

## Press release

10 July 2020

# ECB establishes close cooperation with Bulgaria's central bank

- ECB Governing Council has adopted a decision to establish close cooperation with the Bulgarian National Bank
- Direct supervision of Bulgarian significant institutions to start on 1 October 2020 following completion of significance assessment process

The Governing Council of the European Central Bank (ECB) has adopted a decision to establish close cooperation with Българска народна банка (Bulgarian National Bank) following the fulfilment of the necessary supervisory and legislative prerequisites. In parallel, the inclusion of the Bulgarian lev in the Exchange Rate Mechanism II was [announced](#) today. Together, these two steps pave the way for Bulgaria's future participation in the euro area.

The decision on close cooperation will apply 14 days after its publication in the Official Journal of the European Union. Starting from 1 October 2020, the ECB will be in charge of the direct supervision of the significant institutions in the Republic of Bulgaria and the common procedures for all supervised entities, as well as the oversight of less significant institutions. In the meantime, the ECB will carry out an assessment to determine which banks fulfil the criteria to be classified as significant institutions.

ECB Banking Supervision and the Bulgarian National Bank are making preparations to ensure a smooth transition to the new supervisory regime.

"We are very pleased to welcome Bulgaria into the Single Supervisory Mechanism and the ECB Banking Supervision family," said Andrea Enria, Chair of the ECB's Supervisory Board. "This marks an important milestone in the history of the banking union, as it extends its span beyond members of the euro area."

The Bulgarian National Bank will have a representative on the ECB's Supervisory Board with the same rights and obligations as all other members, including voting rights.

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