Article 1
(1) This Act shall regulate the measures for prevention and detection of actions related to laundering of money acquired through, or in connection with, a crime.

(2) The measures under paragraph (1) shall be: identification of persons; collection, storage and disclosure of information about operations or transactions.

Article 2
(1) Money laundering within the meaning of Article 1, paragraph (1), shall be:

1. The transformation or transfer of property with the knowledge that it has been acquired through, or in connection with, a crime;

2. Assistance to a person who has participated in the perpetration of the initial crime, in order to avoid the legal consequences of his act;

3. Concealment or sheltering of the real nature, the source, the location, the disposal, the movement or the rights related to property with the knowledge that it has been acquired through, or in connection with, a crime;

4. Acquisition, possession or use of property, with the knowledge at the time of receiving, that it has been acquired through, or in connection with, a crime.

(2) Money laundering within the meaning of Article 1 shall also occur in cases where the initial crime does not fall within the penal jurisdiction of the Republic of Bulgaria.

Article 3
(1) The measures under Article 1 shall be mandatory for:

1. Banks and other persons who effect by occupation the transactions under Article 1, paragraph (2), of the Banking and Lending Act;
2. Insurance companies;

3. Investment companies;

4. Privatisation authorities;

5. Persons who organise tenders for awarding of Government procurement orders;

6. Persons who organise and conduct entertainment and gambling games, such as casinos, bingo halls, lotteries, sports totalizators, etc.

(2) This Act shall apply also to the registered in Bulgaria branches of persons under paragraph (1), who have their seat outside of Bulgaria.

Chapter Two
IDENTIFICATION OF CUSTOMERS; COLLECTION, STORAGE AND DISCLOSURE OF INFORMATION

Title I
Identification of customers

Article 4

(1) The persons under Article 3, paragraph (1), shall be bound to identify their customers when entering into long-term relationships. Long-term relationships shall occur in all cases where a contract has been concluded between the person under Article 3, paragraph (1), and the customer.

(2) The persons under Article 3, paragraph (1), shall be bound to identify their customers also if the value of the operation or transaction effected exceeds 1,500,000 Leva.

(3) Paragraph (2) shall also apply to cases where several operations or transactions are effected which separately do not exceed the amount under paragraph (2), but available data suggests that such operations or transactions are related.

Article 5

The persons under Article 3, paragraph (1), shall be bound to identify their customers also in the case of suspicion for money laundering.

Article 6

Where an operation or transaction is effected through a representative, the persons under Article 3, paragraph (1), shall be bound to request evidence for the representative powers and to identify the person represented.
Article 7

The persons under Article 3, paragraph (1), shall have no obligation for identification when effecting operations or transactions between themselves.

Article 8

(1) Identification of customers shall be done as follows:

1. In the case of natural persons - by presentation of identity document and registration of its type, number and issuer, as well as the name, address, civil number and the date of birth;

2. In the case of legal persons - by presentation of official statement from the respective register, and where such person is not subject to registration - by presentation of a copy of the document of incorporation and registration of the name, residence, address and the representative.

(2) The requirements under paragraph (1), subparagraph 1, shall apply also to the representative.

(3) Persons bound by law to have tax registration shall present a copy of their tax registration.

Title II

Collection of information

Article 9

(1) Where a suspicion for money laundering arises, the persons under Article 3, paragraph (1), shall collect information about the operation or transaction.

(2) The data collected may be used for the purposes of this Act only.

Title III

Storage of information

Article 10

In the cases under Articles 4, 5, 6 and 9 the persons under Article 3, paragraph (1), shall be bound to keep the documents and data about customers and about operations or transactions for a period of 5 years following their completion.

Article 11

The data and documents under Article 10 shall be stored in a way providing access to them upon request, in compliance with the established procedure.
Article 12

The measures under this Chapter shall be mandatory also for foreign branches of persons under Article 3, paragraph (1).

Title IV

Disclosure of information

Article 13

A specialised service with the Ministry of Interior shall store, analyse and process information received from the persons under Article 3, paragraph (1), pursuant to Articles 14 and 16.

Article 14

(1) Where knowledge or suspicion for money laundering exist, the persons under Article 3, paragraph (1), shall be bound to notify the service under Article 13 prior to the completion of the operation or transaction. The notification shall include the available information about the operation or transaction and about the identification of the customer.

(2) If a person under Article 3, paragraph (1), considers that a delay in the operation or transaction is impossible or that by its nature would prevent the detection of money laundering, the person shall notify the service under Article 13 immediately after completion of the operation or transaction.

Article 15

(1) In cases under Article 14, paragraph (1), the head of the service under Article 13 may stop a certain operation or transaction for a period of 24 hours by an order in writing. If no measures pursuant to the Penal Procedure Code are imposed within 24 hours, the person under Article 3, paragraph (1), shall be free to complete the operation or transaction.

(2) In cases under paragraph (1) the person under Article 3, paragraph (1), shall bear no responsibility for damages caused by the delay or failure to complete the operation or transaction.

Article 16

In cases under Article 14, paragraph (1) the service under Article 13 may request the person under Article 3, paragraph (1), to disclose within a respective period of time additional information about the operation or transaction, if such information is needed to detect money laundering.

Article 17
Employees of the service under Article 13 shall be bound to keep in secret the information that has come to their knowledge in the course of implementation of this Act, except for cases provided for by laws or international treaties.

Article 18

The persons under Article 3, paragraph (1), may not inform their customers or third parties about disclosure of information pursuant to Articles 14 and 16.

Article 19

The disclosure of information pursuant to Articles 14 and 16 shall not be the cause for civil, disciplinary or penal liability for violation of prohibitions established by law.

Chapter Three

INTERNAL ORGANISATION AND CONTROL

Article 20

(1) The persons under Article 3, paragraph (1), shall be bound to adopt, within 6 months following the coming into force of this Act, or following their registration, internal rules for application of the measures for prevention of money laundering.

(2) The persons under Article 3, paragraph (1), shall, within the term under paragraph (1), undertake actions to introduce their employees to this Act.

Article 21

(1) The respective bodies for control over persons under Article 3, paragraph (1), shall exercise control also on the implementation of this Act. They may conduct inspections.

(2) The Minister of Finance shall exercise control over the implementation of this Act by the persons under Article 3, paragraph (1), who are not subject to control within the meaning of paragraph (1).

Article 22

The bodies under Article 21 shall adopt a Regulation on implementation of measures for prevention and detection of money laundering pursuant to this Act, which shall be mandatory for the persons under Article 3, paragraph (1).

Article 23

Should it be ascertained that a person under Article 3, paragraph (1), or an employee thereof, have failed to comply with the requirements of this Act, the body under Article 21 may:
1. Oblige such a person to take specific measures as necessary to eliminate the violations within a certain period of time;

2. Revoke the licence issued thereto.

Article 24

The acts under Article 23, subparagraphs 1 and 2, may be appealed in respect of their compliance with the law before the Supreme Administrative Court under the procedure of the Administrative Proceedings Act.

Article 25

Where in the course of inspection the body under Article 21 ascertains facts or circumstances which could constitute information about money laundering, it shall notify the service under Article 13.

Chapter Four

ADMINISTRATIVE AND PENAL PROVISIONS

Article 26

(1) A person who commits a violation or allows commission of violation pursuant to Article 4, paragraphs (1), (2) and (3), Articles 5, 6, 9, 10, 11, 12, 16 and 17, shall be punished by fine of 50,000 to 1,000,000 Leva, unless such an offence constitutes a crime.

(2) A person who commits a violation or allows commission of violation pursuant to Articles 14 and 18, shall be punished by fine of 500,000 to 2,000,000 Leva, unless such an offence constitutes a crime.

(3) A person who commits a violation pursuant to Article 20 shall be punished by fine of 20,000 to 200,000 Leva.

(4) Where the violations under paragraphs (1), (2) and (3) have been committed by legal persons, financial sanctions shall be imposed on such persons to the amount of 200,000 to 5,000,000 Leva.

Article 27

(1) The protocol of ascertainment of violation pursuant to Article 26 shall be made by an official authorised by the body under Article 21, whereas the penal ruling shall be issued by the superior of such an official, and in cases under Article 21, paragraph (2) by the Minister of Finance.

(2) The preparation of the protocol, the issue, the appeal and the execution of the penal ruling shall be pursuant to the procedure specified in the Administrative Violations and Penalties Act.
ADDITIONAL PROVISIONS

§ 1. Within the meaning of Article 1, paragraphs (1) and (2), acquired by means of crime shall be properties resulting from the perpetration of crime.

§ 2. Within the meaning of Article 1, paragraphs (1) and (2), acquired in connection with a crime shall be properties received for the purpose of perpetration, or because of the perpetration of a crime.

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 3. The persons under Article 3, paragraph (1), shall be bound to submit to the service under Article 13, within 3 months following the coming of this Act into force, the information at their disposal related to money laundering in past periods of time.

§ 4. The persons under Article 3, paragraph (1), shall be bound to bring their organisation and activities in compliance with the requirements of this Act and to submit their internal rules to the body under Article 21 for approval, within 9 months following the coming of this Act into force.

§ 5. The implementation of this Act shall be hereby assigned to the Council of Ministers.

This Act was passed by the 37th National Assembly on 22 May 1996 and the State Seal was affixed thereto.

Chairman of the National Assembly: Blagovest Sendov