



ATLAS  
BY BNP PARIBAS

## CASH MANAGEMENT

[www.cashmanagement.bnpparibas.com/cg](http://www.cashmanagement.bnpparibas.com/cg)



**BNP PARIBAS**

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Bulgaria is an upper-middle income country of 6.9 million people (2024) and an expected GDP of €103bn. That will mark a 2.4% growth compared to 2023, it will further mount to around 3% in 2025 and 2026, supported by domestic demand and exports. The country is not a Eurozone member despite a currency peg to the Euro.

Since 2015, macroeconomic and country risk trends have been favourable. Macroeconomic balances remain healthy and the currency peg to the Euro is sustainable.

In 2025, inflation is projected to abate to 2.3%, before accelerating moderately in 2026, due to persistent services inflation. The fiscal deficit is forecast to increase to 2.6% of GDP in 2024 and reach 2.8% in 2025 and 2026, driven by expenditure on pensions and public sector salaries. Government debt is set to increase to 24.5% of GDP by 2026.

The main weaknesses in Bulgaria's economy are its weak demographics (low birth rate and high emigration), the frequent government changes, plus a weak judiciary, and corruption that complicate long-term investment in development and innovation.

## Summary

## BNP Paribas presence

Bulgaria is an important country for BNP Paribas with a business centre based in Sofia that provides both cash management and trade finance as part of its wider corporate offering. The bank has direct access to the local clearing system.

## Currency

## Currency

- Bulgaria uses the Bulgarian lev (BGN).

## Exchange rates

	2015	2016	2017	2018	2019	2020
Exchange rate: BGN per USD	1.7644	1.7680	1.735	1.66	1.747	1.72

Source: IMF, International Financial Statistics, July 2021.

## Central Bank

- The Bulgarian central bank is the Bulgarian National Bank (BNB – [www.bnb.bg](http://www.bnb.bg))
- The BNB is a member of the European System of Central Banks (ESCB).

### Bank accounts

## Resident / non-resident status

- A company is generally considered resident in Bulgaria if it registered legally under Bulgarian law or has a permanent office there.

## Bank accounts for resident entities

	Within BULGARIA	Outside BULGARIA
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.

## Bank accounts for non-resident entities

	Within BULGARIA	Outside BULGARIA
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Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Not applicable.

## BNP Paribas Cash Management Capabilities

### Collections



Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

### Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	

Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	

## Channels

Local e-Banking	
Global e-Banking - Connexis	
SWIFT/ host to host	

## Payments & collections

## Market overview

Credit transfers are the instrument most commonly used by companies to pay suppliers and employees and to make tax payments. Despite a transition to electronic payments, a significant proportion of credit transfers are still initiated via a paper form.



The widespread adoption of non-contact POS terminals has seen a rise in the number of card and mobile wallet payments (although cash use remains high with over 80% of all transactions carried out using cash in 2019); consumers are using cards and mobile wallets to make smaller but more frequent daily payments. Mobile wallet schemes, such as A1 Wallet, MOBI-B and Phyre are available and widely used.

Electronic banking services are available from all banks. There is no national electronic banking standard in Bulgaria; some banks offer MultiCash. Transaction and balance reporting, automated end-of-day sweeping is not common, and some transaction initiation services are available on a domestic and cross-border basis. Online and mobile banking services are available and increasingly used.

eFaktura.bg, an online electronic invoice and bill presentment service, is used by over 300 invoice-issuing companies.

## Payment Systems

<a href="#">TARGET2-BNB</a>	Type	<ul style="list-style-type: none"> <li>• Real-time gross settlement.</li> <li>• Bulgarian component of the pan-European <a href="#">TARGET2</a> system.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 19 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• High-value and urgent EUR-denominated domestic and cross-border transfers.</li> <li>• Net obligations from BISERA7-EUR.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00 - 19:00 EET, Monday to Friday.</li> </ul>
	Clearing cycle details (eg cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time.</li> <li>• Interbank payment cut-off time = 19:00 EET.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• <a href="#">TARGET2-BNB</a> is closed at weekends and 1 January, Good Friday, Easter Monday, 1 May and 25 and 26 December.</li> </ul>
RINGS	Type	<ul style="list-style-type: none"> <li>• Real-time gross settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 24 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• High-value (equal to or exceeding BGN 100,000) and urgent BGN-denominated domestic credit transfers.</li> <li>• Net obligations from Bulgaria's other payment systems.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00 - 16:00 EET, Monday to Friday.</li> </ul>

	Clearing cycle details (eg cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time.</li> <li>• Interbank payment cut-off time = 17:00 EET.</li> <li>• Cut-off time for additional payments from the BNB = 17:00-17:30 EET.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• RINGS is closed at weekends and on all Bulgarian bank holidays.</li> <li>• Bulgaria's bank holidays are:</li> <li>• 2nd half 2021: 6, 22 September, 24–28 December.</li> <li>• 2022: 3 January, 3 March, 22, 25 April, 2, 6, 24 May, 6, 22 September, 24, 26, 27 December.</li> </ul>
BISERA	Type	<ul style="list-style-type: none"> <li>• Multilateral <a href="#">net settlement system</a>.</li> <li>• BISERA7-EURO is a sub-system of BISERA.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 24 direct.</li> <li>• BISERA7-EUR has 14 direct participants.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• All payments in BGN without value limitation.</li> <li>• BISERA7-EURO clears EUR-denominated payments, including <a href="#">SEPA</a> credit transfers and direct debits, with a maximum value of EUR 50,000.</li> <li>• Instant payments in BGN since 2023.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, seven days a week.</li> </ul>
	Clearing cycle details (eg cut off times)	<ul style="list-style-type: none"> <li>• BISERA processes payments on a first-come, first-served basis 24/7. Cut-off time for same day settlement: 19:00 CET (BISERA) and 15:00 (BISERA7-EUR).</li> <li>• Final settlement takes place on a same-day basis via RINGS or TARGET2-BNB.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• BISERA is closed on all Bulgarian bank holidays. (Dates as above)</li> </ul>

## Credit transfers

- Credit transfers are used by the government and companies to pay salaries and suppliers, and to make tax and treasury payments.
- High-value and urgent EUR-denominated (within the euro zone) credit transfers can be settled in real time via TARGET2-BNB.
- All payments in BGN can be settled in real time via RINGS.
- All payments in BGN can be settled in real time via RINGS.
- Low-value (less than EUR 50,000) EUR-denominated credit transfers can be settled via BISERA7-EUR.



- SEPA credit transfers can be settled via STEP2 or correspondent banking networks. Twenty-five banks in Bulgaria participate in the SEPA credit transfer scheme.
- Some Bulgarian banks participate in STEP2.
- Cross-border credit transfers in domestic and other currencies can be processed via SWIFT, correspondent banking and bank branch networks.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds. There are three SCT Inst participants.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

## Direct debits

- Direct debits are mainly used for regular payments, such as utility bills.
- Direct debits are settled on a same-day basis via BISERA.
- SEPA direct debit schemes are available in Bulgaria and can be settled on a same-day basis via STEP2. There are two participants of the Core SDD scheme and one of the B2B SDD scheme.

## Cheques

- Cheques are not widely used in Bulgaria.
- Cheques are cleared bilaterally between banks.

## Card payments

- Card payments are increasingly popular, especially for retail transactions.
- There were 6.2 million debit cards and 1.2 million credit cards in circulation at the end of 2019.
- Visa and MasterCard-branded cards are the most widely issued. American Express and Diners Club credit cards are also available. The Bcard is the country's national payment card; it has 20

participants. Contactless payment cards are available.

- All cards issued are SEPA-compliant with EMV chips.
- Credit and debit card payments are processed by Borica.

## ATM/POS

- There were 5,561 ATMs in Bulgaria at the end of 2019.
- There were 173,938 POS terminals in Bulgaria at the end of 2019.
- All ATMs and POS terminals are EMV-compliant.
- All payments are processed via Borica.

## Electronic wallet

- There are eight electronic money institutions in Bulgaria.
- There are approximately 91,517 electronic money terminals in Bulgaria.
- At the end of 2019, there were 403,000 cards with an e-money function in circulation.
- The widespread adoption of POS terminals has led to a significant increase in the use of mobile payments. Mobile wallet schemes, such as A1 Wallet, MOBI-B and Phyre are available and widely used.
- Apple Pay and Google Pay also available.

## Short term investments

## Market overview

### Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents.

### Demand deposits

- Demand deposits denominated in BGN or major foreign currencies are available.

### Time deposits

- Time deposits are available in BGN or major foreign currencies.

#### **Certificates of deposit**

- Banks issue certificates of deposit with terms up to 12 months.

#### **Treasury (government) bills**

- The Bulgarian Ministry of Finance issues Treasury bills with maturities of three, six or 12 months.

#### **Commercial paper**

- There is no domestic commercial paper market.

#### **Money market funds**

- Domestic money market funds are not widely available.

#### **Repurchase agreements**

- Repurchase agreements are available in Bulgaria.

#### **Banker's acceptances**

- Banker's acceptances are not used in Bulgaria.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	✓
Documentary collections	✓

### Guarantees

Bank guarantees	✓
Standby letters of credit	✓

## Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

## Trade channels

Connexis Trade	●
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	●
Connexis Connect	●
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- With more than 20 years' presence in Bulgaria, BNP Paribas is a leading international bank in Bulgaria for trade finance, recognised for the quality of its solutions and services, and depth of expertise. The trade centre in Sofia has been in operation since 2002 including one senior trade manager, supported by a centralised back office that covers Global Trade Solutions (GTS) operations across Romania, Hungary, Czech Republic & Bulgaria.

International trade

## General trade rules

- As a member of the European Union (EU), Bulgaria follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.
- Bulgaria is a member of the Central European Free Trade Agreement (CEFTA), so most imports from CEFTA countries are exempt from customs duties.
- Bulgaria has six free trade zones.

## Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA. The EU and the UK are discussing their future trading relationship, following the UK's departure from the EU.
- Bulgaria has FTAs in place with China, Turkey, Macedonia, Israel, Albania, Serbia and Montenegro and Bosnia and Herzegovina.

## Imports / exports

Imports	Crude petroleum	Copper	Cars	Packaged medicines	Refined petroleum
Primary Import sources	Germany (11.0%)	Russia (9.0%)	Italy (7.0%)	Romania (7.0%)	Turkey (7.0%)
Exports	Refined petroleum	Packaged medicines	Copper	Wheat	Electricity
Export markets	Germany (16.0%)	Romania (8.0%)	Italy (7.0%)	Turkey (7.0%)	Greece (6.0%)

## Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	25,553	30,501	32,721	32,592	31,114
	- services USD m	8,530	9,387	10,800	11,449	8,156
Imports	- goods USD m	26,640	31,359	35,923	35,848	33,289
	- services USD m	5,123	5,880	5,987	5,995	4,783
Current account as % GDP		+ 3.7	+ 4.2	+ 1.0	+ 2.3	- 1.0

Source: IMF, International Financial Statistics, July 2021.





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