

**CASH PAYMENTS LIMITATIONS ACT
(IN FORCE AS OF 26TH FEBRUARY 2011)**

The Cash Payments Limitations Act ("the Act") was promulgated in the State Gazette # 16/22.02.2011. The Act comes into force as of 26.02.2011.

The limitations introduced by the Act are summarized below.

Payments mandatorily made by bank transfers

The Act requires that the following payments are to be mandatorily made via bank transfers:

- payments equal or exceeding BGN 15,000;
- payments below BGN 15,000 if these constitute partial payments of a consideration which is equal or exceeds BGN 15,000;
- foreign currency payments if their BGN equivalent is equal or exceeds BGN 15,000.

Exceptions

The requirement for a payment to be made via a bank transfer introduced by the Act does not apply *inter alia* to the following:

- cash withdrawals and deposits from/in private bank accounts;
- foreign currency cash exchange transactions made by occupation;
- salary payments.

Administrative penalties

The Bulgarian National Revenue Agency is authorized to impose penalties to individuals and legal entities if the requirements of the Act are not complied with. The penalties are summarized in the table below.

	Penalty calculated as a percentage of the payment	
	First violation	Second consecutive violation
Individual	25%	50%
Legal entity	50%	100%

DELICHEV & PARTNERS

This Legal Alert has been prepared by DELCHEV & PARTNERS for information purposes only and does not constitute legal advice. This information is not intended to create, and receipt of it does not constitute, an attorney-client relationship. Readers should not act upon this without seeking professional counsel.