

# Crude Oil and Petroleum Products Stocks Act

Promulgated, SG No. 15/15.02.2013, effective 15.02.2013, amended, SG No. 14/20.02.2015, SG No. 85/24.10.2017, supplemented, SG No. 62/27.07.2018, effective 28.01.2019, amended, SG No. 77/18.09.2018, effective 1.01.2019, SG No. 17/26.02.2019, amended and supplemented, SG No. 51/5.06.2020, effective 5.06.2020, SG No. 65/21.07.2020

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\*Note: An update of the English text of this Act is being prepared following the amendments in SG No. 105/11.12.2020, effective 11.12.2020

Text in Bulgarian: Закон за запасите от нефт и нефтопродукти

## Chapter One

### GENERAL PROVISIONS

**Article 1.** (1) This Act shall regulate the social relations, relevant to the constituting, holding, replacement, use and replenishment of emergency crude oil and petroleum products stocks and of specific stocks of petroleum products, as well put in place the necessary procedural means to deal with a serious shortage.

(2) The stocks under paragraph 1 shall be intended to ensure the supply of liquid fuels in instances of supply difficulties or major supply disruptions of crude oil and petroleum products in this country, in other European Union Member States and/or pursuant to an effective decision of the International Energy Agency to release stocks.

(3) The stocks under paragraph 1 shall be constituted separately from any state reserves and wartime stocks and any other types of fuel stocks, constituted on the territory of this country, pursuant to applicable legislation.

**Article 2.** (1) In accordance with rules and procedures hereinafter set forth, emergency stocks of crude oil and the following categories of petroleum products shall be constituted, held, replaced, used, replenished and controlled:

1. motor gasolines;
2. gas oils, kerosene-type jet fuels and diesel engine fuels;
3. boiler fuels;
4. the propane-butane gas.

(2) (Supplemented, SG No. 51/2020, effective 5.06.2020) In accordance with rules and procedures hereinafter set forth, specific stocks of one or more of the following categories of petroleum products shall be constituted, held, replaced, used, and replenished:

1. motor gasolines;
2. gas oils, kerosene-type jet fuels and diesel engine fuels.

(3) (Amended, SG No. 65/2020) The specific stocks under paragraph 2 shall form part of the emergency stocks and shall be constituted and maintained by the State Enterprise "State Petroleum Company". The Council of Ministers shall decide on the need of constituting specific stocks.

(4) (Amended, SG No. 51/2020, effective 5.06.2020) This Act shall apply to the energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008 of the European Parliament and of the Council of 22 October 2008 about energy sector statistics (OJ L304/1 of 14 November 2008, referred hereinafter as "Regulation (EC) 1099/2008", if these had been delivered to this country's territory in industrial packaging of a net weight not exceeding 1 kg.

**Article 3.** (1) (Amended, SG No. 65/2020) The emergency stocks of crude oil and specific stocks of petroleum products, which are constituted and maintained by the State Enterprise "State Petroleum Company" shall be in private state ownership, funded by the state budget and shall be counted towards the overall amount of stocks under this Act. The State Enterprise

"State Petroleum Company" shall constitute and maintain emergency stocks and specific stocks of class C motor gasolines and class E diesel engine fuels.

(2) (Amended, SG No. 65/2020) Purchases and compulsory insurance of stocks under paragraph 1 shall be performed by the State Enterprise "State Petroleum Company" under the terms and procedure of the Public Procurement Act and sales shall be performed via licensed commodity exchanges.

(3) Petroleum products stocks, which are constituted and maintained by power engineering enterprises under Article 85(1) and Article 128 of the Energy Act at their own cost, shall count to the overall amount of stocks under this act.

(4) The obligated persons shall organize and finance themselves and by their own means the constituting, holding, replacement and replenishment of the emergency stocks at the levels, prescribed for them.

**Article 3a.** (New, SG No. 65/2020) The State Enterprise "State Petroleum Company" shall perform the functions of a central stockholding entity, which shall:

1. constitute, hold, replenish and sell stocks of crude oil and petroleum products under Article 2, paragraphs 1 and 2 and shall notify the State Reserves and Wartime Stocks State Agency of the results of the activities performed;

2. publish preliminary information by product categories under Article 2 on the conditions and stock quantities, for which it can assume an obligation to store on behalf of obligated persons, economic operators and central stockholding entities managing stocks of other European Union Member States.

**Article 4.** (1) By the 15th day of each month the obligated persons shall prepare and submit to the State Reserves and Wartime Stocks State Agency statement-declaration in standard form in regard to the preceding calendar month, containing information on:

1. levels, condition and places of storage of their prescribed emergency stocks, constituted and held by them both in the territory of this country, as well as in the territories of other European Union Member States;

2. (supplemented, SG No. 51/2020, effective 5.06.2020) types and quantities of commercial and operation stocks, maintained by them during the preceding month in the territory of this country;

3. (supplemented, SG No. 51/2020, effective 5.06.2020) the quantities of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 that, during the preceding month, had been:

a) introduced under import procedure;

b) supplied to this country's territory by intra-Community arrivals;

c) produced in this country's territory.

(2) (Amended, SG No. 51/2020, effective 5.06.2020) All Bulgarian and/or foreign natural and legal persons, registered as traders, as well as any branches thereof, which had engaged during the previous year in the territory of this country in activities of import and/or intra-Community arrival of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils, as well as activities of production and assignment of production of petroleum products under Article 2(1) and of fuel oils, shall prepare and submit to the State Reserves and Wartime Stocks State Agency, by 15 February of each year, statement-declaration in standard form in regard to the preceding calendar year, containing information on:

1. quantities of petroleum products under Article 2(1) and of fuel oils produced and/or sold for consumption;

2. quantities of petroleum products under Article 2(1) and of fuel oils, assigned for production and/or processing, as well as on any of the same consumed by them and/or sold for consumption;

3. the quantities of imported, exported, delivered and intra-Community arrivals, as well as those that have left the country's territory as intra-Community shipments and/or had been designed for international bunker deliveries under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 and of fuel oils;

4. The available quantities of energy products under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 and fuel oils as of 1 January and 31 December;

5. The quantities of petroleum products under Article 2(1) from imports or Inter-Community arrivals designed as emergency stocks;

6. (amended, SG No. 65/2020) the quantities of petroleum products under Article 2, paragraph 1 from imports or intra-Community arrivals that were sold to the Ministry of Defence, the Ministry of Interior, and the State Reserves and the State Enterprise "State Petroleum Company" and designated for constituting and/or replenishing of state reserves, wartime stocks, intra-agency wartime stocks, contingency reserves for emergency situations, and fuel stocks for specific purposes.

(3) (Amended, SG No. 51/2020, effective 5.06.2020) The Customs Agency shall prepare and present to the State Reserves and Wartime Stocks State Agency: information compiled from customs documentation, including registered electronic administrative documents regarding the energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and heavy oils referred to in Chapters 27 and 29 of the EU Combined Nomenclature under Commission Regulation (EU) 1006/2011 of 27 September 2011, amending Annex I to Council Regulation (EEC) 2658/87 regarding the tariff and statistical nomenclature and the Common Customs Tariff (OJ, L 282/1 of 28 October 2011) referred to hereinafter as the Combined Nomenclature. The information shall include data regarding the description of the energy products, their quantity, the sending and the receiving state, which shall be provided using the codes under the Combined Nomenclature, as follows:

1. by the 15th day of each month in regard to the preceding calendar month for the quantities of imports performed and intra-Community arrivals of energy products under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 and of fuel oils and the persons having performed them;

2. annually, by the 31st of January for the preceding calendar year regarding the quantities of imports, exports, international maritime bunker deliveries, intra-Community arrivals and intra-Community dispatches of the energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008 and the persons who had carried those out.

(4) (Amended, SG No. 14/2015, SG No. 51/2020, effective 5.06.2020) The Ministry of Energy shall prepare and present to the State Reserve and Wartime Stocks Agency on a monthly basis before the 15th day of every month information about the stocks of energy products by types and quantities that were maintained by the energy companies under Articles 85 (1) and 128 of the Energy Act.

(5) (Amended, SG No. 51/2020, effective 5.06.2020) The National Statistical Institute shall draw up and submit to the State Reserves and Wartime Stocks State Agency:

1. monthly, before the 30th day of the current month, information about the data reported to Eurostat regarding the types and quantities of oil and petroleum product stocks under Article 2(1), including commercial and operating stocks created and maintained within the country's territory and outside of it; the information shall refer to the month that precedes the preceding calendar month;

2. annually, before 1 March, based on statistical data collected and reported to Eurostat, information about:

a) the calculated net imports and intra-Community arrivals of energy products under Annex A, Article 3.4 of Directive (EC) 1099/2008 and fuel oils in crude oil equivalent for the preceding calendar year.

b) the value used for reducing the total of the net imports of crude oil, gas concentrate and refinery feedstocks which may be:

aa) four percent or

bb) the average production of diesel fuel

cc) the actual net consumption of diesel fuel

c) the calculated consumption by type of petroleum products in crude oil equivalent for the preceding calendar year as the sum of the aggregated index of "gross domestic deliveries" defined in Article 3.2.2.11 of Annex B to Regulation (EC) 1099/2008

d) the list of the producers of energy products inside this country's territory under Article 2 (1) of the Statistics Act.

(6) The Ministry of Defence shall prepare and submit to the State Reserves and Wartime Stocks State Agency by the 31st of January of each year information regarding the quantities and types of petroleum products, purchased in the preceding calendar year for the needs of the Ministry of Defence, the structures directly reporting to the Minister of Defence and the Bulgarian army, for constituting, maintaining and/or replenishment of intra-agency wartime stocks or for armed forces of other EU

Member States, or third countries or international organizations, based on or passing through the territory of this country, as well as on the persons having delivered them.

(7) The Ministry of Interior shall prepare and submit to the State Reserves and Wartime Stocks State Agency by the 31st of January of each year information regarding the quantities and types of petroleum products, purchased in the preceding calendar year for constituting, maintaining and/or replenishment of intra-agency wartime stocks, as well as on the persons having delivered them.

(8) (New, SG No. 65/2020) For the purposes of statistical reporting to the European Commission, as well as for implementation of ongoing control of the stocks, the State Enterprise "State Petroleum Company" shall transmit information to the State Reserve and War-time Stocks State Agency on a monthly basis by the 15th day of the current month on the following:

1. emergency stocks and/or dedicated stocks actually constituted and held by it, by type, quantity and place of storage on a monthly basis – on the territory of the country in the oil depots managed by it and/or in storage facilities registered under Article 38, as well as on the territory of other Member States of the European Union;

2. emergency stocks held by it on behalf of obligated persons;

3. emergency stocks held by it on behalf of other Member States of the European Union;

4. information by product categories and stock quantities under Article 2, for which storage obligation may be assumed on behalf of obligated persons, economic entities or central stockholding entities managing stocks of other European Union Member States.

(9) (Amended, SG No. 65/2020) The State Enterprise "State Petroleum Company" shall submit to the State Reserves and Wartime Stocks State Agency on annual basis by the 15th day of February information on purchased and sold stocks by type and quantity, as well as quantities available as at 1 January and 31 December in the previous calendar year.

(10) (Renumbered from Paragraph 8, amended, SG No. 65/2020) The information under paragraphs (3) - (9) shall be submitted in hard copy and on electronic carrier and if containing classified information – it shall be provided under the procedure of the Classified Information Protection Act.

**Article 5.** (1) (Amended, SG No. 51/2020, effective 5.06.2020) The Ministry of Energy and Tourism shall draw up and submit to the State Reserves and Wartime Stocks State Agency:

1. To the National Statistical Institute, by the 24th day of the current month, a statement on the constituted and maintained stocks as well as on the maintained operating stocks for the purpose of reporting to Eurostat; the statement shall include information about the types and quantities of the stocks stored inside the territory of the Republic of Bulgaria on the last day of the month preceding the preceding calendar month, including for other EU Member States, as well as national stocks stored inside the territories of other EU Member States.

2. (Amended, SG No. 65/2020) To the European Commission, by the 25th day of the current month, a statistical report on the quantities and types of specific-purpose stocks stored within the territory of the Republic of Bulgaria, if such stocks are kept; this report shall be drawn up by categories of petroleum products as of the last day of the preceding calendar month, and this report shall specify the quantity and number of days, the average daily consumption, as well as information on the types and quantities of specific-purpose stocks stored on this country's territory for other EU Member States and specific stocks stored on the territory of such States for the Republic of Bulgaria.

(2) The statistical summary may not include quantities of crude oil and petroleum products, which are subject to a seizure order and/or enforcement action as well as such, constituted by enterprises that are bankrupt or have a court-approved rehabilitation plan.

(3) By the 25th of February of each year the State Reserves and Wartime Stocks State Agency shall prepare abstracts from the register of emergency stocks by types and quantities as at the last day of the preceding calendar year, excluding information concerning the locations of stocks.

(4) If no specific stocks have been constituted or their levels would cover less than the 30-days' consumption of this country, by the 31st day of January the State Reserves and Wartime Stocks State Agency shall prepare reports with analyses of the measures taken to guarantee during the current year availability and physical accessibility of emergency stocks. The reports shall also indicate the provisions, on the basis of which the use of such stocks would be controlled in case of supply difficulties or of major supply disruptions of crude oil and petroleum products.

(5) Upon request by the European Commission the State Reserves and Wartime Stocks State Agency shall provide, within the term specified in the request, copy of:

1. the register of emergency stocks excluding information concerning the locations of stocks;
2. the register of specific stocks excluding information concerning their locations;
3. relevant statistical summaries;
4. the intervention plan for emergency situations and the organizational measures, related to it.

(6) (Amended, SG No. 14/2015) The Minister of Energy shall be advised of the information under paragraphs (3) – (5). The information shall be submitted to the European Commission under procedure, determined by the Council of Ministers.

(7) (Repealed, SG No. 51/2020, effective 5.06.2020).

(8) (Amended, SG No. 14/2015) Upon request by the Council of Ministers or of the Minister of Energy the Chairperson of the State Reserves and Wartime Stocks State Agency shall provide information concerning the levels and condition of the emergency stocks and of the specific stocks.

## **Chapter Two**

### **SUPERVISION OF THE STATE OVER THE CONSTITUTING, HOLDING, REPLACEMENT, USE AND REPLENISHMENT OF EMERGENCY STOCKS AND OF SPECIFIC STOCKS**

**Article 6.** (1) (Amended, SG No. 65/2020) The State Reserves and Wartime Stocks State Agency, hereinafter referred to as "the Agency" shall be a body of the central executive power.

(2) The agency shall exercise the supervision of the state over the constituting, holding, replacement, use and replenishment of stocks under this Act with the aim to ensure supply of liquid fuels in the cases under Article 1(2).

**Article 7.** The agency shall:

1. organize and control the constituting, holding, replacement, use and replenishment of stocks of crude oil and petroleum products under this Act;
2. control the holding in the territory of this country of stocks of crude oil and petroleum products, constituted for fulfilment of the obligations of other European Union Member States;
3. (repealed, SG No. 65/2020);
4. keep registers of:
  - a) obligated persons;

- b) crude oil and petroleum products storing facilities, registered under Article 38;
- c) all emergency stocks constituted and maintained;
- d) all specific stocks constituted and maintained;
5. store the registers kept in hard copy and on electronic carrier;
6. publish on monthly basis on the agency website information regarding the current levels of stocks of crude oil and petroleum products under this Act;
7. (amended, SG No. 51/2020, effective 5.06.2020) determines and calculates in crude oil equivalent the participation of all Bulgarian and/or foreign natural persons and legal entities as well as the branches thereof in the average daily net imports and intra-Community arrivals of the energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008 and fuel oils as well as the average daily consumption of petroleum products under Article 2(1) inside this country's territory during the preceding year;
- 7a. (new, SG No. 51/2020, effective 5.06.2020) calculates as a percentage the participation of every obligated person as a share of the total participation of all obligated persons in the average daily net imports and intra-Community arrivals or in the average daily consumption in the preceding calendar year;
8. (amended, SG No. 65/2020) calculate total and individual stock levels by type and quantity, which should be maintained by the obligated persons and by the State Enterprise "State Petroleum Company";
9. (amended, SG No. 51/2020, effective 5.06.2020) publish annually by the 10th of December information concerning the methods of calculation of stock levels, which the obligated parties must constitute by the first of July of the following calendar year;
10. prescribe the format and procedure for providing the information under Article 4(1) and (2);
11. carry out documentary and/or on-site checks of performance of the obligations under this Act;
12. carry out documentary and on-site checks of storing facilities, in regard to which registration requests have been submitted under Article 38;
13. (repealed, SG No. 65/2020);
14. assist the persons, authorized by the European Commission to conduct reviews of the preparedness for emergency situations, the mechanism of stockholding, the availability and keeping account of the stocks.
15. provide the interaction with the European Commission services in connection with fulfilment of the obligation to maintain minimum stocks of crude oil and petroleum products and/or with emergencies, as well as fulfilment of decision of the International Energy Agency to release stocks.
16. ensure representation of this country at fora, discussions and training sessions, organized by the European Commission and/or other international organizations in connection with the obligation to maintain minimum stocks of crude oil and petroleum products;
17. ensure representation of this country in the functioning of the Coordination Group for oil and petroleum products, composed of representatives of the European Union Member States and chaired by the European Commission;
18. prepare a draft Contingency plan and submit it for approval by the Council of Ministers;
19. store the data, summaries and documentation in connection with the emergency stocks and the specific stocks for a period of at least 5 years of the date of their preparation;
20. (amended, SG No. 65/2020) maintain interaction with the central stockholding entities of other European Union Member States in connection with the activities related to delegation of obligations of stocks management and maintenance both in the territory of this country, and in the territories of other European Union Member States;
21. (amended, SG No. 51/2020, effective 5.06.2020) (watches for the presence/absence of signs of difficulties with the

deliveries of the energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils in this country;

22. (repealed, SG No. 65/2020).

(2) The agency shall perform its duties in such a manner, as would not influence the conditions on the crude oil and petroleum products market and free competition on that market.

**Article 8.** (1) The Chairperson of the Agency shall exercise control over the overall activity of constituting, holding, replacement, use and replenishment of emergency stocks and of specific stocks.

(2) The Chairperson of the Agency shall:

1. approve the methods for calculation of the obligations under this Act;
2. approve the stock levels for fuel categories in total for this country;
3. (amended, SG No. 65/2020) determine individual stock levels of the State Enterprise "State Petroleum Company" and of the obligated persons for each holding period;
4. endorse general requirements, to which the storing facilities for holding the stocks under this Act must conform;
5. register and remove the registration of the storing facilities for holding the stocks under this Act;
6. endorse the templates of documents under this Act, including of the registers kept by the agency and monitor their updating in due course;
7. propose to the Council of Ministers maintenance of a minimum quantity of specific stocks of petroleum products;
8. retain the annual plan of the Agency's controlling operations under this Act;
9. (amended, SG No. 51/2020, effective 5.06.2020) issues authorisations for exchange or denials of requests for exchanges, instructions for use and orders for replenishment to the prescribed levels of the emergency stocks of the obligated persons as well as other actions provided for under this Act;
10. (amended, SG No. 65/2020) issue instructions for use and instructions for replenishment of emergency stocks and specific stocks, constituted and managed by the State Enterprise "State Petroleum Company";
11. (repealed, SG No. 65/2020);
12. authorise activities for movement of stocks under this Act;
13. (repealed, SG No. 65/2020);
14. (supplemented, SG No. 65/2020) issue authorizations to obligated persons for constituting and holding part of their prescribed emergency stocks in the territory of other European Union Member States and notify the Council of Ministers in due course;
15. issue penal decrees in regard to violations under this Act.

(3) The Chairperson of the Agency shall issue individual administrative acts under the terms and procedure of the Civil Procedure Code, to the extent not provided for otherwise by this Act. A petition against an act under paragraph (2), item 3 shall not stay its enforcement.

(4) (Amended, SG No. 65/2020) The Chairperson of the Agency shall issue an ordinance regarding the terms and procedure for holding of emergency stocks and specific stocks in crude oil depots, provided to the Agency for management, with storage-holders in the territory of this country and in the territories of other European Union Member States.

(5) The Chairperson of the Agency may delegate powers under paragraph (2), items 3, 5, 8 – 10 and 15 to the Deputy chairperson of the Agency.

**Article 9.** (1) Registration and removal of the registration of storing facilities for holding stocks under this Act, as well as registration of changes in the circumstances, related to storing facilities registered shall be made by order of the Chairperson of

the Agency based on written request by the person interested.

(2) Upon entry of a storing facility into the register of storing facilities or of changes in circumstances the Chairperson of the Agency shall issue a certificate of the registration.

(3) Removal of the registration of a storing facility shall be made based on written request from the store-holder or in the cases, envisaged in this Act.

(4) The store-holder shall be obliged to return to the agency the certificate of registration within 5 days of the issuance of order for registration of change of any circumstance under paragraph (2), as well as in all cases of removal of the registration.

**Article 10.** (1) (Supplemented, SG No. 65/2020) The obligated persons and the storage-holders of stocks under this Act and their employees must render assistance to the employees under Article 4, paragraph 4 in the discharge of their duties, assigned to them under this Act, including for ensuring access to documentation and storage facilities for holding the stocks.

(2) (Amended, SG No. 65/2020) The bodies of the Ministry of Interior, the Ministry of Finance, the National Customs Agency, the National Statistical Institute, the National Revenue Agency, the State Agency for Metrological and Technical Surveillance and the local bodies within their remit, shall be obliged to render assistance to the employees under Article 4, paragraph 4 in the discharge of their control functions under this Act.

(3) Where agency inspections are conducted, individuals and entities under paragraph (1) may not advance grounds of industrial or commercial secrecy.

**Article 11.** (1) (Amended, SG No. 17/2019) Documents and information, obtained by the Chairperson and by agency officials in the course of any inspection or review of emergency preparedness of this country or of any other European Union Member State, may only be used by them for the purposes of such inspection or review. Such information may be provided only by written request of a state body, when so provided for by a law or upon request from the respective European Commission services. Information related to natural persons shall be processed and made available in compliance with the requirements for the protection of personal data.

(2) The Chairperson and agency officials must refrain from disclosing facts and circumstances, which have become known to them on the occasion or in the course of discharge of their official duties under this Act, except where a written request of a state body would be filed, when so provided for by a law or upon request from the respective European Commission services.

(3) To guarantee fulfilment of their duties under paragraph (2), the individuals and entities shall sign declarations according to template.

(4) Employees of state bodies, who receive documents and information under this Act, may use it only for the purposes of the functions, discharged by them.

## **Chapter Three**

### **CALCULATING AND DETERMINING STOCK LEVELS**

**Article 12.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) (Amended, SG No. 65/2020) The emergency stocks that are constituted and maintained by obligated persons and the State Enterprise "State Petroleum Company" shall be determined by the Chairperson of the Agency annually by the 30th day of April by instructions regarding the total and individual levels of the stocks under Article 8, paragraph 2, items 2 and 3. The stock levels shall be set based on the data provided for the preceding calendar year under:

1. Article 4 (5), 2 "a" and "b" on calculating the crude oil equivalent of the average daily net import and intra-Community arrivals and in accordance with Articles 14 and 23, or

2. Article 4 (5) 2 item "c" on calculating the crude oil equivalent of the average daily consumption within this country' territory in accordance with Articles 15 and 22.



- (2) (Amended, SG No. 65/2020) The total quantity of emergency stocks of crude oil and petroleum products under Article 2 (1) shall, at the very least, match the greater of the two values below: 90 days of average daily net imports and intra-Community arrivals, of which 30 days for the State Enterprise "State Petroleum Company", or 61 days average daily consumption in the territory of this country, of which 20 days for the State Enterprise "State Petroleum Company".
- (3) (Amended, SG No. 65/2020) When determining the emergency stocks levels the information, obtained under the procedure of Article 4, paragraph 2 and 3, paragraph 5, item 2, paragraphs 6, 7 and 9, shall be taken into account.
- (4) (Amended, SG No. 65/2020) The stock levels for emergency situations of every obligated person shall be set proportionally to its participation in the total net imports and intra-Community arrivals or in the total internal consumption during the preceding calendar year calculated on the basis of the total participation of all obligated persons. If a person under Article 4 (2) fails to provide information or the information it provides does not correspond to the information that had been received under Article 4 (3, 5) item 2, paragraphs (6, 7) and (9), the Chairperson of the Agency shall notify that person with instructions to provide within seven days additional information as well as proof that an inspection had been made. The Chairperson of the Agency shall set the levels of the emergency stocks based on the results of the inspection, and if such an inspection cannot be carried out, on the basis of the data under Article 4 (2, 3), (5) item 2, paragraphs (6, 7 and 9).
- (5) When calculating the levels of stocks biofuels and additives shall be taken into account only if already blended with the respective petroleum products.
- (6) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported or obtained from intra-Community arrivals in this country's territory gas condensate and other carbohydrates, shall be assigned stock levels for emergency situations in the form of crude oil.
- (7) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported and/or obtained from intra-Community arrivals and/or had made sales from production or assignments for production in this country's territory of propane, butane gas and/or mixtures thereof, shall be set emergency stock levels in the form of propane-butane gas.
- (8) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported and/or obtained from intra-Community arrivals in this country's territory refinery gas, ethane and olefins (including polypropylene) shall be assigned stock levels for emergency situations in the form of propane-butane gas.
- (9) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported or obtained from intra-Community arrivals in this country's territory gas condensate and other carbohydrates, shall be assigned stock levels for emergency situations in the form of crude oil.
- (10) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported or obtained from intra-Community arrivals in this country's territory jet fuels of gasoline type or other kinds of cerosene, shall be assigned emergency stock levels in the form of jet fuel of kerosene type.
- (11) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported or obtained from intra-Community arrivals in this country's territory lubricants (including base oils) bitumen, paraffin wax, oil coke, tar/gudron and sulphur, shall be assigned emergency stock levels for emergency situations in the form of boiler fuels.
- (12) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported and/or obtained from intra-Community arrivals and/or had made sales from production or assignments for production in this country's territory of fuel oils shall be assigned stock levels for emergency situations in the form of boiler fuels..
- (13) Every Bulgarian or foreign natural person or legal entity that is registered as a commercial entity as well as the branches thereof that, in the preceding year, had imported or obtained from intra-Community arrivals in this country's territory refinery

feedstock, shall be assigned emergency stock levels in the form of crude oil.

**Article 13.** (1) (Amended, SG No. 65/2020) The levels of specific stocks to be constituted and maintained by the State Enterprise "State Petroleum Company" shall be calculated based on the crude oil equivalent of the average daily consumption in the territory of this country of petroleum products under Article 2, paragraph 2 during the previous calendar year.

(2) The specific stocks may comprise one or more petroleum products, indicated in Article 2(2), the crude oil equivalent of which would equal at least 75% of consumption in the territory of this country during the previous calendar year.

(3) (Amended, SG No. 51/2020, effective 5.06.2020) When determining the specific stocks levels the information, obtained under the procedure of Article 4(5), item 2, letter "c" shall be taken into account.

**Article 14.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) The participation of persons, as defined by Article 4(2), in the net import and intra-Community arrivals shall be calculated by type of energy product under Annex A, Article 3.4 of Regulation (EC) 1099/2008 in crude oil equivalent in accordance with their operations during the preceding calendar year.

(2) The participation of persons, as defined by Article 4(2), in the net import and intra-Community arrivals of energy products under paragraph (1) in crude oil equivalent shall be determined by the total of own stocks received within this country's territory during the preceding calendar year from:

1. imports of the energy products under (1) minus the import of diesel;
2. intra-Community arrivals of energy products under (1) minus intra-Community arrivals of diesel;
3. the energy products under paragraph (1) that are available on 1 January minus the quantities of diesel that are available on 1 January.

(3) The quantities received under paragraph (2) shall be reduced by the sum of own quantities during the preceding calendar year:

1. for international maritime bunker deliveries of energy products under paragraph (1) to vessels that have left this country's territory reduced by the quantities of international maritime bunker deliveries of diesel;
2. for exports and/or intra-Community deliveries of the energy products under (1) reduced by the quantities of the exports and/or intra-Community deliveries of diesel;
3. the energy products under paragraph (1) that are available on 31 December minus the quantities of diesel that are available on 31 December.

(4) The fuel in the tanks of aircraft and road means of transportation that leave this country's territory and the deliveries of jet fuel for international flights shall not be considered exports, intra-Community deliveries and bunker deliveries.

(5) The total quantity of crude oil, gas, refinery feedstocks and other hydrocarbons shall be reduced by the value received from the National Statistical Institute under Article 4 (5)2 "b".

(6) The crude oil equivalents of the quantities of petroleum products under paragraph (1), with the exception of diesel and the energy products listed in paragraph(5), by multiplying them by a coefficient of 1.065.

**Article 15.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) The participation of the persons under Article 4 (2) in the average daily consumption of petroleum products under Article 2 (1) and of fuel oils within this country's territory shall be calculated by types and quantity of petroleum products in crude oil equivalent depending on their operations in the preceding calendar year.

(2) The participation of the persons under Article 4 (2) in the consumption of the petroleum products under Article 2 (1) and of fuel oils during the preceding calendar year shall be determined by the total of their own quantities:

1. sold for consumption as a result of production;
2. obtained as a result of contract for assigning production and processing, used by the assignor for own needs or sold by it;
3. imported under import regime for consumption for own needs and/or for sale;

4. obtained from intra-Community arrivals with the view of consumption for own needs and/or for sale;
5. obtained from imports and intra-Community arrivals, available on hand as at 1 January of the previous calendar year.

(3) The quantities under (2) shall be reduced by the total of the own quantities from imports, intra-Community arrivals and production during the preceding calendar year:

1. delivered for the Ministry of Defence, the structures directly reporting to the Minister of Defence and the Bulgarian army or for armed forces of other EU Member States, or third countries or for international organizations, based on or passing through the territory of this country in conformity with the Constitution of the Republic of Bulgaria and applicable legislation;
2. (amended, SG No. 65/2020) constituting, holding and/or replenishment of state reserves and wartime stocks, constituted by the State Enterprise "State Petroleum Company", as well as of intra-agency wartime stocks, constituted by the Ministry of Defence and the Ministry of Interior;
3. constituting, holding and/or replenishment of emergency stocks;
4. constituting, holding and/or replenishment of specific stocks of petroleum products;
5. bunker supplies of petroleum products for seagoing vessels leaving the territory of this country;
6. for export and/or intra-Community deliveries;
7. available on the 31st day of December of the preceding year.

(4) The fuel in the tanks of aircraft and road means of transportation that leave this country's territory and the deliveries of jet fuel for international flights shall not be considered exports, intra-Community deliveries and bunker deliveries.

(5) The crude oil equivalent of the petroleum products under Article 2 (1) and the fuel oils shall be calculated by multiplying the quantities by a coefficient of 1.2.

**Article 16.** (Amended, SG No. 51/2020, effective 5.06.2020) For the period from 1st January to 30st June of each calendar year the average daily consumption and the average daily net imports and intra-Community arrivals in the territory of this country shall remain in effect, as determined in the preceding calendar year.

## **Chapter Four**

### **CONSTITUTING OF EMERGENCY STOCKS AND OF SPECIFIC STOCKS**

#### **Section I**

##### **Constituting of emergency stocks**

**Article 17.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) The obligated persons shall bring the levels of their emergency stocks by types and quantities into conformity with the levels, set to them under Article 12(1) by 1 July.

(2) (Amended, SG No. 51/2020, effective 5.06.2020) (The obligated persons shall be obliged to hold the levels of emergency stocks set for them until the 30th day of April of the following calendar year.

(3) The constituting of the levels shall be evidenced by:

1. (amended, SG No. 65/2020) in this country's territory – by warehouse bills, issued by storage-holders who own storage facilities registered under Article 38 – in regard to stocks of obligated persons and of the State Enterprise "State Petroleum Company" and in regard to economic operators and central stockholding entities of other European Union Member States – also by a stockholding contract;
2. (amended, SG No. 51/2020, effective 5.06.2020) in the territory of another European Union Member State – by the documents under Article 18(5);
3. (amended, SG No. 65/2020) in crude oil depots, managed by the State Enterprise "State Petroleum Company" - with a takeover certificate regarding the stocks of the State Enterprise "State Petroleum Company", regarding stocks of obligated

persons - by warehouse bills, and regarding stocks of other European Union Member States - by a takeover certificate and a stockholding contract.

(4) In case an obligated person has constituted and is holding the levels of emergency stocks, prescribed for it, of motor gasolines and class A diesel engine fuel, it shall be obliged to replace them by the 31st of October of the respective calendar year by an equivalent quantity of stocks of class C motor gasoline and class E diesel engine fuel under the terms and procedure of Article 37.

**Article 18.** (1) The obligated persons shall be entitled to delegate by contract in their own name and on own account the constituting and holding of part of the levels of emergency stocks, prescribed for them, only to:

1. (supplemented, SG No. 65/2020) storage-holders owning storage facilities registered under Article 38, as well as of the State Enterprise "State Petroleum Company" who are able to provide crude oil and petroleum products and/or have available tank capacities for storage in the territory of this country; that entitlement shall apply to up to 100 percent of the prescribed individual levels of emergency stocks and the obligated person shall be obliged to submit to the Agency a copy of the warehouse bill not later than the business day following the day of its issuance and the storage-holder shall be responsible for the quantity and quality of the stocks, in regard to which he undertook a stockholding commitment;

2. (amended, SG No. 51/2020, effective 5.06.2020) economic operators and/or store-holders who would be able to provide crude oil and petroleum products and/or have available tank capacities for holding emergency stocks in the territories of other European Union Member States; that entitlement shall apply to up to 50 percent of the prescribed individual levels of stocks of the respective crude oil and petroleum products categories; each specific instance of delegation may be authorised upon request of the obligated person following prior authorization from the competent bodies of the other European Union Member State, in the territory of which the stocks are to be stored and subsequent authorisation by the agency; the liability of the economic operators and store-holders for the types, quantities and qualities of stocks accepted for holding shall be determined in accordance with the legislation of the European Union Member State in question and the obligated person shall be liable under the respective domestic legislation;

3. (amended, SG No. 51/2020, effective 5.06.2020) one or more central stockholding entities of other European Union Member States, which had expressed in advance readiness to hold such stocks; that entitlement shall apply to up to 50 percent of the prescribed individual levels of stocks of the respective crude oil and petroleum products categories; each specific instance of delegation may be authorised upon request of the obligated person following prior authorization from the agency and from the competent bodies of the other European Union Member State, in the territory of which the stocks are to be held.

(2) (New, SG No. 51/2020, effective 5.06.2020) The total delegated quantity under paragraph (1), 2 and/or 3 may not exceed 50 percent of the individually set stock levels regarding the respective categories of petroleum products and crude oil for the obligated person.

(3) (Renumbered from Paragraph (2), SG No. 51/2020, effective 5.06.2020, repealed, SG No. 65/2020).

(4) (Renumbered from Paragraph (3), SG No. 51/2020, effective 5.06.2020) Each obligated person, having expressed a desire to hold stocks outside the territory of this country, shall submit a written request to the agency not later than 20 calendar days before the start of the period, for which approval is sought, which must include:

1. name, address by corporate seat, as well as correspondence address, telephone, fax, e-mail address and contact person of the store-holder, economic operator and/or central stockholding entity of another European Union Member State, which will perform the stockholding;

2. stocks types and quantities;

3. location of the storing facility, where stocks would be held;

4. the stockholding period;

5. (amended, SG No. 65/2020) a consent of the respective Member State and/or of the central stockholding entity, established by it for management of the stocks, on the territory of which the respective stocks will be held; and the statement of consent shall include data of the type and quantity of the stocks and the holding period.

(5) (Renumbered from Paragraph (4), SG No. 51/2020, effective 5.06.2020) In the cases under paragraph (1), items 2 and 3

the obligations would be deemed fulfilled, if the obligated person:

1. would have received authorization from the agency to hold the stocks in accordance with the request made under paragraph (1);
2. would have submitted to the agency the original or certified copy of contract or any other document, certifying stockholding outside this country for the entire period, authorization had been granted by the agency; such document must contain:
  - a) the locations, types, quantities and quality of the stocks;
  - b) the dates of deposit thereof;
  - c) the stockholding term,
  - d) insurance of the stocks;
  - e) the type of transport for bringing them to this country – in case of emergency, as well as the term for accomplishing that;
  - f) the body in the other European Union Member State, exercising control functions over the availability and quality of stocks.

(6) (Renumbered from Paragraph (5), SG No. 51/2020, effective 5.06.2020) The economic operators and other central stockholding entities of European Union Member States shall be entitled to delegate by contract in their own name and on own account to store-holders in the territory of this country holding of quantities of stocks, prescribed for constituting by the respective Member State.

(7) (Renumbered from Paragraph (6), SG No. 51/2020, effective 5.06.2020) The entitlement to delegate shall not give rise to an obligation for the other party to accept the activities delegated without its consent.

(8) (Renumbered from Paragraph (7), amended, SG No. 51/2020, effective 5.06.2020) The holding of stocks, delegated under paragraphs (1) and (6), may not be sub-delegated.

(9) (Renumbered from Paragraph (8), SG No. 51/2020, effective 5.06.2020) Any change in the terms of stockholding, including any extension of its period, shall be treated as a new delegation.

**Article 19.** (1) (Amended, SG No. 65/2020) If the State Enterprise "State Petroleum Company" has no sufficient own tank capacities, the Council of Ministers may, by a resolution, delegate the constituting and holding of its allocated emergency stocks to other European Union Member States. Delegation may be authorized if the stockholding conditions in the territory of other EU Member States would be more advantageous than the conditions offered by storage-holders in the territory of this country that own storage facilities, registered under Article 38.

(2) (Amended, SG No. 14/2015, amended and supplemented, SG No. 65/2020) The resolution under paragraph 1 shall be adopted upon a proposal by the Chairperson of the Agency in coordination with the Minister of Energy following a request in writing by the Executive Director of the State Enterprise "State Petroleum Company". The request shall be drawn up following prior examination of its economic expediency, the quality of the holding service offered and the possibilities for timely delivery of the respective quantities on the territory of this country.

(3) The obligations for constituting and holding of stocks by virtue of delegation may not be sub-delegated to other persons.

**Article 20.** (1) (Supplemented, SG No. 65/2020) An economic operator or a central stockholding entity of another European Union Member State, having expressed a desire to hold stocks in the territory of the Republic of Bulgaria, shall submit a written request to the Chairperson of the Agency not later than 30 calendar days before the start of the period, for which authorisation for holding and maintenance of stocks under this Act is requested, including:

1. name, address by corporate seat, as well as correspondence address, telephone, fax, e-mail address and contact person of the respective economic operator and/or central stockholding entity, at the expense of which stocks would be held in the territory of this country;

2. name, address by corporate seat, as well as correspondence address, telephone, fax, e-mail address and contact person of the store-holder, who would perform stockholding under the procedure of this Act;
3. stocks types and quantities;
4. location and other data, identifying the storing facilities where the stocks would be held;
5. the stockholding period;
6. written consent on behalf of the competent bodies of the respective European Union Member State, at the expense of which stocks would be held in the territory of this country.

(2) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) Within 14 days of receipt of the request under paragraph (1) the Chairperson of the Agency shall issue written consent for holding and maintenance of the stocks. Any refusal to issue consent shall be subject to appeal under the procedure of the Code of Administrative Procedure.

(3) (Repealed, SG No. 65/2020).

**Article 21.** (1) (Amended, SG No. 51/2020, effective 5.06.2020) (1) The stocks for emergency situations may be maintained in the form of crude oil or petroleum products as described in Article 2 (1).

(2) The emergency stocks under paragraph (1) shall be reported in their actual tonnage.

(3) The levels of the emergency stocks in petroleum products under Article 2(1) set on the basis of the average daily consumption may be constituted and maintained in the form of crude oil solely by producers and/or assigners of production and, furthermore, the total quantity of crude oil should be equal to the quantity of the stocks of petroleum products under Article 2(1) the exchange of which was being requested. The exchange of petroleum products may be applied for:

1. no more than 50 percent of the quantities of the individually set emergency stocks of petroleum products under Article 2 paragraph (1) 1-3;
2. 100 percent of the quantities of the individually set emergency stocks of petroleum products under Article 2(1), item 4.

(4) If the obligated person had availed itself of the exchange under paragraph (3), it shall be entitled to a subsequent exchange of already constituted levels of emergency stocks in the form of petroleum products under Article 2 (1) 1 - 3, and the total quantity of the petroleum products must be equal to the quantity of crude oil stocks the exchange of which was being requested.

(5) The levels of the emergency stocks of petroleum products set on the basis of the average daily consumption may be constituted and maintained in the form of crude oil solely by producers and/or assigners of production under Article 2(1), items 1 - 3 and, furthermore, the total quantity of crude oil should be equal to the quantity of the stocks of petroleum products the exchange of which was being requested.

(6) If an obligated person had availed itself of the exchange under paragraph (5), it shall be entitled to a subsequent exchange of already constituted levels of emergency stocks in the form of petroleum products under Article 2 paragraph (1) 1 - 3 in the form of crude oil and, furthermore, the total quantity of crude oil should be equal to the quantity of the stocks of petroleum products under Article 2 paragraph (1) 1 - 3 the exchange of which was being requested.

(7) The obligated persons which had been set emergency situations stock levels in the form of crude oil shall, on the first business day following the day on which the levels of stocks that had been set for them individually were deposited in storage facilities that had been registered under Article 38, submit to the Agency a production schedule for the processing of the crude oil into petroleum products under Article 2 paragraph (1) as well as information on the deadlines for making the petroleum products available in the circumstances described in Article 1 (2). The obligated persons described in the first sentence above who are not producers shall also submit a copy of a contract with a refinery for the production of the petroleum products under Article 2 paragraph (1).

(8) The stock levels for emergency situations of propane butane gas that had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 100 percent also in the form of automobile gasoline and/or fuel for diesel engines and, moreover, the total quantity must be equal to the quantity of the propane butane gas stocks, the exchange of which had been requested.

(9) The stock levels for emergency situations of automobile gasoline which had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 50 percent also in the form of fuel for diesel engines and, moreover, the quantity must be equal to the quantity of the stocks of automobile gasoline, the exchange of which had been requested.

(10) The stock levels for emergency situations of fuel for diesel engines which had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 50 percent also in the form of automobile gasoline and, moreover, the quantity must be equal to the quantity of the stocks of fuel for diesel engines, the exchange of which had been requested.

(11) The emergency stock levels of automobile gasoline which had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 100 percent also in the form of fuel for diesel engines and, moreover, the quantity must be equal to the quantity of the automobile gasoline, the exchange of which had been requested.

(12) The stock levels for emergency situations of automobile gasoline which had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 100 percent also in the form of fuel for diesel engines and, moreover, the quantity must be equal to the quantity of the automobile gasoline, the exchange of which had been requested.

(13) The emergency stock levels of automobile gasoline which had been set on the basis of the net imports and intra-Community arrivals or the average daily consumption may be constituted and stored up to 50 percent also in the form of fuel for diesel engines and, moreover, the quantity must be equal to the quantity of the automobile gasoline, the exchange of which had been requested.

(14) The obligated persons who are requesting exchange under (3 - 6) and (8-13) shall submit a request in writing to the Agency no later than the 10th day of July of the current calendar year. A request in writing containing proper arguments may also be submitted after the deadline described in the first sentence above, first, if there are objective reasons for this. The request shall at least contain information about the type and quantity of the stocks the exchange of which is being sought, the form in which it will be constituted and stored as well as the time period of the exchange.

(15) The exchange under paragraphs (3 - 6) and (8 - 13) shall be authorized within seven days of receipt of the request under paragraph (14) by an authorization for exchange by the Chairperson of the Agency, whereby the type, quantity and validity of the authorization shall be established. The Chairperson of the Agency may issue a refusal to authorize an exchange that should be properly supported with arguments; the refusal may be appealed following the procedures under the Code of Administrative procedure. Until the court has issued a final ruling, the obligated person shall maintain the stocks as they were last set by the Chairperson of the Agency.

(16) Changes to the authorization for exchange under Article 15 may be made based on an application in writing by an obligated person that is properly supported with arguments, and such changes shall be made under the provisions of Article 14.

**Article 21a.** (New, SG No. 51/2020, effective 5.06.2020) (1) in the event of force majeure circumstances and if the need should arise to avoid or reduce a risk of disruption to a production process that could lead to interruption of deliveries of crude oil and/or refinery feedstock, the obligated person who is the store-holder of stocks or the producer may carry out an exchange under Article 21 (3 - 6) and (8 - 13) without an authorization under Article 21 (15). The request should apply to a time period of up to 10 calendar days.

(2) On the day of carrying out the exchange under paragraph (1), the obligated person shall notify the Chairperson of the Agency electronically, as provided for under the Electronic Document and Electronic Trust Services Act, of the actions that had been undertaken and the reasons for that. The notification shall have annexed to it documents proving the existence of force majeure circumstances and documents confirming that the stocks that were the subject of the exchange had been constituted - notifications of deposit and withdrawal under Article 36 (2), a copy of a warehouse bill, and documents certifying the quality of the product that would be stored. If there is a system for uninterrupted monitoring of the stocks in the storage facility where the exchange under paragraph (1) is taking place, the obligated person shall provide on a daily basis data generated by this system for the duration of the exchange.

(3) Not later than the day following the one in which the deadline for the exchange under paragraph (1) had expired, the obligated person shall render the exchanged stocks in compliance with the stock levels last set for that person by the

Chairperson of the Agency. The existence of the circumstance described in sentence one above shall be proved to the Chairperson of the Agency with a notification of deposit and a notification of withdrawal under Article 36, paragraph (2), a copy of a warehouse bill as well as documents certifying the quality of the product.

**Article 22.** (1) In case the levels of emergency stocks would have been determined based on the average daily consumption in the territory of this country the categories of obligated persons would be determined in accordance with paragraphs (2) – (5).

(2) (Amended, SG No. 51/2020, effective 5.06.2020) Every person, having produced petroleum products under Article 2(1) and fuel oils and sold the end products in the national market in the preceding calendar year shall have to constitute, hold, replace and replenish, with means of its own and at its own expense, emergency stocks in quantities, proportionate to his/her participation in the preceding calendar year, in comparison to the total consumption in the territory of this country.

(3) (Amended, SG No. 51/2020, effective 5.06.2020) Each person, having assigned in the preceding calendar year production and processing of petroleum products under Article 2(1) and fuel oils and having used them for own needs and/or sold petroleum end-products on the domestic market shall have to constitute, hold, replace and replenish, by own means and at its own expense emergency stocks in quantities, proportionate to his/her participation in the preceding calendar year, in comparison to the total consumption on the territory of this country.

(4) (Amended, SG No. 51/2020, effective 5.06.2020) Any person, having imported petroleum products under Article 2(1) and fuel oils in the preceding calendar year shall have to constitute, hold, replace and replenish, with means of its own and at its own expense, emergency stocks in quantities, proportionate to his/her participation in the preceding calendar year, in comparison to the total consumption in the territory of this country.

(5) (Amended, SG No. 51/2020, effective 5.06.2020) Every person, having made intra-Community arrivals of petroleum products under Article 2(1) and fuel oils in the preceding calendar year shall have to constitute, hold, replace and replenish, with means of its own and at its own expense, emergency stocks in quantities, proportionate to his/her participation in the preceding calendar year, in comparison to the total consumption in the territory of this country.

**Article 23.** (1) In case the levels of emergency stocks would have been determined based on the average daily net imports and intra-Community arrivals in the territory of this country the categories of obligated persons would be determined in accordance with paragraphs (2) and (3).

(2) (Amended, SG No. 51/2020, effective 5.06.2020) Each person, having imported crude oil, refinery feedstocks, NGL, fuel oils and petroleum products under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 during the preceding calendar year shall have to constitute, hold, replace and replenish, with means of its own and at its own expense, emergency stocks in quantities that should be proportionate to the net imports performed by it in comparison to the total net imports into the territory of this country during the preceding calendar year.

(3) (Amended, SG No. 51/2020, effective 5.06.2020) Each person, having performed intra-Community arrivals of energy products under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 and of fuel oils during the preceding calendar year shall have to constitute, hold, replace and replenish, with means of its own and at its own expense, emergency stocks in quantities, proportionate to his/her participation in comparison to the total net import and intra-Community arrivals into the territory of this country during the preceding calendar year.

**Article 24.** (1) The quantities of emergency stocks, ensuring fulfilment of the obligations under Articles 22 and 23, may be the property of the obligated person, of the economic operator or of a central stockholding entity of another European Union Member State and/or have been made available under a loan contract.

(2) The loan and stockholding contracts may not:

1. be secured by pledges over the stocks;
2. contain clauses, preventing use of the stocks if such an order would be issued by the Chairperson of the Agency;
3. be terminated in instances of supply difficulties or of major supply disruptions.

(3) A decrease of the quantity of stocks held may be allowed only if an order for use would be issued and in accordance with the quantities, indicated therein.

(4) The obligated persons and/or the store-holders, who have transferred crude oil and petroleum products under loan contract



to other obligated persons, economic operators or to a central stockholding entity of another European Union Member State, may not report those quantities towards fulfilment of their own obligations under this Act.

(5) (Amended, SG No. 51/2020, effective 5.06.2020) An obligated person that discontinues its operations of production, assigning production, import and/or intra-Community arrivals of energy products under Annex A, Article 3.4 of Regulation (EC) No. 1099/2008, shall be obliged to store the stock levels set for it until the 30th day of June of the year following the year when these were set, as well as the stock levels set for the next storage period based on the calculation for the year in which it ceased operations.

(6) Each obligated person shall keep available at all times the stocks, for which it is obligated under Articles 22 or 23 and may dispose of them only in compliance with an order for use, issued by the Chairperson of the Agency.

(7) (New, SG No. 62/2018, effective 28.01.2019) In case of an order issued for the deletion from the register of a person performing economic activities under Article 1, paragraph 1, item 2 and item 2 of the Act on Administrative Regulation of Economic Activities Associated with Oil and Petroleum Products, as a result of the import and intra-Community arrivals carried out by it, the liable person shall be obliged to create conditions for accumulation and storage of the levels of emergency stocks set to him in accordance with the injunction issued to him, as well as for the implementation of all other individual administrative acts issued under this Act.

**Article 25.** Emergency stocks under this act may not include crude oil and petroleum products:

1. from indigenous petroleum deposits not yet extracted;
2. as supplies for bunkers of river and seagoing vessels;
3. located inside pipelines, in road-tankers and rail tank-wagons, in the storage tanks of retail outlets (petrol stations);
4. held by the armed forces or available to them, including wartime stocks;
5. passing in direct transit through the territory of this country;
6. which constitute bottom residue;
7. which may not be withdrawn from storing facilities registered under Article 38 using fixed equipment and technologies, customarily used for such purposes, or are inaccessible, or nonoperative for other reasons;
8. in tankers at sea.

## **Section II**

### **Constituting of specific stocks**

**Article 26.** (1) (Amended, SG No. 65/2020) Specific stocks of petroleum products may be constituted only by the State Enterprise "State Petroleum Company".

(2) (Amended, SG No. 14/2015, SG No. 65/2020) The Chairperson of the Agency, following a written request by the Executive Director of the State Enterprise "State Petroleum Company" shall propose to the Council of Ministers to adopt a resolution for determining the types and quantities of specific stocks, as well as the period of their maintenance, which may not be less than one year. The proposal shall be coordinated with the Minister of Energy.

(3) The minimum quantity of specific stocks, calculated as a number of days of average daily consumption in the territory of this country, shall apply to all categories of petroleum products.

(4) The specific stocks shall be held and maintained for the entire term and temporary decreases may be allowed only while performing individual operations of replenishment of stocks.

(5) In case of need of change of the types of stocks it shall be applied as of the beginning of the calendar month, following the decision of the Council of Ministers for making such a change.

**Article 27.** (1) The decision to assume an obligation to constitute specific stocks, ensuring at least 30 days of consumption in the territory of this country, shall be communicated to the European Commission.

(2) (Amended, SG No. 14/2015) The communication under paragraph (1) shall be coordinated in advance with the Minister of Energy and forwarded for publication in the Official Journal of the European Union. It shall contain the types and quantities of stocks, in regard to which obligation for constituting was undertaken, as well as the duration of their maintenance.

**Article 28.** (1) If the decision to assume an obligation to constitute specific stocks, ensuring at least 30 days of consumption in the territory of this country, would envisage a stockholding period of less than one calendar year, at least a third of the levels of stocks, determined for the respective year, must be in the form of petroleum end-products.

(2) If the decision to assume an obligation to constitute specific stocks concerns quantities of petroleum products, ensuring at least 30 days of consumption in the territory of this country, the Chairperson of the Agency shall prepare an annual report with analysis of the measures taken for guaranteeing and inspection of the availability and physical accessibility of emergency stocks. The report shall also indicate the provisions, adopted for ensuring control over the use of such stocks in case of supply difficulties or of major supply disruptions of crude oil and petroleum products.

(3) (Amended, SG No. 14/2015) The report under paragraph (2) shall be coordinated in advance with the Minister of Energy and be transmitted to the European Commission by the 31st of January of the calendar year which it concerns.

**Article 29.** No enforcement measures may be applied in regard to specific stocks of the Republic of Bulgaria or of other European Union Member States, held in the territory of this country. If need be assistance for unobstructed transportation of stocks through the territory of this country shall be rendered by the bodies of the Ministry of Interior.

## **Chapter Five**

### **HOLDING AND REPLACEMENT OF EMERGENCY STOCKS AND OF SPECIFIC STOCKS**

**Article 30.** (1) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) The stocks under Article 2 shall be held in storage facilities registered under Article 38 or in storage facilities managed by the State Enterprise "State petroleum Company" or in tank capacities of other EU Member States provided their physical existence and accessibility have been determined.

(2) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) The stocks under Article 2 shall be insured for the entire duration of the storage at least covering the risk under Section II, letter A, item 8 (except for the risk "nuclear energy") and 9 of Annex 1 to the Insurance Code. The insurance contract for the stocks shall be signed by the obligated person or the storage-holder in accordance with the terms agreed in the contract under Article 31, paragraph 1, or by the State Enterprise "State Petroleum Company" for stocks owned by it in storage facilities managed by it, which contract shall specify, apart from the content under the Insurance Code, the type and quantity of the insured stocks. The beginning of the period of insurance coverage may not be later than the date on which the stocks were deposited in storage facilities registered under Article 38. In the event that the term of the insurance coverage expires prior to 30 June of the calendar year following the one in which the stock levels were set, the obligated person or the storage-holder shall be obliged to enter into a new insurance contract no later than 10 working days before the expiration of the earlier contract, and to submit to the State Enterprise "State Petroleum Company" a certified copy thereof no later than the first working day following the day of the insurance, or in reference to the State Enterprise "State Petroleum Company" - in accordance with its storage terms.

(3) The mandatory insurance contract of the stocks shall be accompanied by a contract for mandatory Third Party Liability insurance in regard to property and non-property damage, inflicted on third parties as a result of stockholding in storing facilities under Article 38.

(4) Where the insurance contracts under paragraphs (2) and (3) provide for payment by instalments of the premium due the obligated person or the store-holder shall be obliged to submit to the agency certified copy of each payment order in evidence of making the payment of the premium to the insurer, within 5 business days of effecting it.

(5) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) The storage facilities managed by the State Enterprise "State Petroleum Company" shall be insured on account of the state budget.

(6) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) The State Enterprise "State Petroleum Company" shall be obliged to have available documents evidencing payment of excise duty, payable under the Excise Duties and Tax Warehouses Act, in regard to the stocks kept in storage facilities under Article 2, constituted by it, which are not licensed as

tax warehouses.

(7) The store-holders of stocks under this Act, owning storing facilities registered under Article 38, shall be obliged to keep on hand documents, evidencing payment or securing of excise duty, payable under the Excise Duties and Tax Warehouses Act, in regard to the stocks of crude oil and petroleum products, held by them.

(8) (New, SG No. 51/2020, effective 5.06.2020) If force majeure circumstances should arise that render impossible the unloading of crude oil from tankers in the territorial waters of the Republic of Bulgaria at an unloading port (including roadstead and peers as referred to in the Maritime Space, Inland Waterways and Ports of the Republic of Bulgaria Act) designed for processing by a refinery belonging to the obligated person and if this may result in disruption of the production process, these quantities of crude oil shall be considered emergency stocks of the same type and quantity for up to five calendar days of the day on which the force majeure circumstances had arisen.

(9) (New, SG No. 51/2020, effective 5.06.2020) When the circumstances referred to in paragraph (8) arise, the obligated person shall immediately notify electronically in writing the Chairperson of the Agency, as provided for under the Electronic Document and Electronic Trust Services Act, about the actions undertaken and the arguments in favour thereof, the number of the storage facility and the quantity of crude oil contained therein, for which quantity an equivalent amount in the tanker shall be considered emergency stocks. To the notification shall be annexed documents proving the occurrence of force majeure circumstances as well as documents certifying the type, quantity, and quality of the crude oil in the tanker's hold, and documents demonstrating that customs and border entry controls had been carried out by the competent authorities at the unloading port.

(10) (New, SG No. 51/2020, effective 5.06.2020) Not later than the day of expiration of the deadline under paragraph (8), the obligated person shall render its stocks in compliance (by type, quantity and place of storage) with the documents certifying the constituting and storage of these stocks prior to the occurrence of the force majeure circumstances.

**Article 31.** (1) Holding of stocks by store-holders in the territory of this country shall be regulated by contract and may not be sub-delegated to any third parties. The stockholding contract shall certainly contain:

1. name, address by corporate seat, as well as correspondence address, telephone, fax, e-mail address and contact person of the store-holder, economic operator and/or central stockholding entity of another European Union Member State;
2. the stockholding term;
3. stocks types and quantities;
4. location and other data, identifying the storing facilities where the stocks would be held.

(2) Any change in the terms of stockholding, including any extension of its period, shall be treated as a new delegation.

**Article 32.** (Amended and supplemented, SG No. 65/2020) Control of the availability, movement and condition of the stocks, constituted by the obligated persons or by the State Enterprise "State Petroleum Company" and held in another European Union Member State, shall be exercised under terms and procedure agreed between the competent bodies of the respective states.

**Article 33.** (1) In case specific stocks would be held commingled with other petroleum products, any performance of dispensing and other operations involving them must not lead to a decline in quantities of stocks or to movement thereof.

(2) (Amended and supplemented, SG No. 65/2020) Actions under paragraph 1 concerning stocks held in the territory of this country shall be allowed on the grounds of an instruction by the Chairperson of the Agency, following receipt of a request in writing by the Executive Director of the State Enterprise "State Petroleum Company".

(3) (Amended, SG No. 14/2015, SG No. 65/2020) Activities under paragraph 1 in regard to stocks of the State Enterprise "State Petroleum Company", held in the territory of another European Union Member State shall be allowed only following authorisation by the Chairperson of the Agency, coordinated in advance with the Minister Energy.

(4) Activities under paragraph (1) in regard to stocks, property of another European Union Member State, which are held in the territory of this country, shall be permitted only following authorisation by the competent bodies of that Member State and/or the central stockholding entity, established by it.

**Article 34.** Each store-holder shall at all times keep available the stocks, for which he/she assumed a stockholding obligation and may dispose of and release them only upon written order from the Chairperson of the Agency.

**Article 35.** (1) Upon receipt for holding in the territory of this country of crude oil and petroleum products, which constitute stocks under this Act, the store-holder shall be obliged to issue a warehouse bill of deposit of crude oil and petroleum products.

(2) A warehouse bill shall be a security to order, whereby deposit of stocks under this Act shall be attested. The store-holder shall issue warehouse bills for each quantity deposited up to the limit of its registered capacity.

(3) A warehouse bill issued in regard to quantities, stored at a facility, not registered under Article 38, shall be deemed null and void.

(4) A warehouse bill shall be issued based on registration into the storehouse register of the respective public storing facility based on written contract executed and consist of a commodity warrant and letter of line.

(5) Both parts of the warehouse bill under paragraph (1) must contain, in addition to the requisites under Article 577, paragraph (2) of the Commerce Act; also:

1. the title Warehouse bill of deposit of crude oil and petroleum end-products;

2. registration number of the storing facility and the date of its listing in the register of storehouses;

3. number and date of the declaration of conformity in compliance with the Ordinance on the liquid fuels quality requirements, the conditions, procedure and manner of control thereof (promulgated, SG No. 66/2003; amended and supplemented, SG No. 69 and 78/2005, SG No. 40/2006, SG No.76/2007, SG No. 93/2009, SG No. 36/2011, SG No. 55 and 103/2012);

4. the term of holding of the stocks under this Act deposited into the public storing facility, recorded in the warehouse bill.

(6) The storehouse registers of public storing facilities for holding crude oil and petroleum products under this Act shall be kept as specified by the Ordinance under Article 574(2) of the Commerce Act.

(7) (Amended, SG No. 51/2020, effective 5.06.2020) Where the term of validity of the warehouse bill would expire prior to the 30th of June of the calendar year following the year in which the level of emergency stocks was prescribed for the respective obligated person in the territory of this country, it must submit to the agency a warehouse bill for storage at the same or at another storing facility registered under Article 38 for the same types and quantities of stocks not later than 14 days prior to expiry if the term of the old warehouse bill.

(8) If the term of the warehouse bill, issued to an economic operator and/or a central stockholding entity of another European Union Member State would expire prior to the term, prescribed for its stocks, the issuance of a new warehouse bill must be authorized in advance by the Chairperson of the Agency and by the competent bodies of the other Member State prior to expiry of the term of the previous warehouse bill.

(9) Neither the warehouse bill, nor its component parts may be endorsed, nor the quantities of crude oil and petroleum products, constituting emergency stocks, may serve as guarantee, except in pledge for securing a bank credit for purchase of crude oil and petroleum products for constituting the level of stocks, prescribed for the obligated person, while the bank credit agreement must be entered into prior to the term under Article 17(1). If a pledge would be established over emergency stocks, they shall remain in possession of the obligated person and the pledgee shall be entitled to request from court to approve the sale thereof upon expiry of the term under Article 17(2). An order for use of the emergency stocks shall be executed forthwith irrespective of whether the warehouse bill in regard to them had been endorsed or the stocks had been used as security under a bank credit agreement.

(10) A warehouse bills shall be issued in form, approved by the Chairperson of the Agency and be printed in conformity with the terms and procedure for printing of securities.

(11) Should individuals or entities lose their capacity of store-holders under this Act, they must return to the agency all completed and blank warehouse bills within three business days of the date of notice of deletion.

(12) (Amended, SG No. 51/2020, effective 5.06.2020, SG No. 65/2020) If the insurance cover term of any insurance under this Act would expire prior to the 30th of June of the calendar year following the year, in which the level of emergency stocks

was prescribed for the respective obligated persons, the storage-holder, respectively the State Enterprise "State Petroleum Company" shall be obliged to enter into a new insurance contract and to submit to the Agency a certified copy of a new warehouse bill not later than the business day, following the day of insurance. The storage-holder, respectively the State Enterprise "State Petroleum Company" shall have the same obligation also in regard to stocks, which they hold for economic operators or a central stockholding entity of another European Union Member State for the entire period, for which their stocks had been prescribed.

**Article 36.** (1) (Supplemented, SG No. 65/2020) The obligated persons, the State Enterprise "State Petroleum Company" and the storage-holders of crude oil and petroleum products shall be obliged to notify the Chairperson of the Agency within 14 days about:

1. any transformations performed (merger, inclusion, division, or separation), any operations with an enterprise, as well as of changes in the legal form and in the managing bodies of the legal entity;
2. any changes concerning the official seat, management address and the contact persons for correspondence.

(2) (Amended, SG No. 85/2017, supplemented, SG No. 65/2020) Storage-holders of crude oil and petroleum products, which have registered storage facilities under Article 38, as well as the State Enterprise "State Petroleum Company" shall be obliged to notify the Chairperson of the Agency of any and all occurrences of deposit and withdrawal of stocks under this Act. Notification shall be made in writing or electronically, signed with an advanced electronic signature, advanced electronic signature based on a qualified certificate for electronic signatures, or qualified electronic signature pursuant to the requirements of Regulation (EU) No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ, L 257/73 of 28.8.2014), referred to hereinafter Regulation (EU) No. 910/2014, and of the Electronic Document and Electronic Trust Services Act, on the business day following that of the deposit or withdrawal, at the latest.

(3) Certified copy of insurance contract for the fuel quantity deposited, with its term of validity being not shorter than the stockholding term according to the warehouse bill, shall be attached to the notification of the deposit.

(4) (Supplemented, SG No. 65/2020) Storage-holders and the State Enterprise "State Petroleum Company" shall be obliged to notify within three business days the Chairperson of the Agency of any and all disposal operations, performed by them with storage facilities registered under the procedure of Article 38, including in cases of transactions involving the enterprise, part of which they form.

(5) (Supplemented, SG No. 65/2020) The obligated persons, the State Enterprise "State Petroleum Company", economic operators, central stockholding entities and storage-holders may not move stocks under this Act from one storage facility into another storage facility registered under Article 38, except:

1. in case of deletion of registration of a storing facility;
2. by written request of the Chairperson of the Agency based on motivated written request;
3. in case of disaster, accident or any other unforeseeable event, which could lead to destruction or damage of crude oil and petroleum products, of which the Chairperson of the Agency must be notified forthwith; a new warehouse bill must be issued in regard to each transfer and notification must be submitted of crude oil and petroleum products deposit or withdrawal under the order of paragraph (2).

(6) (Amended, SG No. 14/2015, SG No. 85/2017) The Minister of Energy or an official, authorized by him, shall inform the Chairperson of the Agency of each use of stocks of crude oil and petroleum products by the power engineering enterprises under Article 85(1) and Article 128 of the Energy Act and of the terms for replenishment thereof. Notification shall be made in writing or electronically, signed with an advanced electronic signature, advanced electronic signature based on a qualified certificate for electronic signatures, or qualified electronic signature pursuant to the requirements of Regulation (EU) No. 910/2014 and of the Electronic Document and Electronic Trust Services Act, within two business days following the withdrawal.

**Article 37.** (1) The quantities of crude oil and petroleum products under this Act must meet in terms of quality the requirements of the statutory acts, of Bulgarian and European standards.

(2) (Amended, SG No. 65/2020) In instances of change of the quality requirements in regard to crude oil and petroleum

products held, in case of replenishment following order for use or in case of replacement the obligated persons, storage-holders and the State Enterprise "State Petroleum Company" shall be obliged to resupply the quantities until reaching the levels prescribed, with quality in accordance with the respective requirements.

(3) (Supplemented, SG No. 65/2020) The obligated persons and the State Enterprise "State Petroleum Company" shall replenish the emergency stocks, constituted by them without departures from the levels, following coordination with the Chairperson of the Agency and shall prove the fact by the respective documents and on-site inspections shall be conducted by the employees under Article 55(4), as necessary.

(4) (Amended, SG No. 65/2020) The replacement of stocks, constituted and held by the State Enterprise "State Petroleum Company" shall be performed in accordance with the stockholding terms and the fuel quality indicators, where:

1. (amended, SG No. 65/2020) with regard to quantities held in crude oil depots managed by the State Enterprise "State Petroleum Company", an order shall be issued by the Executive Director of the enterprise;

2. (amended, SG No. 65/2020) with regard to quantities held outside the crude oil depots managed by the State Enterprise "State Petroleum Company", it shall be performed by the storage-holders and shall be proven by the respective documents.

(5) In instances of replacement of specific stocks temporary reduction of the quantities may be allowed for a term not exceeding one month.

**Article 38.** (1) Registration of storing facilities shall be performed based on request submitted for registration of storing facility for holding crude oil and petroleum products stocks and fees shall be collected in accordance with tariff, approved by the Council of Ministers.

(2) The request for registration of a storing facility, wherein crude oil and petroleum products stocks may be held, shall be submitted by the person, wishing to operate as store-holder, to the Chairperson of the Agency and must be accompanied by:

1. a notarial deed or other document of real rights over the storing facility or a notarized lease contract for a term of at least 18 calendar months following the date of submission of the request - where the person, wishing to act as store-holder, is leasing the storing facility;

2. documents evidencing conformity of the storing facility to the general requirements according to template, approved by the Chairperson of the Agency;

3. declaration according to approved template concerning the availability of response plans for the neutralization of fires and emergencies agreed with the Fire Safety and Protection of the Population Directorate General;

4. declaration according to approved template of availability of fire-extinguishing means in stock;

5. summary according to approved template concerning the professional qualification and experience of the individuals, who would work at the storing facility, as well as of the positions occupied by them;

6. copy of positive decision on environmental impact assessment or of decision not to conduct environmental impact assessment;

7. declaration according to approved template of the availability of permit under Article 104(1) of the Environmental protection Act;

8. copy of certificate of listing and certification of a storehouse register of a public storing facility according to the requirements, determined by the Ordinance under Article 574(2) of the Commerce Act;

9. certified copy of the contract for property insurance of the storing facility, for which a request for registration under the procedure if this Act had been submitted;
10. declaration according to approved template attesting that the person, which will act as store-holder, is not undergoing a bankruptcy or liquidation procedure; the declaration must contain information on the good standing of the person according to the commercial register and of its uniform identification code;
11. certificate, attesting that the person, which will act as store-holder, has no liabilities within the meaning of Article 87(6) of the Tax and Social Insurance Procedure Code;
12. declaration concerning the design, actual, inoperative and reserve capacity of the storing facility in form, approved by the Chairperson of the Agency and the type of product to be held;
13. notarized power of attorney - in case the person having submitted the request is an authorized representative;
14. flowchart, with the numbers of storing facilities and the technological interlinkages among them indicated;
15. documentary proof of fee paid;
16. (new, SG No. 62/2018, effective 28.01.2019) a copy of the certificate for pursuing economic activities under Article 2, paragraph 1, item 3 of the Act on Administrative Regulation of Economic Activities Associated with Oil and Petroleum Products, or a copy of the license for management of a tax warehouse or a registration certificate of a recipient within the meaning of the Excise Duties and Tax Warehouses Act.

(3) The property insurance of the storing facility shall provide cover at the very least against the risks under Section II, letter A, items 8 and 9 of the Insurance Code and in addition to the content, provided for by the Insurance Code, the insurance contract of the storing facility shall certainly contain its identification, including its number in the flowchart of the storage complex. The insurance term may not be less than 18 months and its starting date should be not later than the date of submission of the request for registration of the storing facility. The insurance contract shall be renewed not later than 10 business days prior to expiry of the insurance cover under it. The store-holder shall be obliged to submit to the agency a certified copy of the renewed contract within 5 business days of execution thereof.

(4) Where the property insurance contract of the storing facility provides for payment by instalments of the premium due the store-holder must submit to the agency certified copy of each payment order in evidence of making the payment of the premium to the insurer, within 5 business days of effecting it.

(5) The documents under paragraph (2), items 1, 10 and 11 shall also be submitted by the owner of the storing facility - in case the store-holder is different from the owner.

(6) It shall be prohibited to hold at a storing facility, registered for a certain type of product, other types of products, different from those under the registration.

**Article 39.** (1) By order the Chairperson of the Agency may delete the registration under Article 38.

1. Where false data submitted has served as grounds for registration;
2. Where a store-holder is declared in liquidation or a bankruptcy procedure has been initiated against him;
3. where as a result of an inspection it would be established that the storing facility does not meet the general requirements under Article 8(2), item 4 or of any other statutory act;
4. for other breach of the provisions of this Act or other normative acts regulating the storage of crude oil and petroleum products;
5. (new, SG No. 62/2018, effective 28.01.2019) in case of a notification received at the Agency under Article 23, paragraph 4 of the Act on Administrative Regulation of Economic Activities Associated with Oil and Petroleum Products.

(2) The Chairperson of the Agency shall modify by order the data, recorded in the register of storing facilities, in cases of change to the circumstances under Article 38, if the same do not conflict the law. In case of submission of request for modification of the data in the register of storing facilities, a stamp duty shall be collected in amount, determined by the tariff under Article 38(1) for the records made and a new certificate shall be issued depending on the nature of changes occurred.

(3) In cases of removal of the registration of a storing facility the obligated person must, within 30 days of being notified of the order under the procedure of Article 61 of the Code of Administrative Procedure, deposit the quantities of emergency stores into another storing facility, registered under the procedure of Article 38.

(4) An order for removal of registration of a storing facility shall be motivated and subject to appeal in accordance with the Code of Administrative Procedure and appeals shall not stay its enforcement.

## **Chapter Six**

# **INSPECTIONS OF EMERGENCY PREPAREDNESS AND EMERGENCY PROCEDURES**

## **Section I**

### **Inspections of emergency preparedness**

**Article 40.** (1) The Chairperson of the Agency shall coordinate the timing and scope of the inspections of emergency preparedness with the European Commission services and with authorised representatives of the Coordination Group for oil and petroleum products, if such have been appointed to take part in an inspection. The Chairperson of the Agency shall inform in due course the Council of Ministers of each upcoming inspection.

(2) The Chairperson of the Agency shall designate officials, enjoying access to all documents, registers and locations of holding of stocks, for rendering assistance for the conduct of the inspection.

(3) Within 7 days of announcement of the inspection the Chairperson of the Agency shall submit to the European Commission or to officials, authorised by it, information on the locations of emergency stocks and of specific stocks.

(4) (Supplemented, SG No. 65/2020) The employees of the State Enterprise "State Petroleum Company", the obligated persons and the storage-holders shall be obliged to provide access of the inspectors to all documents, registers, created and kept under this Act, as well as to the locations of stockholding.

(5) While conducting inspections the persons under paragraph (2) shall undertake the requisite measures for protection of personal data of the persons inspected and refrain from disclosing circumstances and facts of the nature of commercial secret, which had become known to them during or in connection with the inspections.

## **Section II**

### **Emergency procedures and use of stocks**

**Article 41.** (1) The stocks under this Act shall be used:

1. in instances of supply difficulties or of major supply disruptions in this country;
2. at the recommendation of the European Commission in connection with supply difficulties or of major supply disruptions in one or more European Union Member States or pursuant to an effective decision of the International Energy Agency to release stocks;
3. in case of local crisis.

(2) The stocks under this Act may not be used before conducting the consultations under Article 44(3), except in the cases under paragraph (1), item 3.

**Article 42.** (1) (Amended, SG No. 14/2015) The Chairperson of the Agency shall, in coordination with the Minister of Energy, submit for approval by the Council of Ministers, a Contingency plan for emergency situations, hereinafter referred to as "Contingency plan".

(2) The Contingency plan shall be activated in each individual instance of supply difficulties or of major supply disruptions in this country or in any other European Union Member State, or pursuant to an effective decision of the International Energy Agency to release stocks, or pursuant to a decision of the Council of Ministers in case of local crisis.



**Article 43.** In case of an emergency under Article 42(2) the Chairperson of the Agency shall be entitled to require for a certain period of time daily written information from:

1. the obligated persons regarding the current situation of:

a) (amended, SG No. 51/2020, effective 5.06.2020) the imports made by them and the intra-Community arrivals of energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008

b) any fuel oil and petroleum products under Article 2(1) produced;

c) the quantities of fuels under letters "a" and "b", sold on the domestic market;

2. (amended, SG No. 51/2020, effective 5.06.2020) the Customs Agency regarding the quantities of the energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008 and fuel oils covered by Chapters 27 and 29 of the Combined Nomenclature by codes, entering this country's territory from imports and intra-Community arrivals;

3. (amended, SG No. 51/2020, effective 5.06.2020) the National Revenues Agency on the income derived from the sale on the national market of quantities of energy products under Annex A Article 3.4 of Regulation (EC) 1099/2008.

**Article 44.** (1) (Amended, SG No. 14/2015, SG No. 51/2020, effective 5.06.2020) In case of detecting indications of supply difficulties or of major supply disruptions of energy products under Annex A, Article 3.4 of Directive (EC) 1099/2008 and of fuel oils in the country the Chairperson of the Agency shall, in coordination with the Minister Energy, notify the Council of Ministers.

(2) (Amended, SG No. 14/2015) The Minister of Energy shall address a request to the European Commission for calling consultations within the framework of the Coordination Group for oil and petroleum products.

(3) The Chairperson of the Agency and/or another Agency official, designated as representative of the Republic of Bulgaria in the Coordination Group for oil and petroleum products, shall take part in the consultations. The consultations may be held at a location, determined by the European Commission and/or by electronic communication.

(4) (Amended, SG No. 14/2015) The Chairperson of the Agency shall inform of the outcome of the consultations held the Minister of Energy, who must report to the Council of Ministers and, if required, propose to adopt a decision concerning:

1. introduction of restrictions on consumption of petroleum products in this country;

2. release of stocks under this Act in line with the estimated shortages, in coordination with the Chairperson of the Agency;

3. allocation of petroleum products to certain groups of users on a priority basis, in coordination with the Chairperson of the Agency.

**Article 45.** (Amended, SG No. 14/2015) The Council of Ministers, acting upon proposal by the Minister of Energy, may adopt a decision for implementing measures under Article 44(4) including for depleting stocks to below the compulsory minimum levels prescribed, even before the end of consultations within the Coordination Group for oil and petroleum products in cases of particular urgency or in order to meet local crises, of which they shall notify the European Commission immediately.

**Article 46.** (1) (Amended, SG No. 14/2015) In case of an emergency within the European Union, at the recommendation of the European Commission and/or pursuant to an effective decision of the International Energy Agency to release stocks, including introducing additional measures for restricting consumption, the Chairperson of the Agency shall inform forthwith the Minister of Energy, who shall propose forthwith to the Council of Ministers to adopt a decision.

(2) Upon recommendation of the European Commission and/or pursuant to an effective decision of the International Energy Agency to release stocks, it shall be prohibited to apply measures that could hamper the movement and transportation of specific stocks and/or emergency stocks, property of other European Union Member States. All measures shall be taken for unobstructed transportation of such stocks through the territory of this country and to the border checkpoints of the Republic of Bulgaria.

(3) In case of receipt of request for transportation of emergency stocks and/or specific stocks - property of other European Union Member States - the agency shall cooperate with their competent bodies in connection with the quantities, types of stocks and transportation, by means of which their carriage through the territory of this country and to the border checkpoints

of the Republic of Bulgaria would be performed.

(4) The agency shall provide the information under paragraph (3) to the Ministry of Transport, Information Technology and Communications, the Ministry of Interior and the National Customs Agency for taking action for unobstructed transportation of the stocks to the border checkpoints of the Republic of Bulgaria.

**Article 47.** The European Commission shall be notified forthwith in writing of each instance of use of stocks. The notification shall be performed under procedure, specified by the Council of Ministers and contain information on:

1. the reasons necessitating usage;
2. the date, on which the stocks were depleted below the levels reached;
3. the measures envisaged for replenishment of the stocks to the levels, reached prior to the order for use.

**Article 48.** (1) (Amended, SG No. 65/2020) Based on a decision of the Council of Ministers for release of stocks for use, the Chairperson of the Agency shall issue general and individual instructions for use of emergency stocks of obligated persons and/or the State Enterprise "State Petroleum Company".

(2) (Amended, SG No. 65/2020) By the instruction for use of emergency stocks, their quantities shall be temporarily reduced below the levels prescribed.

(3) (Supplemented, SG No. 65/2020) The instructions for use shall be mandatory for the State Enterprise "State Petroleum Company" and for all obligated persons and storage-holders. If that order would cover stocks, held in the territories of other European Union Member States, the Chairperson of the Agency shall forward transcripts thereof to the respective economic operators and/or central stockholding entities.

(4) The instruction for use of emergency stocks shall be an administrative act, which in addition to the requisites under the Code of Administrative Procedure must also indicate the quantity of crude oil and/or the quantities and types of petroleum products, for which it had been issued, as well as the term of their release on the market. The instruction may not be appealed against, shall enter into force as of the date of its issuance and be executable forthwith.

(5) (Amended, SG No. 65/2020) Fulfilment of the instructions for use of emergency stocks shall be controlled by the officials under Article 55, paragraph 4 based on documents and/or on-site.

**Article 49.** (Amended, SG No. 14/2015, SG No. 65/2020) In case of change in circumstances the Chairperson of the Agency may, in coordination with the Minister of Energy, repeal or amend the instructions for use.

**Article 50.** The stocks of crude oil and petroleum products, constituted and held under this Act, shall be used in the following sequence:

1. emergency stocks, constituted and held by obligated persons;
2. (amended, SG No. 65/2020) emergency stocks, constituted and held by the State Enterprise "State Petroleum Company" after depletion of the stocks under item 1;
3. specific stocks.

**Article 51.** (1) (Supplemented, SG No. 65/2020) The emergency stocks of obligated persons and the State Enterprise "State Petroleum Company" shall be used in accordance with the instruction of the Chairperson of the Agency under Article 48;

(2) (Supplemented, SG No. 65/2020) The obligated persons and the State Enterprise "State Petroleum Company" shall be

obligated to:

1. take action without delay for using all types and quantities of stocks, indicated in the instruction;
2. organize the transportation and placing of the stocks on the domestic market;
3. certify before the agency by the respective documents the actions under items 1 and 2 within three business days of undertaking them.

(3) (Supplemented, SG No. 65/2020) Stocks constituted and held by obligated persons and the State Enterprise "State Petroleum Company" shall be used for wholesale or retail sale to end users on a commercial basis.

**Article 52.** Any obligated person, which fails to fulfil its obligation under Article 51(2) item 1, shall owe the agency compensation in an amount equivalent to the value of the stocks, in regard to which no activities for use had been undertaken. The compensation shall be calculated at market prices as at the date of issuance of the instruction.

## **Section III**

### **Replenishment of stocks**

**Article 53.** (1) (Amended, SG No. 51/2020, effective 5.06.2020, supplemented, SG No. 65/2020) Upon the return to normal of the supply of energy products under Annex A, Article 3.4 of Directive (EC) 1099/2008 and of fuel oils in the territory of this country and/or at the recommendation of the European Commission, the Chairperson of the Agency shall issue general and individual instructions for replenishment of the quantities of emergency stocks of obligated persons and the State Enterprise "State Petroleum Company", released for use, up to the levels prescribed for them. The replenishment instructions shall be mandatory for all obligated persons and the State Enterprise "State Petroleum Company".

(2) The instruction for replenishment of emergency stocks shall be an administrative act, which in addition to the requisites under the Code of Administrative Procedure must also indicate the quantity of crude oil and/or the quantities and types of petroleum products, for which it had been issued, as well as the term for reaching the levels prescribed for them.

(3) Fulfilment of the instructions for replenishment of emergency stocks up to the levels, prescribed for them, shall be controlled by the officials under Article 55 based on documents and/or on-site.

(4) (Amended, SG No. 65/2020) Stocks released for use, managed by the State Enterprise "State Petroleum Company", shall be replenished by a resolution of the Council of Ministers, based on which a replenishment order shall be issued by the Chairperson of the Agency.

(5) (Amended, SG No. 65/2020) The Chairperson of the Agency shall notify the European Commission of the issuance of instructions for replenishment of stocks, as well as of the fulfilment thereof.

**Article 54.** Any obligated person, which fails to fulfil an obligation for replenishment of stocks up to the levels, prescribed for them, shall owe the agency compensation in an amount equivalent to the value of the quantities of petroleum products not replenished. The compensation shall be calculated at market prices as at the date of issuance of the instruction.

## **Chapter Seven**

### **CONTROL OVER THE CONSTITUTING, HOLDING, REPLACEMENT, USE AND REPLENISHMENT OF CRUDE OIL AND PETROLEUM PRODUCTS STOCKS**

**Article 55.** (1) (Supplemented, SG No. 65/2020) The Chairperson of the Agency shall exercise control over obligated persons, the State Enterprise "State Petroleum Company" and storage-holders of crude oil and petroleum products, owners of registered storage facilities under Article 38, in connection with the fulfilment of their obligations to constitute, hold, replace, use and replenish stocks under this Act.

(2) The Chairperson of the Agency shall exercise control over the holding in the territory of this country of stocks of economic operators and central stockholding entities of other European Union Member States under terms and procedure, agreed with the competent bodies of the respective states.

(3) (Amended, SG No. 65/2020) The Chairperson of the Agency shall exercise control over the holding in other European Union Member States of stocks of the State Enterprise "State Petroleum Company" and of the obligated persons under terms and procedure agreed with the competent bodies of the respective states.

(4) In the discharge of his/her control functions the Chairperson of the Agency shall be assisted by Agency officials, designated by his/her order.

(5) (New, SG No. 65/2020) Control over obligated persons, the State Enterprise "State Petroleum Company" and storage-holders of crude oil and petroleum products, owners of registered storage facilities under Article 38, with regard to maintaining of the respective quantity of stocks under this Act in tax warehouses within the meaning of the Excise Duties and Tax Warehouses Act shall be implemented also by customs officials designated by order of the Director of the Customs Agency. In case of findings containing data of any violation under this Act, the Director of the Customs Agency shall immediately notify the Chairperson of the State Reserves and Wartime Stocks State Agency.

**Article 56.** (1) In the discharge of their control functions in the territory of this country the officials under Article 55(4) shall be entitled to:

1. free access to sites where stocks under this Act are held, including in tax warehouses within the meaning of the Excise Duties and Tax Warehouses Act;
2. to request documents, data, evidence, information and other carriers of information from the controlled persons;
3. check the reporting practices at sites under inspection;
4. take all necessary steps, as provided by the law, to secure evidence, including the possibility to seal off storing facilities where stocks are or should be held;
5. to conduct cross-checks;
6. to demand from third parties to provide information and documents required for the conduct of such cross-checks;
7. to request written explanations from the persons subject to audits and checks;
8. use experts with whom contracts for assignment of expert reviews shall be executed.
9. issue mandatory instructions and monitor compliance with them.

(2) In the exercise of their powers the officials under Article 55(4) shall cooperate with the respective bodies of the National Customs Agency and the National Revenue Agency under terms and procedure, determined by joint instruction of the Minister of Finance and the Chairperson of the Agency. Where required experts and specialists from other state bodies may be involved and cooperation may be established with the competent bodies of other European Union Member States.

(3) (Amended, SG No. 65/2020) The bodies of the Ministry of Interior shall render assistance to the officials under Article 55, paragraphs 4 and 5 for the discharge of their control functions, including tracing and service of documents on authorised representatives of persons under inspection.

(4) (Amended, SG No. 51/2020, effective 5.06.2020) While conducting an inspection, upon request in writing by the Chairperson of the Agency, the relevant state authorities shall be obligated to provide data on the quantities of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils introduced into the territory of this country under import procedure or by intra-Community arrivals, the volumes and types of sales, conducted by the person under inspection, as well as any other information required to determine the obligations of such person under inspection.

(5) (Supplemented, SG No. 65/2020) Inspections by officials under Article 55, paragraph 4 shall be assigned and carried out in accordance with a procedure, specified by an ordinance of the Chairperson of the Agency.

(6) (New, SG No. 65/2020) The customs officials under Article 55, paragraph 5 shall conduct the inspections in accordance with the provisions of Articles 102, 103 and 104 of the Excise Duties and Tax Warehouses Act. The inspections shall be assigned under a procedure laid down in an order of the Director of the Customs Agency.

(7) (New, SG No. 65/2020) The State Reserve and War-time Stocks State Agency shall provide to the Customs Agency the necessary information for implementation of its supervisory powers under this Act.

**Article 57.** (1) (Amended and supplemented, SG No. 65/2020) While conducting an inspection the officials under Article 55, paragraphs 4 and 5 may take measures to secure evidence by means of inventorying material assets and valuables or seizing documents and other information carriers with an inventory. In cases where no other possibilities to secure evidence are available, they may temporarily seal off storage facilities, workshops, and other sites of activities under inspection, for a period of up to 24 hours and, where the Chairperson of the Agency, respectively the Director of the Customs Agency, has so allowed in writing – of up to 72 hours.

(2) A memorandum shall be drafted for sealing off under paragraph (1), indicating the date and hour action was taken, factual and legal grounds for imposition of said measure, a description of all steps made for sealing, the duration of the measure, as well as the time limit and authority of appeal. Copy of the memorandum shall be handed to the person under inspection.

(3) (Supplemented, SG No. 65/2020) Such measures may be appealed against within three days before the Chairperson of the Agency, respectively the Director of the Customs Agency, who shall issue a decision not later than the day following the day of receipt of the petition. The Chairperson of the Agency, respectively the Director of the Customs Agency, may uphold, amend or repeal measures and deadlines, of which developments the petitioner shall be notified within the same day.

(4) (Amended, SG No. 77/2018, effective 1.01.2019, supplemented, SG No. 65/2020) The decision of the Chairperson of the Agency, respectively the Director of the Customs Agency, may be appealed against within seven days before the relevant administrative court under the Code of Administrative Procedure and the petition shall not stay execution of the measures, unless the court would rule otherwise. The Court shall rule in camera within 14 days by decree that is not subject to appeal.

**Article 58.** (1) (Previous text of Article 58, SG No. 65/2020) A memorandum outlining the findings of the inspections shall be drafted. Where findings point to a violation committed of this Act, the official designated under the procedure of Article 55(4) shall draw up an Notice of Administrative Violation.

(2) (New, SG No. 65/2020) If any violations are found under Article 30, paragraph 1, Article 33, paragraphs 1 and 2, Article 34, Article 35, paragraph 1, Article 36, paragraph 5 and Article 38, paragraph 6 in exercising the control under Article 55, paragraph 5 the customs officials shall issue a Notice of Administrative Violation.

**Article 59.** (1) The act of establishment of administrative violation shall be drawn up in written form within 14 days of completion of the inspection under the procedure of the Administrative Violations and Sanctions Act and must contain:

1. the author's name and position;
2. the number and date of drawing up the act;
3. details of the person under inspection;
4. the factual and legal grounds for issuance of the act;
5. the date or period when the violation was committed;
6. description of the violation and of the circumstances, in which it was committed;
7. legal provisions infringed upon;
8. explanations or objections of the offender, if any;
9. inventory of the evidence enclosed and of documents and objects seized;
10. signature of the individual, who prepared the act;
11. names and precise addresses of witnesses and their PINs
12. Date of receipt of the act and signature of the person who received it;
13. information of any property damage suffered as a result of the violation.

(2) The factual and legal grounds under paragraph (1), item 4 shall constitute reasoning for the purposes of the act of

establishment of violation.

(3) Copy of the act of establishment of violation shall be handed over to the offender under the procedure of the Administrative Violations and Sanctions Act.

(4) (Amended, SG No. 65/2020) The evidence collected in the process of inspection shall form integral part of the act of establishment of the violation. Originals of written evidence collected shall be attached to the copy of the Notice of Violation remaining with the State Reserve and War-time Stocks State Agency, respectively the Customs Agency, whereas copies thereof shall be attached to the copy of the Notice of Violation to be handed over to the person under inspection.

(5) Should the offender fail to appear for preparing the act of establishment of violation, the act shall be drawn up in his absence and transmitted for handing over by the bodies of the respective municipality or mayoralty, which obliged to notify the offender against his signature of the act deposited and hand over the latter within 14 days of date of its receipt. Should the offender fail to appear, the act shall be signed by an authorized officer of the municipality or mayoralty and be left undelivered.

(6) (Amended, SG No. 65/2020) Provided the offender is unavailable at the address indicated, the Notice of Administrative Violation shall be returned to the State Reserve and War-time Stocks State Agency, respectively the Customs Agency, not finalised and with indication of the circumstances, because of which the offender had not been found.

(7) (Amended, SG No. 65/2020) After returning of the Notice of Violation the Chairperson or the Deputy Chairperson of the State Reserve and War-time Stocks State Agency, respectively the Director of the Customs Agency, or an official authorised thereby, shall issue a penalty ruling, which shall enter into force from the date of its issuance and the same shall be serviced in accordance with the procedure laid down in the Administrative Violations And Sanctions Act.

## Chapter Eight

### ADMINISTRATIVE PENALTIES

**Article 60.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) An obligated person which fails to submit a statement-declaration under Article 4 (1) or submits false information shall be liable to a property sanction in the amount of BGN 1,000.

(2) An obligated person which fails to submit a statement-declaration under Article 4 (2) within the required term or submits false information in the statement-declaration shall be liable to a pecuniary sanction in the amount of BGN 2,000.

**Article 61.** (1) (Amended, SG No. 51/2020, effective 5.06.2020) Persons who fail to provide information under Article 36 (1 – 4), or provide untrue, imprecise or incomplete information, shall be punishable by a fine and sole proprietors and entities – respectively by a pecuniary sanction of BGN 1,000 to 10,000. In case of repeat offence the sanction shall be a fine, respectively a pecuniary sanction of BGN 2,000 to 10,000.

(2) Obligated persons who fail to fulfil their obligations under Article 43(1) or provide untrue, imprecise or incomplete information, shall be punishable by a fine and sole proprietors and entities – respectively by a pecuniary sanction of BGN 500 to 5,000. In case of repeat offence the sanction shall be a fine, respectively a pecuniary sanction of BGN 1,000 to 5,000.

**Article 62.** (Amended, SG No. 51/2020, effective 5.06.2020) (1) Any tour operator or travel agent, which fails to fulfil the obligation referred to in Article 17 (1) herein, shall be liable to a pecuniary penalty of BGN 500 or exceeding this amount but not exceeding BGN 1,000.

(2) A person that fails to comply with obligations under Article 17(2), Article 24(4)–(6) or Article 39(3) shall be subject to a property sanction of BGN 500 per ton on the quantity of the stocks that are the subject of the violation.

**Article 63.** Persons who violate the provisions of Article 24(2), item 3 and paragraph (3), Article 30(1) and (2) and Article 35(9), shall be punishable by a fine and sole proprietors and entities - respectively by a pecuniary sanction of BGN 15,000 to 150,000.

**Article 64.** (1) Persons who violate the provisions of Article 34, shall be punishable by a fine and sole proprietors and entities – respectively by a pecuniary sanction of BGN 20,000 to 200,000.

(2) (Amended, SG No. 51/2020, effective 5.06.2020) Store-holders, who sub-delegate the holding of stocks, which had been

delegated to them under the procedure of Article 18 (1) and (6) shall be punishable by a fine and sole proprietors and entities – respectively by a pecuniary sanction of BGN 20,000 to 200,000.

(3) Store-holders who fail or allow failure to perform the obligations under Article 35(1) and Article 38(6), shall be punishable by a fine or a pecuniary sanction of BGN 500 to 1,000.

**Article 65.** Persons who violate the provisions of Article 33(1) and (2), shall be punishable by a fine and sole proprietors and entities - respectively by a pecuniary sanction of BGN 10,000 to 150,000.

**Article 66.** Persons who fail or allow failure to perform the obligation of Article 37(1) and (2), shall be punishable by a fine and sole proprietors and entities - respectively by a pecuniary sanction of BGN 15,000 to 150,000.

**Article 67.** Persons who fail to perform the obligations under Article 35(7) and (11), shall be punishable by a fine of BGN 500 to 5,000 and sole proprietors and entities - respectively by a pecuniary sanction of BGN 1,000 to 10,000.

**Article 68.** (1) Persons who fail to perform the obligations under Article 9(4) and Article 37(3) shall be punishable by a fine of BGN 5,00 to 2,000 and sole proprietors and entities – respectively by a pecuniary sanction of BGN 1,000 to 5,000, unless liable to a heavier sanction.

(2) (Amended, SG No. 51/2020, effective 5.06.2020) A person that constitutes and maintains stocks different from those set for it under Article 8, paragraph (2), item 3 or 9 may be subject to a pecuniary sanction in the amount of BGN 1,000 to 5,000

(3) (New, SG No. 51/2020, effective 5.06.2020) Persons who have failed to fulfil obligations under Article 21a, paragraph (2) or (3) in the legal term shall be liable for a property sanction in the amount of BGN 2,000. In the event of a repeated violation, the sanction shall be in the amount of BGN 6,000.

**Article 69.** (1) (Amended, SG No. 65/2020) Persons failing to provide assistance during an inspection, preventing its conduct, failing to fulfil mandatory instructions of the officials under Article 55, paragraphs 4 and 5, written instructions of the Chairperson of the Agency or allowing any of the above, shall be punishable by a fine of BGN 500 to 15,000.

(2) In instances of repeat offense under paragraph (1) the sanction shall be a fine of BGN 1,000 to 30,000.

**Article 70.** Obligated persons or store-holders, who fail to perform the obligations under Article 35(12) and Article 36(5), shall be punishable by a fine of BGN 500 to 5,000 and sole proprietors and entities - respectively by a pecuniary sanction of BGN 1,000 to 10,000.

**Article 70a.** (New, SG No. 51/2020, effective 5.06.2020) A person that fails to comply with obligations under Article 30 (9) or (10) shall be subject to a property sanction of BGN 500 per ton on the quantity of the stocks that are the subject of the violation.

**Article 71.** Experts who did not conduct an assigned expert review within the term under the contract and this resulted in an extension of the period for inspection, shall be sanctioned by a fine of up to BGN 5,000.

**Article 72.** (1) (Amended, SG No. 65/2020) Where an employee of the State Reserve and War-time Stocks State Agency or of the Customs Agency acts to the effect of disclosing, providing, publicizing, using or otherwise making public data and circumstances, constituting a production or commercial secret of an obligated person or storage-holder, unless liable to heavier sanctions, he/she shall be penalized by a fine of BGN 1000 to BGN 2000 and shall be ineligible to exercise control functions under this Act for a term of one calendar year.

(2) (Amended, SG No. 65/2020) Any official of the State Reserve and War-time Stocks State Agency or of the Customs Agency, who despite existence of sufficient data of violation perpetrated under this Act would fail to draw up a memorandum of findings or a notice of administrative violation, shall be penalized by a fine of BGN 500 to BGN 3,000.

**Article 73.** (1) Outside the cases under Articles 60 - 72 where any person would fails to perform its obligations under this Act or allows non-performance thereof, it shall be imposed a fine of BGN 500 to 5,000 and sole proprietors and entities shall be imposed pecuniary sanctions of BGN 1,000 to 10,000, unless liable to a heavier sanction.

(2) In each subsequent instance of instituting penal administrative proceedings under paragraph (1) the fine or pecuniary

sanction shall be from BGN 2,000 to 20,000.

**Article 74.** (1) The establishment of violations, the issuance, appeals and enforcement of penal decrees shall be conducted following the procedure of the Administrative Violations and Sanctions Act.

(2) (Amended, SG No. 65/2020) The notices of administrative violation shall be drawn up by the officials under Article 55, paragraphs 4 and 5, and the penalty rulings shall be issued by the Chairperson or the Deputy Chairperson of the State Reserve and War-time Stocks State Agency, respectively the Director of the Customs Agency, or by a person duly authorised thereby.

## **SUPPLEMENTARY PROVISIONS**

**§ 1.** (Amended, SG No. 51/2020, effective 5.06.2020) Within the meaning given by this Act:

1. "Indications of supply difficulties" shall be present where for two consecutive months a 20 per cent decrease of the overall level of inland supplies of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils has been registered compared to the same period of the preceding calendar year;

2. "Supply difficulties" shall be any difficulty, even a temporary one, leading to a considerable decline of supply of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils or to a significant rise of their prices on the world market, which may cause serious disruptions to economic and business activity in this country and/or another European Union Member State.

3. "Major supply disruption" shall be a substantial and sudden drop in the supply of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils to the European Union or to a Member State, irrespective of whether or not it has led to a decision of the International Energy Agency to release stocks for use.

4. "Local crises" shall be situations, which could lead to a substantial and sudden drop and/or temporary cut of the supply of energy products under Annex A, Article 3.4 of Directive (EC) 1099/2008 and of fuel oils, caused by extraordinary events in the territory of this country, including as a result of temporary technological and/or other difficulties, the meeting of which would not materially affect the total quantity of stocks of crude oil and petroleum products under Article 2(1) and the replenishment of their mandatory minimum. The local crises shall not include situations resulting from changes in the prices of the energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and fuel oils.

5. "Consumption in the territory of this country" shall denote the total quantities of crude oil and petroleum products under Article 2(1) delivered within this country's borders for energy or other use. Consumption includes the deliveries to industry, transportation, households and for other household needs.

6. "Producer of petroleum products" shall be a local or foreign individual or legal entity, registered as trader, as well as any branches thereof, which have produced in the territory of this country during the preceding calendar year fuel oils and petroleum products under Article 2(1) and have used for own needs and/or sold the petroleum end-products on the domestic market.

7. "Assignor of production of petroleum products" shall be a local or foreign individual or legal entity, registered as trader, as well as any branches thereof, which have assigned during the preceding calendar year production and processing in the territory of this country of fuel oils and petroleum products under Article 2(1) and have used for own needs and/or sold the petroleum end-products on the domestic market.

8. "Importer" shall be a local or foreign individual or legal entity, as well as any branches thereof, which have imported during the preceding calendar year energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and fuel oils.

9. "Person, who has performed intra-Community arrivals of crude oil and petroleum products" shall be a local or foreign individual or legal entity, as well as any branches thereof, which have performed intra-Community arrivals into the territory of this country during the preceding calendar year of crude oil, NGL, refinery feedstocks, fuel oils and petroleum products under Annex A, Article 3.4(1099/2008).

10. "Economic operator" shall be a person that engages in economic activity with energy products under ding calendar year energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 on the territory of some other EU Member State and who is obligated and/or is empowered to perform functions under the national law of the respective Member State that has



adopted Council Directive 2009/119/EC).

11. "Obligated person" shall be an economic operator, which is obliged to constitute, hold, replace and replenish by own means and at its own expense, emergency stocks of crude oil and petroleum products, as part of the total quantity of emergency stocks of the Republic of Bulgaria.

12. "Store-holder" shall be an individual or legal entity having registered a storing facility under Article 38 in the territory of this country and/or possesses the qualifications required for holding stocks of crude oil and petroleum products in other European Union Member States.

13. "Additive" shall be a non-hydrocarbon chemical substance, added to a certain product to modify and improve its properties and/or obtain the end-product.

14. "Biofuels" shall mean liquid or gaseous fuel for transport produced from biomass, "biomass" being the biodegradable fraction of products, waste and residues from agriculture, including vegetable and animal substances, forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste.

15. "Intra-Community arrivals" shall be energy products deliveries within the meaning of Annex A, Article 3.4 of Regulation (EC) No. 1099/2008 and fuel oils deliveries, representing arrivals within the meaning of Article 3, paragraph 3 of Regulation (EC) No. 638/2004 of 31 March 2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No. 3330/91, hereinafter referred to as "Regulation (EC) No. 638/2004".

16. "Intra-Community dispatches" shall be crude oil and petroleum product dispatches under Annex A Article 3.4 of Regulation 1099/2008 and of fuel oils, representing dispatches within the meaning of Article 3, paragraph 2 of Regulation (EC) No. 638/2004.

17. "Storing facility" shall be each individual fixed tank and the adjacent infrastructure and installations, intended for storage of crude oil and petroleum end-products, except pipelines, tanks of airborne or road transportation means, automobile, seagoing and river vessels, truck and railway cisterns and retailer cisterns (petrol stations).

18. "Physical accessibility" shall be arrangements for locating and transporting stocks to ensure their release for use or effective delivery to end users and markets within time frames and conditions conducive to alleviating the supply problems which may have arisen.

19. "Constituting of stocks of crude oil and petroleum products" shall be activities of purchase, delivery, acceptance for holding thereof pursuant to this Act or of making them available under loan contract and/or deposit contract with the aim of reaching the levels required under Article 17(1).

20. "Holding of stocks of crude oil and petroleum products" shall be the activity of maintaining them in the respective quantity and quality, in appropriate technological conditions and in a status of permanent preparedness for use.

21. "Replacement of stocks of crude oil and petroleum products" shall be an activity of replacement of stocks, in the respective quantity and quality, prior to expiry of their storage terms or in compliance with the requirements of statutory acts or quality standards without departing from the levels prescribed, except for the cases under Article 37(5).

22. "Replenishment of stocks of crude oil and petroleum products" shall be activities of purchase, delivery, acceptance for holding thereof pursuant to this Act or of making them available under loan contract and/or deposit contract with the aim of reaching the levels required under Article 17(1), after they would have been used under the procedure of Articles 46 - 51.

23. (Amended, SG No. 65/2020) "Use of stocks of crude oil and petroleum products" shall be an activity of an obligated person, storage-holder or the State Enterprise "State Petroleum Company", whereby stocks of crude oil and petroleum products would be used according to their purpose in the territory of this country, with a change in their condition or a transaction of their disposal in favour of third parties would be performed.

24. "Commercial stocks" shall be the stocks of energy products under Annex A, Article 3.4 of Regulation (EC) 1099/2008 and of fuel oils held by obligated persons, with the view of guaranteeing a continuity and regularity of the commercial process and such stocks shall be kept separate from emergency stocks.

25. "Central stockholding entity" shall be a body or service of a European Union Member State, upon which powers are

conferred for purchase, maintenance and/or sale of stocks of crude oil and petroleum products, including emergency stocks and specific stocks;

26. "Delegation" shall be an act of a person, obligated to constitute and hold stocks under this Act, whereby it would assign to another person the holding of all or part of the stocks, which had been prescribed to it.

27. "International marine bunkers" shall have the meaning given in Section 2.1.5 of Annex A to Regulation (EC) No. 1099/2008.

28. "Average daily net import and intra-Community arrivals" shall be the total net quantities of energy products under Annex A Article 3,4 of Regulation (EC) 1099/2008 and fuel oils delivered in this country's territory.

29. "Fuel oil" shall be a petroleum product included in the sub-entries in accordance with item 2 "f" of the supplementary notes to Chapter 27 of the Combined Nomenclature.

30. "Preceding calendar year" shall be the calendar year for which data was used regarding consumption or the net imports and intra-Community arrivals into the territory of this country and based on which the required quantities of stocks, which must be maintained or of the stocks actually available at a certain moment, were calculated.

31. "Repeat" shall be a violation, committed within one year of the entry into force of a penal decree whereby the offender was punished for committing a violation of the same type.

32. "Operating stocks" shall be working stocks of crude oil, raw materials for refineries, fuel oils and petroleum products under Article 2(1) stored by obligated persons for the purpose of guaranteeing the security and normal functioning of their main operations and all such stocks shall be considered separate from the emergency stocks and the commercial stocks.

**§ 1a.** (New, SG No. 51/2020, effective 5.06.2020) The terms contained in Annex A, Article 3.4 of Regulation 1099/2008 shall apply for the purposes of this Act.

**§ 2.** (Amended, SG No. 51/2020, effective 5.06.2020) This Act:

1. shall introduce the requirements of Council Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products (OJ, L 265/9 of 9 October 2009) and Commission Implementing Directive (EU) 2018/1581 of 19 October 2018 amending Council Directive 2009/119/EC as regards the methods for calculating stockholding obligations (OJ, L 263/57 of 22 October 2018);

2. establishes measures for the application of Commission Directive (EU) 2017/2010 of 9 November 2017 amending Regulation (EC) No. 1099/2008 of the European Parliament and of the Council on energy statistics regarding updates to annual and monthly energy sector statistics (OJ, L 292/3 of 10 November 2017).

## **TRANSITIONAL AND CONCLUDING PROVISIONS**

**§ 3.** The Mandatory Stocks of Crude Oil and Petroleum Products Act (published, SG No. 9/2003, amended, SG No. 107/2003, SG Nos 95 and 105/2005, SG Nos 30 and 82/2006, SG No. 109/2007, SG Nos 69 and 102/2008, Nos 12, 32, 82 and 93/2009 and SG No. 88/2010) shall be repealed.

**§ 4.** The Republic of Bulgaria shall be entitled to maintain until 31st December 2014 stocks of crude oil and petroleum products, corresponding to 81 days of average daily net imports and intra-Community arrivals, of which 27 to be provided for by the agency.

**§ 5.** The State Reserves and Wartime Stocks State Agency and the obligated persons must maintain and hold the levels of compulsory stocks, prescribed by the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act, until the 30th of April 2013. The compulsory stocks of crude oil and petroleum products, constituted before the entry into force of this Act, shall gain the status of stocks under this Act.

**§ 6.** The procedures of registration of storing facilities for holding stocks of crude oil and petroleum products, initiated prior to the entry into force of this Act, shall be finalised under the terms of the same.

**§ 7.** The registrations of storing facilities under Article 21 of the currently repealed Mandatory Stocks of Crude Oil and

Petroleum Products Act shall remain valid after the entry into force of this Act and such storing facilities shall be deemed registered under Article 38.

§ 8. The register of obligated persons under the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act shall remain valid until the 30th of April 2013.

§ 9. The register of storing facilities, registered under Article 21 of the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act, shall remain in effect pending the entry into force of the ordinance under Article 8(4).

§ 10. Any warehouse bills, issued prior to the entry into force of the ordinance under Article 8(4), shall remain valid until expiry of the terms, indicated in them.

§ 11. The forms of the warehouse bills under the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act shall remain valid until the 30th of April 2014 and may be used in conjunction with the forms of the warehouse bills, prescribed by the ordinance under Article 8(4).

§ 12. The advance information under Article 7(1) item 9 concerning the methods of calculation of the stock levels for 2013 shall be published at the website of the State Reserves and Wartime Stocks State Agency by the 25th of February 2013.

§ 13. (1) The statement-declaration under Article 4(2) for 2012 shall be submitted to the State Reserves and Wartime Stocks State Agency by the 25th of February 2013.

(2) The information under Article 4, paragraph (3) item 2, paragraph (4) item 2, paragraph (5) item 2, and paragraphs (6) and (7) for 2012 shall be submitted to the State Reserves and Wartime Stocks State Agency by the 15th of February 2013.

§ 14. The penal administrative proceedings, instituted by the chairman of the State Reserves and Wartime Stocks State Agency prior to the entry into force of this Act, shall be finalized under the procedure of the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act.

§ 15. The following amendments shall be introduced in the Excise Duties and Tax Warehouses Act (promulgated, SG No. 91/2005, amended, SG No. 105/2005, SG Nos 30, 34, 63, 80, 81, 105 and 108/2006, SG Nos 31, 53, 108 and 109/2007, SG Nos 36 and 106/2008, SG Nos 6, 24, 44 and 95/2009, SG Nos 55 and 94/2010, SG Nos 19, 35, 82 and 99/2011 and SG Nos 29, 54 and 94/2012:

1. In letter "b" of item 2 of Article 78(1) the phrase "Compulsory Stocks of Crude Oil and Petroleum Products Act" shall be replaced by "Crude Oil and Petroleum Products Stocks Act".

2. Article 102(5) shall be amended to read:

"(5) Control over stocks of crude oil and petroleum products in tax warehouses shall be exercised also by persons under Article 55(4) of the Crude Oil and Petroleum Products Stocks Act".

§ 16. Items 8 and 11 of paragraph (2) of Article 7 of the State Reserves and Wartime Stocks Act (promulgated, SG No. 9/2003, amended, SG No. 37/2003, SG Nos 19, 69 and 105/2005, Nos 30 and 102/2006, SG No. 54/2008, SG No. 35/2009 and SG No. 16/2010) shall be repealed.

§ 17. The following amendments and supplements shall be introduced in the Energy from Renewable Sources Act (promulgated, SG No. 35/2011, amended, SG Nos 29 and 54/2012):

1. In Article 50:

a) paragraphs (1) and (2) shall be amended to read:

"(1) The State Reserves and Wartime Stocks State Agency shall purchase and sell petroleum products, intended for constituting, holding and replacement of state reserves, wartime stocks, emergency stocks and specific stocks of fuels, not blended with biofuels.

(2) Outside store-holders under the State Contingency Reserves and Wartime Stocks Act shall constitute, hold, safekeep and replace state reserves and/or wartime stocks of petroleum products, not blended with biofuels";

b) a new paragraph (3) shall be introduced:

"(3) The obligated persons and store-holders with registered storing facilities under Article 38 of the Crude Oil and Petroleum Products Stocks Act shall constitute and hold emergency stocks, not blended with biofuels. The store-holders shall store specific stocks of crude oil and petroleum products in the territory of this country, not blended with biofuels";

c) the hitherto paragraph (3) shall become paragraph (4) and after the phrase "paragraph (2)" therein "and (3)" shall be added;

d) the hitherto paragraph (4) shall become paragraph (5)

2. In Article 67(3) the phrase "paragraph (3)" shall be replaced by "paragraph (4)".

**§ 18.** The following supplements shall be introduced into the Commerce Act (promulgated, SG No. 48/1991, amended, SG No. 25/1992, SG Nos 61 and 103/1993, SG No. 63/1994, SG No. 63/1995, SG Nos 42, 59, 83, 86 and 104/1996, SG Nos 58, 100 and 124/1997, SG Nos 21, 39, 52 and 70/1998, SG Nos 33, 42, 64, 81, 90, 103 and 114/1999, SG No. 84/2000, SG Nos 28, 61 and 96/2002, SG Nos 19, 31 and 58/2003, SG Nos 31, 39, 42, 43, 66, 103 and 105/2005, SG Nos 38, 59, 80 and 105/2006, SG Nos 59, 92 and 104/2007, SG Nos 50, 67, 70, 100 and 108/2008, SG Nos 12, 23, 32, 47 and 82/2009, SG Nos 41 and 101/2010, SG Nos 14, 18 and 34/2011 and SG Nos 53 and SG No. 60/2012):

1. A new item 5 shall be introduced into Article 57:

"5. who had been manager, member of managerial or supervisory body of any company, in regard to which non-performance of obligations to constitute and hold stocks under the Crude Oil and Petroleum Products Stocks Act at levels, prescribed for it, had been ascertained by an effective penal decree."

2. A second sentence shall be introduced into Article 141(8): Ineligible to serve as manager shall be any person, who had been manager, member of managerial or supervisory body of any company, in regard to which non-performance of obligations to constitute and hold stocks under the Crude Oil and Petroleum Products Stocks Act at levels, prescribed for it, had been ascertained by an effective penal decree."

3. A new item 2 shall be introduced into Article 234(2):

"2. who had been manager, member of managerial or supervisory body of any company, in regard to which non-performance of obligations to constitute and hold stocks under the Crude Oil and Petroleum Products Stocks Act at levels, prescribed for it, had been ascertained by an effective penal decree."

**§ 19.** The lower level statutory acts and the internal organization documents by the chairman of the State Reserves and Wartime Stocks State Agency in connection with the implementation of this Act shall be issued within three months of its entry into force.

**§ 20.** The lower level statutory acts and the internal organization documents, issued by the chairman of the State Reserves and Wartime Stocks State Agency in connection with the currently repealed Mandatory Stocks of Crude Oil and Petroleum Products Act, shall apply pending the issuance of the acts under § 19, to the extent they would not run counter to this Act.

**§ 21.** The Council of Ministers shall be in charge of implementing the present Act.

**§ 22.** This Act shall enter into force as of the day of its publication in State Gazette.

This act was adopted by the 41st National Assembly on this 31st of January 2013 and the official stamp of the National Assembly has been affixed to it.

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## TRANSITIONAL AND FINAL PROVISIONS

to the Act amending the Act on the Prohibition of Chemical Weapons

and on Control of Toxic Chemicals and the Precursors thereof

(SG No. 14/2015)

.....  
§ 58. In the Crude Oil and Petroleum Products Stocks Act (SG No. 15/2013) everywhere the words "Ministry of economy, energy and tourism", "the Minister of economy, energy and tourism" and "Minister of economy, energy and tourism" shall be replaced by respectively with "Ministry of energy", "the Minister of energy" and "Minister of energy".  
.....

TRANSITIONAL AND FINAL PROVISIONS

to the Act amending and supplementing the  
Crude Oil and Petroleum Products Stocks Act  
(SG No. 51/2020, effective 5.06.2020)

- § 32. (1) The levels of emergency stocks defined for the period until 31 March 2020 shall be maintained until 30 June 2021.
  - (2) The validity of the permits for storing emergency stocks in some other Member State of the EU shall be extended to 30 June 2021 if the obligated persons submit to the Agency prior to 16 April 2021 their consent under Article 18(4), item 5 and an annex to the contract under Article 18(5), item 2 with a deadline not farther than 30 June 2021.
  - (3) The validity of the exchange permits shall be extended until 30 June 2021.
- § 33. Within six months of this Act's entry into force, the Chairperson of the State Reserves and Wartime Stocks State Agency shall make amendments to the statutory acts referring to its implementation.
- § 34. The methods for calculating stock levels for the 2021 - 2022 period shall be published within two months of this Act's entry into force.
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