

some of the resolution tools, in case the financial position of a systemically important investment intermediary deteriorates.



You can find us online at www.sfund-bg.com, where the most frequently asked questions, regarding the Fund are published.

10 years ICF

93 participants

13,31 million BGN funds

1,58 billion BGN protected clients' assets



THE FUND IN NUMBERS:

133 meetings of the MB

67 367 protected clients

395 taken decisions

635 discussed issues

1 compensation case

3 international agreements

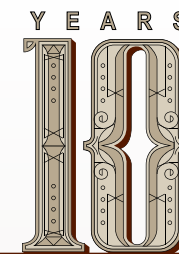
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INVESTOR
COMPENSATION
FUND

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ANNIVERSARY OF THE BULGARIAN INVESTOR COMPENSATION FUND

ANNIVERSARY

In May 2015 the Bulgarian Investor Compensation Fund celebrated 10 years since its establishment. It started functioning in 2005 following the transposition of Directive 97/9/EC of the European Parliament and of the Council on investor compensation schemes in the Law on Public Offering of Securities (LPOS).

The main goal of the Fund is to protect investors in the capital market, which contributes for the stability and confidence in the market.



ABOUT THE FUND

The Investor Compensation Fund (ICF) is an independent legal entity. The main function of the Fund is to pay compensations, and in order to fulfill this purpose it collects contributions from its participants: investment intermediaries, asset management companies and banks.

The Fund pays compensations if a participant is unable to perform its obligations due to reasons related to its financial state. The Fund is created to protect nonprofessional investors – those investors, who don't have sufficient experience and knowledge to invest in the capital market.



The Fund protects investors in the capital market, which contributes to development and stability of the market.

FROM 2005 TO 2015

During these 10 years the capital market has undergone numerous changes. The Global financial crisis caused a significant decrease in the prices of financial instruments. The capital market in Bulgaria was affected as well, and as a result, the trading activity on the stock exchange decreased significantly. Some of the investment intermediaries left the capital market and returned their license voluntarily.

Due to the crisis several legislative measures have been undertaken, that aimed at increasing transparency and credibility in trading financial instruments. The Fund actively participated in the discussions of legislative changes concerning its activity.

Since 2010, the Fund provides the maximum

amount of compensation granted by the Law - 40 000 BGN to a single investor for 90% of the investment amount.



The compensation, provided by Fund, is up to 40 000 BGN to an investor, for 90% of the investment amount.

The accumulated resources in the Fund are 13.31 million BGN. As of the end of 2014, 42 investment intermediaries, 21 banks – investment intermediaries and 30 asset management companies participated in the Fund.

The participants in the Fund have a total of 17.9 billion BGN assets under management, of which 1.58 billion BGN are clients' assets protected by the Fund. In 2015 an investment intermediary's failure case was registered in Bulgaria. In order to facilitate the convenience of its clients, the Fund has published all the necessary documents required for submission of claims for payment of compensation as well as other instructions on its website.



There has been one case of an investment intermediary insolvency.

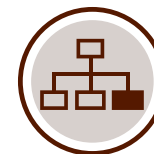
During these 10 years the Fund worked in close cooperation with national institutions and organizations such as the Financial Supervision Commission (FSC), the Bulgarian National Bank (BNB), the Association of Banks in Bulgaria (ABB), the Bulgarian Association of Licensed Investment Intermediaries (BALII), the Bulgarian Association of Asset Management Companies (BAAMC), and the European Forum of Deposit Insurers (EFDI) where the Fund is an associated member.

INTERNATIONAL ACTIVITY

One of the priorities of the Fund is its international activity. The exchange of information and experience at international level is essential for the development of the Fund, taking into account the specific activity of the investor compensation schemes. The Fund's representatives participate actively in the discussions both in the EU-related legislative changes, concerning the Fund activity and in international working groups. The experience gained through international activity contributes to the improvement of the Fund's own activity and its readiness to meet possible compensation payments in the future.

OUTLOOK FOR THE FUND

In 2015 Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms was transposed in the Bulgarian legislation through the adoption of a new Law for recovery and resolution of credit institutions and investment intermediaries.



The investment intermediaries recovery and resolution fund will become part of the ICF's administration.

The new Law creates a fund, which will raise capital for recovery and resolution of investment intermediaries. It is intended that this fund will be part of the administration of the ICF. In addition, to the collection of the annual contributions from the investment intermediaries and the investment of these contributions, the Fund will be able to apply