

— PAYMENT SYSTEM —
BISERA7 EUR

DESCRIPTION > LEGAL FRAMEWORK > BORICA'S ROLE

BISERA7-EUR is a payment system servicing customer transfers with value below EUR 50,000.00 between system participants, and without value limitation for payments executed via other SEPA-compliant clearing houses. The system processes domestic and cross-border transfers in euro between banks and other licensed payment service suppliers (PSSs) operating on the territory of the European Economic Area.

The rules of BISERA7-EUR are harmonised with the rules, practices and standards of the Single Euro Payments Area (SEPA). The set of messages used in BISERA7-EUR is based on ISO 20022 XML standard.

BORICA AD provides accessibility to the participants in BISERA7-EUR by entering into bilateral agreements with other SEPA-compliant clearing houses. Such agreements have been concluded with Deutsche Bundesbank, EquensWordline and KIR.

Supervision over the BISERA7-EUR payment system is exercised by the Bulgarian National Bank (BNB).

BISERA7-EUR is owned by BORICA AD, which as a licensed operator manages, supports and develops the payment system.



PARTICIPATION IN THE PAYMENT SYSTEM

TYPES OF PARTICIPANTS > CRITERIA

The criteria for participation in BISERA7-EUR are defined in the system's Rules in accordance with the applicable legislation.

Terms and Conditions for Participation in and Access to BISERA7-EUR Payment System



PARTICIPANTS

1

PARTICIPANTS IN THE SYSTEM MAY BE

- a. banks licensed by the BNB to carry out banking activities;
- b. bank branches from an EU member state carrying out activities in the Republic of Bulgaria pursuant to articles 20 and 21 of the Law on Credit Institutions.
- c. third-country bank branches licensed by the BNB pursuant to article 17 of the Law on Credit Institutions;
- d. the BNB and national central banks of EU member states;
- e. banks or bank branches established on the territory of EEA.

Participants should:

- a. have a business identifier code (BIC) provided by SWIFT;
- b. have a settlement account opened by the BNB in the TARGET2 Payment Module, or have signed an agreement with another bank ('settlement bank') that is a direct participant in TARGET2.
- c. have signed a Framework Agreement with BORICA AD for participation in BISERA7-EUR.
- d. Can provide PSPs access in the system and designate participants with multi-addressee access and addressable BIC codes.

2

PSPS WITH RIGHT OF ACCESS IN THE SYSTEM MAY BE

- a. payment institutions and electronic money institutions licensed by the BNB to execute payment operations;
- b. payment institutions, electronic money institutions or other licensed PSPs from an EU member state or an EEA state operating within the country directly, through a branch or an agent;
- c. credit institutions/banks licensed in EU member states or EEA states to provide payment services, carrying out activities within the country.

1

A PSP with right of access in BISERA7-EUR concludes a tripartite agreement with BORICA AD and a participant.

2

Settlement of transfer orders initiated by or directed to PSP with right of access is affected on the account of the participant in the Payment Module of TARGET2.

ADDITIONAL REQUIREMENTS TO PARTICIPANTS

1

They should have signed an Adherence Agreement for adherence to the SEPA scheme of every payment instrument they will use to execute payments via BISERA7-EUR.

2

They should meet the functional and technical requirements for participation in the payment system. BISERA7-EUR can be accessed via the following three channels:

- ✓ a web-based interface;
- ✓ a secure asynchronous information exchange system B-Star;
- ✓ SWIFTNet of SWIFT.

3

They should have two independent channels (primary and fallback) for telecommunication connection to BISERA7-EUR.

4

They should meet BORICA's requirements for information security and information protection.

5

They should conduct certification tests with BISERA7-EUR.



SCOPE OF SERVICES

The BISERA7-EUR payment system provides to its participants a possibility to process SEPA payments. The system guarantees full compliance with the EPC schemes (European Payments Council) and provides an opportunity for support of additional optional services (AOSs) with a view to offering a broader scope of competitive payment solutions. **The system is open 24 hours a day, 7 days a week.**



✓ SEPA credit transfer (SCT)

✓ SEPA direct debit (SDD Core and SDD B2B)

SETTLEMENT



The settlement of transfer orders is accepted at the Trans-European Automated Real-time Gross settlement Express Transfer system TARGET2 on the value date.

Settlement agent for BISERA7-EUR is the relevant settlement central bank.

BISERA7-EUR accepts for execution transfer orders with settlement date the same TARGET2 business day, and a future date not more than 5 TARGET2 business days ahead.

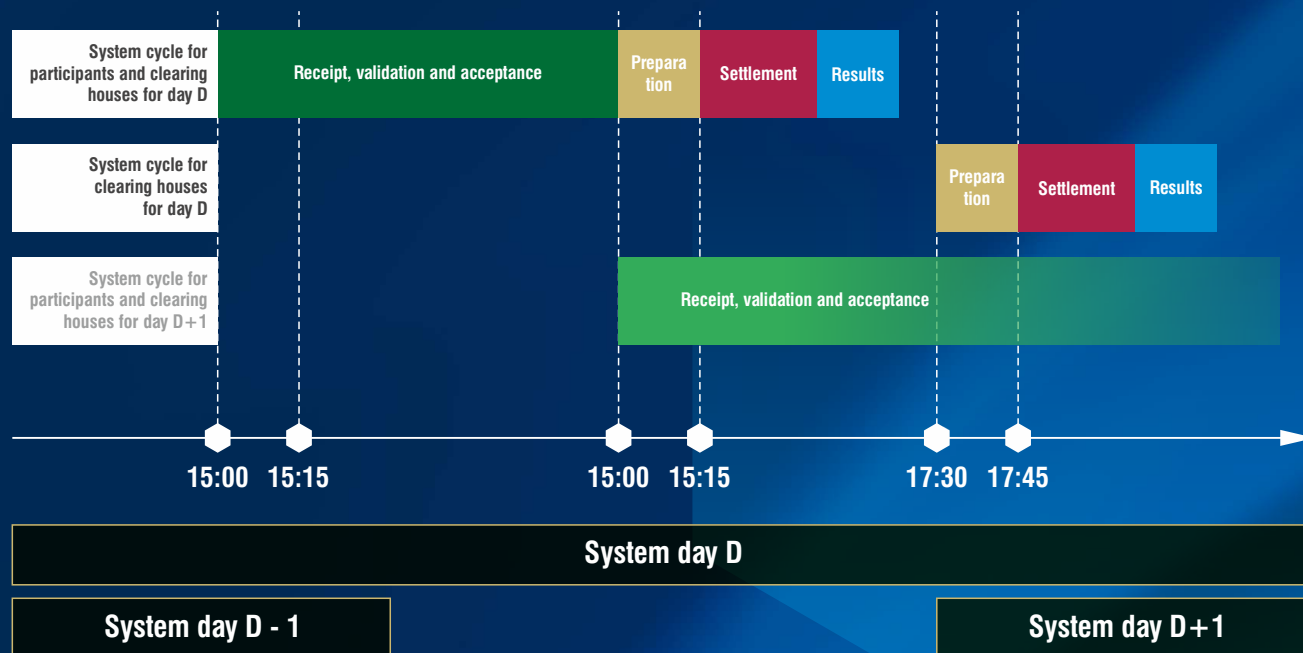
Payment instructions for TARGET2 are generated by BISERA7-EUR as a result of multilateral netting of participants' liabilities to one another, based on all payment instruments used by them.

The transfer orders accepted by BISERA7-EUR and included in the calculation of net positions are final after the successful execution of the payment instructions submitted to TARGET2.

BISERA7-EUR provides to participants the information regarding the finalized settlement necessary for the reconciliation of the payments executed through the system.

SYSTEM OPERATION TIMELINE

All times in the timeline are in Eastern European Time (EET)



Receipt, validation and acceptance of transfer orders and other banking information for execution in the current system cycle.



Preparation of the interbank transfer orders scheduled for execution in the current system cycle for settlement in TARGET2.



Execution of request(s) for settlement in TARGET2 of interbank transfer orders included in the current system cycle. Starts only after the execution of all settlement requests for the previous system cycle is completed.



Preparation and submission to participants of the settlement results for the current system cycle and other banking information.

PRICES AND PRICING POLICY > PRINCIPLES



14 participants and 2 PSPs with rights of access are included in the BISERA7-EUR payment system.

In 2022, nearly

**790,000
SEPA**

credit transfers were executed via the system.

Over 4,000 are the accessible BIC codes of payment service providers operating on the territory of the EEA via BISERA7-EUR.

