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BULGARIA

REPRESENTATIVE RATE FOR THE EURO

February 2026

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September 9, 2025

Approved By
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Prepared by the Finance Department in consultation with the European, Legal, and Monetary and Capital Markets Departments.

1. The Council of the European Union decided on July 8, 2025 that Bulgaria had fulfilled the necessary conditions for adoption of the euro with effect from January 1, 2026,[1] and that the conversion rate should be set at 1.95583 Bulgarian lev per one euro.[2] The Bulgarian authorities notified the Fund on July 31, 2025, that the euro will be their country's currency, effective from January 1, 2026.

2. In December 1998, the Fund determined the procedures for the representative exchange rate for the euro under Rule O-2(b)(i) of the Fund's Rules and Regulations after consultation with the 11 members that subsequently adopted the euro when it was introduced on January 1, 1999.[3] These procedures provide that (i) the representative exchange rate for the euro under Rule O-2(b)(i) of the Fund's Rules and Regulations is the rate against the U.S. dollar as published daily by the European Central Bank; and (ii) the European Central Bank will promptly inform the Fund of any changes in the exchange arrangements, which may affect the determination of the representative exchange rate. These same procedures were later applied to members who subsequently became members of the euro and to those members that are not members of the euro but use the euro as a legal means of payment.[4,5]

3. After consultations with the Bulgarian authorities, it is proposed that the approach used to determine the representative exchange rate for the other euro area members be similarly extended to Bulgaria.

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[1] EU Council Decision (EU) 2025/1407 of July 8, 2025.

[2] EU Council Regulation (EU) No. 2025/1409 of July 8, 2025.

[3] See *The EMU and the Fund—Operational Issues.*

[4] Greece, Slovenia, Cyprus and Malta, Slovak Republic, Estonia, Latvia, Lithuania, Croatia joined the euro area since January 1999.

[5] San Marino, Montenegro, Kosovo, and Andorra are not members of the euro area but use the currency as legal means of payment. Andorra and San Marino have a monetary agreement with the EU.