE);
 - c. BULSTAT code and tax number;
 - d. size and structure of the borrowed capital;
 - e. with regard to municipal companies with municipal property or participation - name, seat, management address, number and batch number

- of entry in the commercial register, BULSTAT code, tax number, size of capital, size of municipal participation in the capital;
 - f. with regard to municipal enterprises - name and address, date of the municipal council decision on their incorporation, main areas of activity and size of the capital granted by the municipality;
 - g. enforced administrative and territorial changes over the preceding three years, if any.
2. data about the financial condition of the municipality over the past 3 years, preceding the year of issue of the prospectus, and if 3 years have not elapsed - respectively about the period preceding the publication of the prospectus, inclusive of:
- a. volume and structure of the state revenues with step-in rights, targeted and general subsidies and subventions, interest-free loans from the national budget;
 - b. volume and structure of own revenues – local taxes and fees, sale of municipal property and other revenues in the off-budget accounts and funds;
 - c. volume and structure of effected current and capital expenditures and sources of finance for both;
 - d. size of the planned and actual budget deficit, including methods used to finance it, if any;
 - e. analysis of the performance of planned revenues and expenses in the budget;
 - f. municipal receivables and payables - size and date of occurrence;
 - g. municipal asset structure.
3. information and prospects for the current fiscal year, presenting the data under the preceding item and likewise:
- a. data about the financial condition of the municipality as at the time of drafting of the prospectus;
 - b. data about anticipated revenue and expense performance of the current year budget.
4. description of the key risks, relative to the financial condition of the municipality.
5. data about every earlier bond issues, inclusive of:
- a. number of earlier issues;
 - b. number of confirmation of the prospectus by the Commission, if the issue has been subject to public offering;
 - c. size of the issue, number and nominal value of the bonds, rights and ensuing privileges;
 - d. data whether the issue had been subject to an underwriting contract under Art.5, item 2 of POSA and within what volumes;
 - e. data about partial or full payment on principal, outstanding interest, respectively other proceeds or their derivatives, their format and size, and in the event of default on payment - the reasons for that;

f. data about the regulated markets where the issues are traded or were traded, including minimum, maximum and weighted average price, securities volume traded over the past year.

6. if the municipality has pledged collateral against its debt or to the benefit of third parties - type and size of the collateral; description of the collateralized liability; ways to satisfy creditor claims; information whether the municipality and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA

7. if collateralization of municipal debt by third parties has been envisaged - name, middle name, patronymic, PIN, current and permanent address respectively name, seat, management address, number and batch number of entry in the commercial register, BULSTAT code, tax number of the person granting the collateral; type and size of the collateral; description of the collateralized liability; ways to satisfy creditor claims; information whether the municipality and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA.

8. information about pending court and arbitration proceedings, to which the municipality is party, if suchlike had or have a material impact on its operations.

9. data about the bonds, subject to a primary public offering, inclusive of:

a) number and date of the decision by the municipal council to declare the loan;

b) size of the bond issue loan and admissible variance within which the loan shall be considered concluded, correlation between the size of the bond issue loan and the committed capital, as well as between the size of the current issue and all earlier outstanding municipal bond issues and the committed capital;

c) number, nominal and issue value, respectively selling price at underwriting;

d) type, bond classes and attendant rights and privileges, minimum and maximum number of bonds that may be registered or purchased at underwriting by one person;

e) rights of the bondholders with regard to other municipal creditors, if so envisioned;

f) subordination of the bond issue loan, including other liabilities ensuing from earlier bond issues of the municipality;

g) if collateralization of the bond issue loan by the municipality or other parties has been envisaged - type and size of the collateral; ways to satisfy creditor claims; information whether the issuer and the person, beneficiary of the collateral, constitute related parties under #1, item 11 of the Additional Provisions of the POSA.

h) if insurance of the bond issue has been envisaged - name, seat, management address, number and batch number of entry in the commercial register, BULSTAT code, tax number of the insurer, number and date of the insurance license issued by the National Insurance Council, number of the insurance policy, risk coverage and premium payment procedures in case an insurance event occurs;

- i) terms for bonds subscription by designated persons or other constraints in regard to the scope of participants in the subscription, if envisioned;
- j) location, beginning and ending date for the subscription or the sale at issue underwriting;
- k) terms and procedures for bond subscription and payment, inclusive of the name, seat and management address of the bank where a special account has been set up to deposit the amounts.
- l) procedures to be applied if all the bonds in the issue are subscribed prior to the subscription deadline; procedures applied if within the deadline bonds in the issue have been undersubscribed; procedures applied if within the deadline bonds in the issue have been oversubscribed; procedures to satisfy orders in the event of competition among them;
- m) term and ways to recover paid-in amounts and outstanding interest in the event of a failed subscription;
- n) terms, procedures and term to obtain certification documents of payments and issued bonds;
- o) bond transfer procedures;
- p) redemption procedures at the request of the municipality and/or the bondholder, payment terms and term, methods to calculate the price and the premium, if any, in the event of bond redemption;
- q) procedures and deadline on the repayment of bonds, as well as means to verify bond issue loan payments;
- r) in the event of interest-bearing bonds - bond maturity date, bond loan repayment schedule, including grace period, if any, interest payments, computation methods and regularity of payments, and in the event of bonds with a different yield structure - yield formation methods and maturity on payments;
- s) persons liable to repay the loan;
- t) tax liability of investors under the current issue in accordance with the tax legislation.

10. location where the annual financial statements on municipal budget performance over the past 3 years, the decision by the Municipal Council announcing the loan and other information about the municipality shall be available to investors.

11. planned areas where the loan raised through the issue shall be used, including area priorities if the entire issue is not placed.

12. estimated cash flows of the municipality for the term of the bond loan, inclusive of capital raised through the loan and payments thereof.

13. description of the credit, inflation, interest and liquidity risk relative to the bond loan.

14. data about the investment broker, authorized to float the bonds for subscription, respectively about the investment broker-underwriter of the issue who will pledge to subscribe the bonds unsubscribed by the investors within the deadline, inclusive of:

- a) name, seat, management address, telephone (fax) and e-mail address, if available;

- b) number and date of the license to operate as an investment broker, issued by the Commission, respectively for banks - number and date of the license, issued by the Central Bank of Bulgaria and number and date of entry in the Commission register;
- c) size of capital;
- d) representation mode and name, middle name and patronymic, PIN, current and permanent address of the person authorized with representative powers;
- e) authorization or underwriting terms, rights and obligations related to organizing, conducting and closing of the subscription or sale.

15. information about municipal costs connected with the current issue, inclusive of writing and endorsement of the prospectus, conducting the subscription and remuneration for the investment broker under item 15 and average costs, proportionate to one bond from the issue.

16. information about the joint liability of the municipality and the investment broker under item 14 for damages sustained because of false, misleading or incomplete data in the prospectus.

17. availability of a municipal representative vis-__-vis bondholders.

18. if stipulated - name, middle name, patronymic of a person, accordingly of the members of the selected committee that will monitor the regularity in the use of funds and the rights of the person/the committee, as well as the rights of the bondholders in the event of irregular use of funds;

19. disclosure methods for the mandatory statements under Art.97, para 1 of POSA.

20. a statement by the Mayor and the person acting on behalf of the investment broker under item 14 that the prospectus complies with legal requirements.

21. copies of the annual statements on municipal budget performance certified by the National Audit Office for the past 3 fiscal years.

22. summarized information about the cash performance of income and expenses under the budget and off-budget accounts and funds for the last three years in a standard form set by the Commission.

23. signatures by the persons under item 20.

(2) When more than one municipal bond issue is planned in the same class within a year, the prospectus for the primary public offering shall cite the total amount of the requested loan. The prospectus may forego the data pertinent to:

- 1. para 1, item 9, (c) relative to the issue value and selling price, (d) relative to the minimum and maximum number of bonds that can be subscribed or purchased at underwriting by one person, (j) and (k) relative to the bank;
- 2. para 1, item 14 and 15.

(3) If some of the data under the preceding paragraph are not contained in the prospectus prior to the publication of the announcement of the public offering under Art.32, the issuer or the investment broker shall submit to the Commission an annex to the prospectus, comprising that data for every single issue. The annex to the prospectus shall explicitly state that data contained therein pertain to the single issue.

Art.17 (1) The issuer of municipal bonds shall be obligated to submit to the Commission an annual statement on the municipal budget performance within 90 days of fiscal year closure.

(2) The annual statement shall contain the following information:

1. data under Art.16, para1, items 1 and 2;
2. information and prospects with regard to the activities of the municipality during the ongoing fiscal year;
3. data under Art.16, para 1, items 5, (e) and (f);
4. data under Art.16, para 1, items 7 and 8.
5. annual financial statement under Art.40, para 1 and consistent with requirements under Art 41 of AA, certified by the National Audit Office.

(3) The issuer of municipal bonds shall be obligated to submit a semiannual statement to the Commission within 30 days of the end of the first half of the fiscal year.

(4) The semiannual statement shall contain the information under Art.16, para 1, items 1 and 2, as well as a semiannual statement on the cash performance of revenues and expenses by budget and off-budget accounts and funds in a standard form set by the Commission.

(5) The issuer of municipal bonds shall be obligated to submit to the Commission quarterly statements by the 15th of the month in which the new quarter begins.

(6) The quarterly statement shall contain:

1. statement on the use of loan funds;
2. quarterly statement on the cash performance of revenues and expenses by budget and off-budget accounts and funds in a standard form set by the Commission.

Art.18. The issuer of municipal bonds shall publish an announcement in one national daily of the publication of the annual, the semiannual and the quarterly statements, as well as about the location, time and disclosure method within seven days of the submission of the statement to the Commission. The announcement under sentence one shall also be published in the official newsletter of the Commission.

Art.19. (1) The issuer of municipal bonds shall notify the Commission of all changes in the financial condition of the issuer that affect or may affect directly or indirectly the value of the issued bonds, inclusive of:

1. new bond issue;
2. debt repayment on bond issue loan;
3. emergence of new sources of revenue for the issuer or reduction in such, that may lead to a decrease or an increase by 10 per cent and more of the revenue or expense side of the budget;
4. changes in the collateral of the bond loan;
5. adoption of the municipal budget;
6. findings of the National Audit Office on municipal budget performance;

(2) The obligation pursuant of para 1 shall be fulfilled by the issuer within 7 days of the adoption of the decision or acknowledgment of the circumstance.

(3) Art.8, paras 3,4 and 5 shall apply accordingly.

Art.20 In the event that municipal bonds are traded on the regulated market, the issuer shall notify and present information under Art.17 and Art.19 to the regulated market within the set deadlines.

Section VI
PROSPECTUS FOR SECONDARY PUBLIC OFFERING OF SECURITIES ON
THE OFFICIAL STOCK EXCHANGE MARKET AND INFORMATION
DISCLOSURE

Art.21. The prospectus for a secondary public offering on the organized stock exchange marketplace for securities that have not been issued a prospectus for a primary public offering shall contain the following data at the minimum:

1. about shares - under Art.6, para 1, items 1-9 with the exception of item 5, item 17;
2. about bonds - under Art.6, para 1, items 1-9 with the exception of item 5, item 17, Art.14, para 1, items 6-12;
3. about municipal bonds - under Art.6, para 1, items 1-8, items 17-19, 21 and 22, as well as the following data about the current issue:
 - a) number of issuer issues and type of offered securities;
 - b) size of the issue, number, nominal value and ISN code of the securities;
 - c) securities opening price;
 - d) securities classes and ensuing rights, including special rights and privileges, if such are envisioned;
 - e) information whether other securities issues by the issuer are traded on the organized stock exchange marketplace;
 - f) data about the investment broker, empowered by the issuer to realize the secondary public offering, including name, seat, management address, telephone (fax) and e-mail address, if available; number and date of the license to operate as an investment broker, issued by the Commission, and likewise in regard to banks - number and date of the license issued by the Central Bank of Bulgaria, likewise number and date of entry in the Commission register;
 - g) information about the joint liability of the issuer and the authorized investment broker for damages sustained because of false, misleading or incomplete information in the prospectus;
 - h) statement by the issuer or the authorized investment broker to the effect that the prospectus complies with legal requirements;
 - i) signatures of the issuer and the authorized investment broker.

Art.22. The issuer who has an endorsed prospectus for a secondary public offering of securities shall be obligated to disclose information, as follows:

1. about shares - under Art.7 and Art.8;
2. about bonds - under Art.15;
3. about municipal bonds - under Art.17-19.

Art.23. (1) The issuer whose securities have not been subject to a primary public offering and are traded over the counter shall submit to the Commission an annual statement with the content and deadlines, as follows:

1. about shares - Art.7, paras 1 and 2;
2. about bonds - Art.15, para 1, item 1;
3. about municipal bonds - Art.17, paras 1 and 2.

(2) The issuer under para 1 shall submit to the Commission a semiannual statement with the content and deadlines, as follows:

1. about shares - data about the issuer under Art.6, para 1, item 1, b. (a) and (d) and a financial statement for the ended financial half-year with the content under Art.40, para 1 of AA.
2. about bonds - Art.15, paras 1 and 2;
3. about municipal bonds - Art.17, paras 3 and 4.

(3) The issuer of bonds that have not been subject to a primary public offering and are traded over the counter, shall submit to the Commission a quarterly statement with the content and within the deadlines under Art.15, para 1, item 3 and para 2, respectively Art.17, paras 5 and 6.

(4) The issuer pursuant of the preceding paragraphs shall publish an announcement in one national daily of the publication of the annual, the semiannual and the quarterly statement, as well as about the location, time and disclosure method within seven days of the submission of the statement to the Commission. The announcement under sentence one shall also be published in the official newsletter of the Commission.

Art.24 (1) The issuer whose securities have not been subject to a primary public offering and are traded over the counter shall be obligated to notify the Commission about:

1. changes and/or amendments to the statutes;
2. changes in the membership of the executive and control bodies and the representation mode, inclusive of personal changes regarding persons appointed to govern and represent the issuer without being board members;
3. initiated insolvency proceedings;
4. adoption of a decision to transform or wind up the company;
5. initiation of liquidation proceeding;
6. all changes in the business activities that affect or may directly or indirectly affect the value of issued shares, inclusive of:
 - a) contracts concluded or terminated, to which the issuer or a person controlled by them is party, as a result of which asset acquisition, alienation or granting of use by third parties is effected, amounting to 20 or more per cent of the book value of the Company assets;
 - b) concluded or terminated contracts to which the issuer or a person controlled by them is party, amounting to 10 or more per cent of the book value of the Company assets;
 - c) loss by the issuer or a person controlled by them, as a result of chance occurrences, of assets amounting to 10 or more per cent of the book value of the Company assets;
 - d) acquisition of an enterprise;

- e) conclusion by the issuer of one or more transactions with related parties if the value of these transactions (single or total value of the concluded transactions over the past 6 months) is in excess of 5 or more per cent of the book value of the assets of the Company;
 - f) loss of clients who account for 20 or more per cent of the sales revenues of the Company or establishment of relations with new suchlike clients;
 - g) changes in the size of the receivables and payables of the issuer that exceed 10 or more per cent of the assets or liabilities of the Company by book value;
 - h) new securities issues;
 - (i) other circumstances at issuer discretion.
- (2) The issuers of municipal bonds that have not been subject to a primary public offering and are traded over-the-counter shall be obligated to notify the Commission about:
- 1. new bonds issue;
 - 2. debt repayment on the bond issue loan;
 - 3. emergence of new sources of revenue for the issuer or a reduction in such that may lead to an increase or a decrease by 10 per cent or more of the revenue or expense side of the budget;
 - 4. change in the bond issue loan collateral;
 - 5. adoption of the municipal budget;
 - 6. findings of the National Audit Office on the municipal budget performance report.
- (3) The obligation under paras 1 and 2 shall be fulfilled by the issuer within 7 days of adoption of the decision or acknowledgment of the circumstance.
- (4) Article 8, paras 3, 4, and 5 shall apply accordingly.

Chapter Three

PROCEDURES REGULATING THE ISSUE OR REJECTION TO ISSUE ENDORSEMENT OF A PROSPECTUS

Art.25. (1) The founders of a joint-stock company or the investment broker under Art.5, item 5 shall submit to the Commission an application for endorsement of a prospectus in accordance with a Commission-approved sample form, enclosing:

- 1. the prospectus.
- 2. documents about the founders -legal entities, including;
 - a) a verified copy of the decision for registration in the court register, a statement on the current court registration, a certificate of registration pursuant of BULSTAT and certificate for tax registration.
 - b) a verified copy of the Articles of Association, the statutes or other statutory document of the legal entity;
 - c) decision by the competent body as envisioned in the statutes for participation in the incorporation of the company.
- 3. draft contract with the investment broker under Art.5, para 5.

4. a bank document, certifying payment of the required fee, pursuant of the Tariff on fees collected by the Commission.
- (2) The issuer or the investment broker under Art.6, para 1, item 12 shall submit to the Commission an application for endorsement of the prospectus in accordance with a sample form approved by the Commission, enclosing:
 1. the prospectus.
 2. documents about the issuer, inclusive of:
 - a) a verified copy of the decision for registration in the court register, a statement on the current court registration, a certificate of registration pursuant of BULSTAT and a certificate for tax registration.
 - b) a verified copy of the Articles of Association;
 - c) decision by the competent body, as envisioned in the statutes, for the public offering of securities.
 3. draft contract with the investment broker under Art.6, para 1, item 12.
 4. documents certifying the granting by third parties of collateral to cover issuer debt, accordingly collateral granted by the issuer to cover their own or another's debt.
 5. in the event of a public offering of shares - documents that certify the availability of possible written agreements to exercise voting rights, if such are known to the issuer.
 6. in the event of a public offering of bonds or other debt instruments - documents that certify the issue insurance.
 7. a bank document that certifies the payment of the required fee, pursuant of the Tariff on fees collected by the Commission.
 - (3) The investment company, the managing company under Art.10, para 1, item 19 or the investment broker under Art.10, para 1, item 22 shall submit to the Commission an application for prospectus endorsement in accordance with a sample form approved by the Commission, enclosing:
 1. the prospectus.
 2. documents about the investment company, inclusive of:
 - a) a verified copy of the decision for registration in the court register, a statement on the current court registration, a certificate of registration pursuant of BULSTAT and certificate for tax registration.
 - b) a verified copy of the company statutes;
 - c) decision by the competent body, as envisioned in the statutes, for the public offering of securities.
 3. draft contract with the managing company under Art.10, para 1, item 19 or the person under Art.10, para 1, item 20.
 4. draft contract with the investment brokers under Art.10, para 1, items 21 and 22;
 5. draft contract with the bank depository;
 6. documents certifying the granting by third parties of collateral to cover investment company debt.
 7. bank document certifying the payment of the required fee pursuant of the Tariff on fees collected by the Commission.

(4) Besides the documents under para 3 the application for endorsement of the prospectus for public offering in the country of shares of a foreign investment company should be accompanied by:

1. verified copy of the registration certificate of the foreign investment company with up-to-date data about the seat, management address, scope of activity, size of capital, management structure and the names of the persons who represent or manage the company;
2. verified copy of the license for a investment company issued by the securities regulative body in the country where the investment company is registered;
3. written statement by the securities regulative body in the country where the investment company is registered certifying that the investment company's activities are under supervision in its own country;
4. written statement by the securities regulative body in the country where the investment company is registered certifying that the Commission will be promptly informed about:
 - a) supervisory measures, other sanctions and constraints on the activity of the foreign investment company;
 - b) changes in the supervision and other requirements, which might substantively affect the activity of the foreign investment company;
 - c) written statement about a sudden insolvency or exceeding indebtedness of the foreign investment company, as well as about divestment of the license for investment company or other equivalent measure by the securities regulator in the country where the investment company is registered;
 - d) information about other events that might seriously endanger local investors in the foreign investment company;
 - e) commitment to concert with the local securities regulator and supervisory body with regard to investigations in the foreign investment company's activities in the country, as well as commitment for providing information at the request of the Commission;
5. written declaration by the management body of the foreign investment company that the company will submit to the Commission its annual financial reports.

(5) In the event of a municipal bond issue, the municipality or the investment broker under Art.16, para 1, item 15 shall submit to the Commission an application for prospectus endorsement in accordance with a sample form approved by the Commission, enclosing:

1. the prospectus.
2. the decision by the municipal council on the public offering of bonds;
3. declaration by the mayor that the Ministry of Finance is informed about the bond issue, subject to public offering.
4. draft contract with the investment broker under Art.16, para 1, item 14.
5. documents certifying the granting by third parties of collateral to cover municipal debt or issue insurance, accordingly collateral granted by the municipality to cover their own or another's debt.
6. bank document certifying the payment of the required fee pursuant of the

Tariff on fees collected by the Commission.

(6) The applications pursuant of the preceding paragraph may be used to request Commission prospectus endorsement without some of the data envisioned in the regulation. In those instances, the applications shall carry attachments that justify why the inclusion of that data in the prospectus may cause damages to the persons executing the public offering of securities, as well as why the absence of that data will not mislead the investor with regard to the economic and financial condition of the issuer and the securities-related rights.

(7) The applications pursuant of the preceding paragraph may be used to request Commission prospectus endorsement by seconding partial publication. In those instances, the applications shall enclose proof of compliance with the conditions under Art.88, para 1, items 1 and 2 or Art.88, para 2, item 1 of POSA.

Art.26. (1) In the event of a secondary public offering on the organized marketplace for stock and bonds that have not been issued prospectuses for primary public offering, the issuer or the authorized investment broker shall submit to the Commission an application for endorsement of the prospectus in accordance with a sample form approved by the Commission, enclosing:

1. the prospectus.
2. documents about the issuer, inclusive of:
 - a) a verified copy of the decision for registration in the court register, a statement on the current court registration, a certificate of registration pursuant of BULSTAT and certificate for tax registration.
 - b) a verified copy of the company statutes;
 - c) decision by the competent body, as envisioned in the statutes, for the public offering of securities.
3. bank document certifying the payment of the required fee pursuant of the Tariff on fees collected by the Commission.

(2) In the event of a secondary public offering on the organized stock market of municipal bonds that have not been issued prospectuses for primary public offering, the issuer or the authorized investment broker shall submit to the Commission an application for endorsement of the prospectus in accordance with a sample form approved by the Commission, enclosing:

1. the prospectus.
2. the decision by the municipal council on the public offering of bonds;
3. declaration by the mayor that the Ministry of Finance is informed about the bond issue, subject to public offering.
4. bank document certifying the payment of the required fee pursuant of the Tariff on fees collected by the Commission.

(3) In the instances pursuant of the above paragraphs the provisions of Art.25, paras 5 and 6 shall also apply.

Art.27. Persons who want to conduct primary or secondary public offering of securities without publishing a prospectus, with the exception of cases under Art.79 of POSA, shall submit an application for full exemption from the obligation to publish a prospectus in accordance with a sample form approved by the Commission, enclosing:

1. proof of compliance with the conditions under Art.88, para1, items 1 and 2 or Art.88, para 2, item 1 of POSA;
2. the relevant documents under Art.25, para2, items 2-7, Art.25, para 3, items 2-7, and for a foreign investment company – also under para 4 or Art.25, para 5, items 2-6.

Art.28. (1) The application for the issuing of a written endorsement of the prospectus for a public offering of securities and the standard forms for notification under the current regulation, shall be filled out in the Bulgarian language.

(2) The documents that are requested under the procedures of the current regulation and are published in a foreign language must have attachment of an official (authenticated) translation in the Bulgarian language. In the event of disparity in texts the data in the Bulgarian translation shall be accepted as true.

Art.29. (1) The Commission, on the basis of submitted documents, shall establish the extent of compliance with the requirements for the issue of the requested endorsement.

(2) If the submitted data and documents are incomplete or irregular or additional information is needed or proof of the authenticity of the data, the Commission shall send notice of the established omissions and discrepancies or of the requested additional information and documents. If no address for correspondence is cited or the cited address is incorrect, the notice shall be placed at an expressly designated location in the Commission building.

Art.30. The Commission shall rule on the application for endorsement of the prospectus for public offering of securities pursuant of procedures under Art.91 and 92 of POSA.

(2) The Commission shall issue endorsement of prospectuses for public offering of securities that do not feature all data envisioned under this regulation, when that has been requested in the application and the Commission decides that all grounds pursuant of Art.87 of POSA exist.

(3) When the prospectus envisions putting out more than one security issue in the same class, the Commission may send notice under Art.91 of POSA on established omissions and discrepancies in the annexes to the prospectus, as well as on other requested information or proof of the authenticity of data in the annexes.

(4) The Commission shall ban the publication of an announcement of a public offering of securities of a single issue if the grounds under Art.92 of POSA pertinent to the respective annex to the prospectus are extant.

(5) The Commission shall rule on the application for full exemption from the obligation to publish a prospectus for a public offering of securities under the terms and procedures of Art.88 of POSA.

Art.31. (1) If in the period between the submission of the application for endorsement of the prospectus and the decision of the Commission changes occur, that necessitate amendments in the prospectus, the issuer, the investment broker under Art.78, para 1 or the managing company that manages the operations of the investment company shall be obligated, within 3 business days of the occurrence, respectively the acknowledgment of the changes, to notify the Commission of these changes and to introduce the relevant amendments to the prospectus.

(2) If in the period between the endorsement of the prospectus and the deadline of the subscription or the sale changes occur, that necessitate amendments in the prospectus, the issuer, the investment broker under Art.78, para 1 or the managing company that manages the operations of the investment company shall be obligated by the end of the next business day after the occurrence, respectively the acknowledgment of the changes that necessitate amendments to the prospectus, to introduce the necessary amendments in the prospectus and to notify thereof the Commission and the regulated market where the securities of the issuer are traded. The issuer, the investment broker or the managing company shall be obligated to publish a notice of the amendments to the prospectus within 7 days and likewise grant the investors access to the updated prospectus with the changes introduced therein under the terms and procedures of Art.93 of POSA.

(3) When the prospectus envisions the issue of more than one security issue in the same class, if after the prospectus annex is submitted to the Commission changes occur relative to that particular issue, that necessitate amendments in the prospectus, the issuer, the investment broker under Art.78, para 1 shall be obligated, by the end of the next business day after the occurrence, respectively the acknowledgment of the changes, to notify the Commission of these changes and to introduce the relevant amendments to the annex.

(4) The provisions of para 2 shall apply with regard to a prospectus that envisions the putting out of more than one security issue in the same class and the annexes thereof.

Art.32. (1) Following the endorsement of the prospectus by the Commission, the founders, respectively the issuer or the investment broker under Art.78, para 1 of POSA shall publish an announcement about the public offering, containing the following data at the minimum:

1. beginning and ending date of the subscription or the sale at underwriting;
2. number and date of the endorsement issued by the Commission;
3. location, time and prospectus presentation;
4. size of the issue, type, number, nominal and issue value of the offered securities, respectively selling price at underwriting or opening price at organized stock market trading.
5. basic purpose and description of the activities, anticipated yield and risks relative to issuer activity;
6. number of the special account to deposit the amounts in cases of primary public offering of securities.

(2) In the case of an investment company the announcement under para 1 may be published by the managing company or the investment broker under Art.5, item3 or Art.78, para 1 of POSA.

(3) The announcement under para 1 shall be published in two national dailies, respectively for an investment company - in the national daily under Art.10, para 1, item 1,b. (u) at least 7 days prior to the beginning of the subscription or the sale.

(4) When the prospectus envisions the putting out of more than one security issue in the same class, the issuer or the investment broker shall publish an announcement of the public offering of the single securities issue in accordance with the preceding paragraphs, if within 7 business days from the submission of the

prospectus annex, the Commission does not send a notice under Art.30, para 3 or does not issue a ban under Art.30, para 4. If additional data and documents have been requested, the announcement of a public offering may be published if within 7 business days from the submission the Commission does not issue a ban under Art.30, para 4.

Art.33. (1) The prospectuses and notice for public offering of securities must be graphically designed so as not to leave the impression of a disparate attitude to the different components in the content. The data about the size of the issue and the risks relative to issuer operations shall be written in larger font compared to the rest of the text.

(2) The title page of the prospectus shall feature:

1. name of the issuer, size of the issue, type, number, nominal and issue value of the offered securities, as well as the fixed price of the security for the term of sale at underwriting or the selling price at underwriting or opening price at organized stock market trading;
2. information that the Commission shall not be held liable for the authenticity of the data contained in the prospectus pursuant of Art.92, para 3 of POSA;
3. information that the endorsement of the prospectus by the Commission guarantees the availability of information about the issuer and the offered securities needed by investors for a proper assessment of the economic and financial condition of the issuer and the right ensuing from the securities, but the liability for incorrect, deceiving or incomplete information shall rest with the persons under Art. 81, para 3 of the Law on Public Offering of Securities;
4. information about the rights of investors under Art. 78, para 4 and Art. 85, para 3 of the Law on Public Offering of Securities;
5. number and date of prospectus endorsement by the Commission;
6. information that investment in securities from the offered issue entails certain risks, similarly citation of the part of the prospectus where these are reviewed in detail.
7. name of the investment broker, authorized to offer the securities for subscription, respectively the investment broker - underwriter of the issue.

(3) The transitional paragraphs shall accordingly apply to the prospectus that envisions the issuing of more than one security issue in the same class, where under para 3, item 4 should also be provided information about the rights of investors under Art. 86, para 3 of POSA.

(4) The title page of the prospectus of an open-ended investment company shall contain the data under para 2, as well as the date of the latest adjustment of the prospectus pursuant of Art.187, para 2 of POSA.

Art.34. (1) If some of the data in the required content of the prospectus happen to be inapplicable to a given issuer, they shall be replaced by the relevant information concerted with the Commission under the condition that the objectives under Art.81, para 1 of POSA shall be attained thereby.

(2) In the cases under para 1 the Commission may request of the issuer other information to attain the objectives under Art.81, para 1 of POSA.

Art.35. Within 7 business days from the endorsement of the prospectus the issuer or the investment broker under Art.78, para 1 of POSA, respectively the managing company, that manages investment company operations, shall be obligated to submit to the Commission the endorsed prospectus in soft copy.

Art.36. In the event of increasing the public company's capital through offering of shares solely to the its shareholders and/or to its employees without publishing a prospectus, the proposed decision pursuant of Art.112, para 5 of POSA, as well as the decision of the General Meeting on the increase of capital must contain information about:

1. the size of the capital offered for subscription and admissible variance;
2. number, nominal and issue value, as well as a fixed price of one share for the term of sale at underwriting;
3. type, class and rights therein, including special rights and preferences, if such have been envisioned;
4. minimum and maximum number of shares that may be subscribed, respectively acquired upon underwriting by one person;
5. location and address, beginning and ending date of the subscription, respectively the sale at underwriting the issue;
6. terms of payment of contributions, including the name, seat and management address of the bank under Art.89 of the POSA, where a special account has been opened to deposit the amounts, seat and address of the branch offices and number of account;
7. procedures to be applied if all shares in the issue have been subscribed prior to the deadline of the subscription; procedures to be applied if within the subscription deadline the issues have been undersubscribed; procedures to be applied if within the subscription deadline the issue shares have been oversubscribed;
8. procedures and term for the recovery of invested amounts jointly with the accrued by the bank interest under Art.89 of POSA in the event of a failed subscription or if the increase in capital is not registered in the trade register;
9. terms, procedures and term for obtaining the certification documents of the contributions, including the share certificates for the shares issued through the investment intermediary which holds the clients' sub-accounts for the shares;
10. share transfer procedures;
11. planned use of the subscribed capital;
12. information on and Company prospects for the current fiscal year.

(2) The date under para 1, items 11 and 12 may be published in summary pursuant of Art.115, para 2 of POSA, respectively be promulgated in the State Gazette. Full data under items 11 and 12 of the preceding paragraph shall be made available to the shareholders pursuant of Art.224 of the Commercial Code.

(3) The company may publish the invitation for the General Meeting if, within the 14-day term under Art. 112, para 6 of POSA, the company has not been informed by the Commission about the opening of a coercive administrative measure

proceedings pursuant of Art. 212, para 1 of POSA regarding the proposed increase of the capital.

Art.37. The provisions of chapters One and Two shall also apply respectively for the public offering of other rights related to shares, bonds or other debt securities and the investment contracts.

Chapter Four

ADMINISTRATIVE LIABILITY PROVISIONS

Art.38. (1) Persons who have violated this Ordinance, as well as persons who have allowed such violation, shall be punished in accordance with Art.221, para.1 of the POSA or Art.32, para.2 of the Administrative Violations and Penalties Act.

(2) Protocols for established violations shall be issued by officials authorized by the Chairman of the Commission, and penalty warrants shall be issued by the Chairman of the Commission.

(3) The establishment of violations, the issuing of, appeal against and enforcement of penalty warrants shall be performed in accordance with the Administrative Violations and Penalties Act.

ADDITIONAL PROVISION

§ 1. Under this Ordinance, “ISIN securities code” shall mean the identification code under Banking Unified Standard 8097 “Numbers of Securities Issues”.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. This Ordinance is issued pursuant to § 16, Para.1 in connection with Art.82, Para.1, item 2, Art.90, item 4, Art.93, Para.1 and 7, Art.94, Para.2, Art.95, Para.2, Art.97, Para.2 and Art.98, Para.1, item 6 of the POSA.

§ 3. Upon reaching full conformity between the BULSTAT register and the tax register, tax subject shall be individualized by means of the Unified Identification Code (UIC). The tax number must be used until full conformity is reached.

§ 4. The Commission shall issue directions on the enforcement hereof.