

# **LAW FOR THE MEASURES AGAINST FINANCING TERRORISM**

*Prom. SG. 16/18 Feb 2003, amend. SG. 31/4 Apr 2003, amend. SG. 19/1 Mar 2005, amend. SG. 59/21 July 2006*

Art. 1. This law determines the measures against financing terrorism, as well as the order and control of their implementation.

Art. 2. The objectives of this law are the prevention and disclosure of activities of individuals, corporate bodies, groups and organisations occupied in financing terrorism.

Art. 3. (1) The measures under this law shall be:

1. freezing cash resources, financial assets and other property;
2. prohibition of providing financial services, financial assets or other property.

(2) (amend. SG 19/05) The persons having implemented a measure under para 1 shall notify immediately the Minister of Interior, the Minister of Finance and the Commission for establishing of property, acquired from criminal activity.

(3) The freezing under para 1 shall have the effect of a distraint or interdiction.

Art. 4. The information necessary for implementation of the objectives of this law shall be gathered, processed, systematised, analysed, stored, used and submitted to the Ministry of Interior.

Art. 5. (1) On proposal of the Minister of Interior or of the Chief Prosecutor the Council of Ministers, by a decision, shall adopt, supplement and amend a list of the individuals, corporate bodies, groups and organisations regarding whom the measures of this law shall be applied.

(2) The list under para 1 shall include:

1. individuals, corporate bodies, groups and organisations pointed out by the Security Council of the United Nations Organisation, connected with terrorism or regarding whom have been imposed sanctions for terrorism by a resolution of the Security Council of the United Nations Organisation;

2. persons against whom prosecution has been instituted for terrorism, financing terrorism, formation, leading or membership in an organised criminal group whose objectives are terrorism or financing terrorism, preparations for terrorism, obvious instigation of terrorism or threat of terrorism in the context of the Penal Code.

(3) The list under para 1 may also include persons pointed out by the competent bodies of other country or of the European Union.

(4) The decision of the Council of Ministers under para 1 shall be promulgated in the State Gazette immediately after its adoption.

(5) The persons under para 2 and 3 may appeal the decision of the Council of Ministers, by which they have been included in the list under para 1, before the Supreme Administrative Court. The appeal shall not stop the fulfilment of the appealed act.

(6) When the grounds for including a person in the list under para 1 have been dropped the Minister of Interior or the Chief Prosecutor, at their initiative or on request of the interested persons, within 14 days from learning about the grounds for dropping, shall file a proposal in the Council of Ministers for deletion of this person from the list. The decision of the Council of Ministers which amends the list shall be promulgated by the order of para 4.

(7) Copy of the decision of the Supreme Administrative Court which grants the complaint under para 5 shall be sent to the Council of Ministers which shall immediately introduce the necessary amendments. The decision of the Council of Ministers amending the list shall be promulgated by the order of para 4.

(8) The investigators and the prosecutors shall immediately inform the Chief Prosecutor when they institute prosecution for terrorism, financing terrorism, formation, leading or membership in an organised criminal group having objectives of terrorism or financing terrorism, preparation for terrorism, obvious instigation of terrorism or threat of terrorism in the context of the Penal Code.

Art. 6. (1) Frozen shall be all monetary resources, financial assets and other property of the persons included in the list under art. 5, regardless of the owner of estate, as well as all monetary resources, financial assets and other property possessed or held by the persons included in the list under art. 5, with exception of the possessions and rights that cannot be subject to execution.

(2) The measure under para 1 shall also apply for the monetary resources, financial assets and other property acquired after the promulgation of the list under art. 5.

(3) The implementation of the measure under para 1 shall not stop the charging of interest and the acquisition of other civil benefits from the frozen monetary resources, financial assets and other property, where anything that is newly acquired shall be blocked/frozen.

(4) The Minister of Finance may permit payment or other administering activities with the frozen monetary resources, financial assets and other property when it is necessary for:

1. therapy or other pressing humanitarian needs of the person whose property has been frozen, or of a member of his family;

2. payment of liabilities to the state;

3. payment of labour remuneration;

4. obligatory public insurance;

5. meeting necessities of the individuals included in the list under art. 5 and of the members of their families.

(5) The permit under para 4 shall be issued for each individual case on the grounds of a motivated application of the interested person, and when it regards payment of liabilities to the state, also by initiative of the Minister of Finance. The Minister of Finance shall announce his decision within 48 hours from receipt of the application.

(6) The refusal of the Minister of Finance to give permit according to para 4 may be appealed before the Supreme Administrative Court.

Art. 7. (1) Prohibited shall be to individuals and corporate bodies to submit financial resources, financial assets or other property, as well as financial services to persons included in the list under art. 5, except by a permit issued under the conditions and by the order of art.

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(2) The prohibition under para 1 shall not regard common small transactions for satisfying the current needs of the individual included in the list under art. 5 or of the members of his family.

Art. 8. (1) (1) Prohibited shall be transactions with frozen monetary resources, financial assets and other property of persons included in the list under art. 5, as well as the transactions for submitting monetary resources, financial assets and other property to such persons.

(2) The granted by parties to a transaction, carried out in violation of para 1, shall be seized in favour of the state.

(3) The claim under para 2 shall be laid by the Minister of Finance at the location of the real estate or at the place of fulfilment of the transaction. If the place of fulfilment of the transaction is abroad the claim shall be laid in Sofia City Court.

(4) If the monetary resources, financial assets or other property, subject to seizing, are missing their equal value shall be adjudicated.

(5) The third conscientious persons claiming individual rights on frozen monetary resources, financial assets and other property, can lay their claims by an adversary order within six months from the promulgation in the State Gazette against the decision of the Council of Ministers for adoption, supplement or amendment of the list under art. 5.

Art. 9. (1) Everybody who knows that certain operations or transactions are directed to financing terrorism, shall be obliged to inform immediately the Minister of Interior.

(2) (amend. SG 31/03) When, during the fulfilment of the functions of the Financial Intelligence Agency a doubt occurs that certain operations or transactions are directed to financing terrorism, the director of the agency shall inform immediately the Minister of Interior.

(3) (amend. SG 31/03) The persons under art. 3, para 2 and 3 of the Law on Measures against Money Laundering shall be obliged, on occurrence of a doubt for financing terrorism, to inform the . In these cases the agency shall exercise its legal rights under art. 13, 17 and 22 of the Law on Measures against Money Laundering.

(4) the persons under art. 3. para 2 and 3 of the Law on Measures against Money Laundering shall include in their internal rules under art. 16, para 1 of the Law on Measures against Money Laundering criteria for distinguishing questionable operations, transactions and clients directed to financing terrorism.

(5) The disclosure of information under para 2 and 3 may not be restricted for considerations for classified information representing official secret, banking or commercial secret, and it shall not ensue responsibility for violation of other laws.

Art. 10. (1) The competent bodies, having obtained information in connection with the implementation of this law, shall retain the anonymity of the persons who have supplied it.

(2) The information gathered by the order of this law shall be used only for the purposes of the law or for counteracting the crime.

Art. 11. (1) In the cases under art. 9, para 1, 2 and 3 the Minister of Interior may issue

a written order for stopping an operation or transaction within three working days from the day following the day of issuance of the order, immediately informing about that the prosecution and submitting to it the whole necessary information.

(2) In urgent cases, when it is the only possibility of freezing monetary resources, financial assets or other property of a person, for whom data exist that he is preparing to commit a terrorist act, the Minister of Interior may, by a written order, order the freezing of monetary resources, financial assets or other property for a period of up to 45 working days considered from the day following the day of issuance of the order, immediately informing about that the prosecution and submitting to it the whole necessary information.

(3) The orders of the Minister of Interior under para 1 and 2 may be appealed before the Supreme Administrative Court. The Supreme Administrative Court shall rule on the appeal within 24 hours from its filing. The appeal shall not stop the enforcement.

(4) The persons obliged to fulfil the order under para 1 and 2 shall be considered informed from the date of receipt of copies of them.

(5) Copy of the order of the Minister of Interior under para 2 and the decision of the court under para 3, when a real estate is frozen, shall be sent to the respective registry office.

Art. 12. (amend. SG 19/05) The measures under art. 3, para 1 shall be terminated in 7 days term after the promulgation in the State Gazette of the decision of the Council of Ministers by which the individuals or the corporate bodies, the groups and the organisations were deleted from the list, unless in this term the Commission for establishing of property, acquired from criminal activity presents definition of the court for continuing them.

Art. 13. The Minister of Interior shall exchange information for the purposes of prevention and detection of acts of individuals and corporate bodies directed at financing terrorism, with the competent bodies of other state and international organisations.

Art. 14. (amend. SG 31/03) The Financial Intelligence Agency, on its initiative, and upon received request, shall exchange information under this law with the respective international bodies and with bodies of other countries on the grounds of international contracts or under conditions of reciprocity.

#### Administrative penal provisions

Art. 15. (1) Who commits or admits an offence under art. 6, para 1, art. 7, para 1, art. 9, para 1 and 3 and art. 11, para 1 and 2 shall be punished by a fine of 2000 to 5000 levs, unless the act represents a crime.

(2) If the offence under para 1 is committed by a sole entrepreneur or a corporate body a property sanction of 20 000 to 50 000 levs shall be imposed.

Art. 16. (1) The acts for establishing offences shall be issued by the Ministry of Interior and the penal provisions shall be issued by the Minister of Interior or by officials authorised by him.

(2) The establishment of the offences, the issuance, the appeal and the enforcement of penal provisions shall be carried out by the order of the law of the administrative offences and sanctions.

### Additional provisions

§ 1. (amend. – SG 59/06, in force from the day of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union) "Financial services" in the context of this law are: carrying out the activities under art. 2 and 1 and 2 of the Law of the Credit Institutions; insurance, re-insurance or related to the insurance services; public offering of securities and trade with securities; all forms of management of monetary resources or property by profession; all forms of management of collective investments, management of insurance companies and funds; submission and distribution of financial information, processing financial data and the respective software, originating from suppliers of other financial services, as well as consulting, mediation, accountancy and other auxiliary services related to the above financial services.

### Transitional and concluding provisions

§ 2. (amend. SG 31/03) The persons under art. 3, para 2 and 3 of the Law on Measures against Money Laundering shall, within four months from the enactment of this law, supplement their internal rules under art. 16, para 1 of the Law on Measures against Money Laundering by criteria for distinguishing doubtful operations or transactions and clients, aimed at financing terrorism, and shall send them to the director of the Financial Intelligence Agency for approval.

§ 3. In § 21 of the Law for the state budget of the Republic of Bulgaria for 2003 (prom., SG 120/02; corr., SG 2/03) para 1 and 2 are revoked.

§ 4. The implementation of the law is assigned to the Minister of Interior and to the Minister of Finance.

The law was adopted by the 39th National Assembly on February 5, 2003 and was affixed with the official seal of the National Assembly.

### Transitional and concluding provisions TO THE LAW OF CREDIT INSTITUTIONS

(PROM. – SG 59/06)

§ 36. The law shall enter into force on the day of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union, except for §35, item 2, which shall enter into force from the day of promulgation of the law in the "State Gazette".