



# UniCredit Global Securities Services NEWSFLASH



## Bulgaria – General Information

### BULGARIA'S EURO ADOPTION

28 October 2025

According to the **Law on the Introduction of the Euro in the Republic of Bulgaria**, there are specific provisions regarding **unsettled financial operations**, including **securities settlement**, as of the date of the euro's introduction.

#### What happens to unsettled securities settlement:

##### Automatic conversion:

All amounts, including those related to securities transactions, will be automatically converted from Bulgarian leva to Euros – adoption date: 1 January 2026 - introduction of the euro as the official currency in Bulgaria. The euro-to-lev exchange rate is fixed (1 euro = 1.95583 leva) and determined by the Council of the European Union, without rounding or shortening the rate.

##### Unsettled transactions:

Transactions that remain unsettled as of the date of the euro's introduction, will be settled in euros, even if they were originally agreed in leva. This also applies to securities settlement, with the relevant **rounding rules** being applied.

The **last settlement date at Central Depository AD (CDAD)** during Bulgaria's transition to the euro and migration to **TARGET2-Securities (T2S)** has several important implications for **investors**:

#### 1. Currency Conversion of Settlements

- All trades concluded in BGN (Bulgarian lev) before January 1, 2026, but scheduled for settlement after that date, will be automatically settled in EUR.
- Investors must be aware that cash flows and valuations will reflect the euro conversion, which may affect portfolio accounting, performance tracking, and tax reporting

#### 2. Final Trading and Instruction Deadlines

- The last trading day on the regulated market is December 23, 2025, and the last settlement in BGN is scheduled for December 30, 2025, at 15:10 **pm local Time or 14:30 CET**.
- After this point, unsettled trades will be manually processed and finalized in EUR, which may introduce delays or operational risks for investors relying on timely settlement.

#### 3. Temporary Suspension of Corporate Actions

- CDAD will stop accepting corporate action registration requests (including dividend payments) from December 19, 2025, at 16:00 **pm local time/15:00 pm CET**, until after the migration is complete.



- Investors expecting corporate action benefits (e.g., dividends, splits) during this period may experience temporary delays.

#### 4. Migration to T2S Platform

- From January 1, 2026, all Bulgarian securities will be settled via T2S, which offers harmonized, pan-European settlement in central bank money.
- This improves cross-border access, reduces settlement costs, and enhances efficiency, benefiting foreign investors and institutional participants.

#### 5. No Fees for Currency Conversion

- The conversion from BGN to EUR will be free of charge, with no fees or commissions applied to investors.

#### Schedule for the Operation of the Clearing and Settlement System During the Currency Conversion and Migration to T2S

| Date                                   | Description                                                                                              | Notes                                                                                    |
|----------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| 23.12.2025                             | Acceptance of instructions and first stage of compliance check.                                          | Last date for sending Delivery versus Payment instructions.                              |
| 23.12.2025                             | Last trading day on the regulated market.                                                                | According to the standard CSS schedule.                                                  |
| 29.12.2025                             | Second stage of T+1 instruction verification.                                                            | Deadline for members to send data for regulated market trades.                           |
| 30.12.2025                             | Scheduled settlement date.                                                                               | According to the standard CSS schedule.                                                  |
| 30.12.2025 14:30 pm<br>LT/13:30 pm CET | Termination of acceptance of instructions for finalizing trades on regulated, organized and OTC markets. | Instructions sent after this time will not be processed.                                 |
| 30.12.2025 15:10 pm<br>LT/14:10 pm CET | Last settlement of Delivery versus Payment trades in BGN.                                                | Unsettled trades will be manually processed and finalized in EUR after system reopening. |
| 30.12.2025 19:00 pm<br>LT/18:00 pm CET | End of system day for last BGN settlement day.                                                           | Start of final processing for transfer instructions without payment.                     |

**Additionally, there are some examples below: (re-denomination of the different types of securities)**

### **1. Re-denomination of the Nominal Value of Debt Securities (Excluding Government Securities)**

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Example Scenario

Issuer: A company

Original Bond Issue:

Total amount: BGN 10,000,000

Number of bonds: 10,000

Nominal value per bond: BGN 1,000

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After Re-denomination

New total amount: EUR 5,112,918.81

Number of bonds: 10,000

New nominal value per bond: EUR 511.291881

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### **2. Re-denomination of the Nominal Value of Shares**

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Example Scenario

Issuer: A joint-stock company

Original Share Issue:

Total amount: BGN 5,500,000

Number of shares: 55,000

Nominal value per share: BGN 100

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After Re-denomination

New total amount: EUR 2,812,150

Number of shares: 55,000

New nominal value per share: EUR 51.13

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### **3. Re-denomination of the Nominal Value of Government Securities**

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Example Scenario

- Original Issue:
    - Total nominal value: BGN 800,000,000
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After Re-denomination

- New total nominal value: EUR 409,033,504.96
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### **IMPACT ON INVESTORS:**

For information purposes.

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### **Imprint**

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