

BULGARIA EURO ADOPTION – STATUS UPDATE ON T2

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BNB ONBOARDING TO T2 SERVICES

- ✓ On 8 July 2025 the European Parliament endorsed Bulgaria's bid to adopt the euro and join the eurozone effective 1 January 2026
- The Bulgarian Market (NCB and CSDs) is already connected to most TARGET Services (except ECMS)
- T2: The Bulgarian National Bank (BNB) is operating as a non-euro central bank; almost all the banks participate directly in T2 with RTGS DCA (except 5 branches)
- T2S: BNBGSSS (central bank-operated CSD) and CDAD (privately-owned CSD) joined T2S in September 2023; almost all the banks are T2S DCA holders
- TIPS: Operations in euro since December 2024.

CUSTOMER AND CARD PAYMENTS IN BULGARIA

- BORICA AD operates BISERA6 – retail payment system providing SCT based payments and instant payments (BLINK) in national currency (BGN) since 2021
- Pre-funded model of settlement is used
- Instant payments in BGN are based on the SEPA instant credit transfer (SCT Inst) scheme
- P2P payments Mobile Proxy Lookup (Blink P2P) are launched
- All banks in BG receive instant payments in BGN; most of them also instruct instant payments in BGN
- As of October 2023 the budget payments in BGN are SCT based
- BORICA AD operates BORICA – card payment system in BGN settling 2 times per day (net settlement)

CHANGES RELATED TO T2

- ✓ On-boarding new T2 participants – 18 out of 23 banks/branches already participate in T2, 5 MCA holders (branches of European banks) to be on-boarded (most of the branches will be co-managed by the headquarter) – *already configured in UTEST and testing on-going*
- ✓ New T2 functionalities implementation – credit line, overnight deposit, minimum reserves – *testing activities with the banks on-going in UTEST*
- ✓ New AS for settlement of card payments (procedure B with guarantee fund mechanism) operated by BORICA AD based on the model for BGN payments – *successful internal tests with TARGET, tests with banks on-going*
- ✓ Preparations of internal systems/process related to budget payments and cash operations – *testing activities started*

No blocking issues identified during the testing phase so far

CHANGES RELATED TO T2

✓ Migration testing

Migration dress rehearsal (DR) - testing redenomination for the BNB and the CSDs and transferring of balances from the national RTGS system to T2 and securities positions to be transferred to T2S – to be tested in UTEST in November (cross service testing, date TBC)

*Regarding **PROD**: No impact on the other participants as no changes in T2 business day schedule will be needed neither for 31.12.2025, nor for 02.01.2026.*

TIPS PREPARATION

- ✓ As from 3 December 2024, the Bulgarian National Bank and „BORICA“ AD acting as an operator of the payment system BISERA (TIPS ASTA holder) and instructing party joined TIPS
- ✓ Instant payments between participants in BISERA as settled internally in the AS; instant payments to/from other PSPs are settled via TIPS
- ✓ 12 TIPS DCA holders in PROD and more banks to join until end of 2025 (testing on-going)
- ✓ As of January 2026 almost all the banks will be TIPS participants