

BULGARIA

BULGARIAN FUND TYPES:

UCITS (Mutual Funds)

Open-ended, professionally managed funds investing in diversified assets.

Typically include:

- Equity Funds – invest in stocks for higher growth potential (higher risk).
- Fixed Income Funds – focus on bonds and debt instruments for steady income.
- Money Market Funds – invest in short-term securities like government bonds for low risk and high liquidity.
- Balanced Funds – combine equities and bonds for moderate risk and stability.

Alternative Investment Funds (AIFs)

- Including hedge funds, private equity, venture capital, and real estate funds.
- Higher risk, often targeting Bulgarian startups, property, and private equity opportunities.
- Suitable for professional or high-net-worth investors.

Real Estate Investment Funds (REITs)

- Focus on property investments, often included within AIF structures.
- Provide exposure to real estate without direct ownership.

Venture Capital & Private Equity Funds

- Invest in Bulgarian startups and growth companies.

BULGARIAN HOLDING RESTRICTIONS:

Bulgaria has holding restrictions and disclosure requirements related to certain financial institutions and investment entities, though these primarily apply to ownership thresholds in regulated companies rather than limits on holding fund units themselves.

Collective Investment Schemes (CIS) and AIFs

- There are no general restrictions on how much an investor can hold in a UCITS or AIF (mutual funds, ETFs, etc.).
- However, management companies and investment intermediaries are subject to ownership thresholds requiring notification or approval.

Thresholds for Regulated Entities

If you acquire shares in entities such as:

- Banks – Prior approval from the Bulgarian National Bank (BNB) is required when reaching or crossing 10%, 20%, 33%, or 50% of voting shares. Falling below these thresholds also requires prior notification.
- Insurance Companies – Approval from the Financial Supervision Commission (FSC) is required for acquisitions crossing 10%, 20%, 30%, or 50% of voting shares.
- Investment Intermediaries, Fund Management Companies, Market Operators – Notification to the FSC is required when holdings reach or cross 10%, 20%, 33%, or 50%.

DISCLOSURE:

Background and Legal basis:

- Bulgarian law (Ordinance No. 44 and related acts) imposes mandatory disclosure obligations for significant holdings in regulated entities and for anti-money laundering compliance. [fsc.bg]
- For fund securities held via intermediaries (e.g., IFSAM), disclosure requests may be forwarded to clients under local law.

Important Information:

Disclosure requirements

The client shall respond to any information and/or disclosure request in all cases. Any such request, including requests originating from the fund, the asset manager, a competent governmental or regulatory authority, or any other relevant third party, shall be forwarded by IFSAM to the client for response without assessing the validity or merits of the request. The client's obligation to respond applies either where a response is required under applicable laws, regulations, and mandatory legal or regulatory requirements, or, in the absence of such mandatory obligations, on a voluntary basis following a valid disclosure request forwarded by IFSAM in accordance with the fund's legal documentation and applicable local laws. In all cases, the client shall provide all information necessary in this context.

Clients agree not to unreasonably withhold consent to such requests and undertake to indemnify and hold harmless IFSAM from any damages, liabilities, or claims arising directly from non-compliance with mandatory local disclosure obligations.

In most jurisdictions, disclosure obligations stem from domestic equivalents of the Companies Act, Investment Funds Act, or Anti-Money Laundering legislation, and typically apply to all fund types.



In certain cases, client-related data (including personal and tax information) may be disclosed to the asset manager, fund, distributor, or competent authorities, including tax authorities, if there is a legal or reasoned basis for doing so.

The Disclosure Requirements are provided for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek independent professional counsel regarding securities held with IFSAM particularly in jurisdictions where disclosure obligations may apply directly to clients, shareholders, or beneficial owners, even if IFSAM is not subject to such obligations.

Please note that IFSAM may not always receive comprehensive updates or notifications regarding changes to local disclosure requirements.

Ultimately, it is the client's sole responsibility to ensure compliance with all applicable disclosure obligations. Failure to comply may result in penalties, for which the client will be fully liable. Clients are therefore advised to obtain independent legal advice on the existence and interpretation of relevant local disclosure rules.

Note: In all jurisdictions, if a breach of disclosure obligations is suspected—such as exceeding a reportable holding threshold without notification—regulators and authorities may initiate investigations. Disclosure obligations may also be triggered by enforceable judgments issued by competent courts in the relevant jurisdiction.

Cooling Off Period

Distributors using the IFSAM platform are classified exclusively as eligible counterparties / professional clients or professional investors and act as principals vis-à-vis their respective end-clients.

Where such distributors offer products to retail investors—including, for example (but not limited to), ELTIFs subject to a statutory cooling-off (withdrawal) period, the application, monitoring and management of the relevant retail investor protections are entirely the responsibility of the distributor, in accordance with applicable regulatory requirements.

U.S. Person Restrictions

Clients are advised that units of the funds must not be, directly or indirectly, marketed to, offered to, subscribed for, or purchased on behalf of U.S. Persons. If a client becomes aware that any investor qualifying as a U.S. Person has subscribed to units of funds, the client must notify IFSAM immediately.

The term "U.S. Person" refers to the definition provided in the fund's prospectus, which is based on Rule 902 of Regulation S under the U.S. Securities Act. It explicitly excludes any "Non-United States person" as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended.

Holding Restrictions Disclaimer:

The information provided under Holding Restrictions reflects the current legal and regulatory environment and may be supplemented by additional holding restrictions as set out in the prospectus and/or other official fund documentation. While IFSAM believes the information to be accurate, it does not guarantee its completeness or correctness and disclaims any liability in this regard.

In the event of any discrepancy between the information provided by IFSAM, the prospectus and/or official fund documentation and applicable local laws or regulations, the latter shall prevail.

The Holding Restrictions are for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek guidance from independent professional counsel to ensure compliance.

Clients are solely responsible for adhering to the applicable holding restrictions including any additional holding restrictions set out in the prospectus and/or official fund documentation and agree to indemnify and hold harmless IFSAM from any loss, expense, liability, damage, or claim—whether direct or indirect—arising from non-compliance.