

ARRANGEMENT

BETWEEN

THE GOVERNMENT
OF THE REPUBLIC OF BULGARIA

AND

THE GOVERNMENT
OF CANADA

CONCERNING INDUSTRIAL SECURITY

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA AND THE GOVERNMENT OF CANADA, hereinafter referred to as "the Participants",

ACKNOWLEDGING the need to enter into an industrial security arrangement and recognizing the important role of their mutual co-operation in ensuring peace, international security and mutual confidence,

REALIZING that they may have to exchange Classified Information to co-operate in industrial security matters,

DESIRING to create practices and procedures to regulate the reciprocal protection of Classified Information for both countries in future co-operation arrangements and classified contracts involving Classified Information,

TAKING INTO CONSIDERATION that they share equivalent security standards for the protection of Classified Information,

WISHING to establish a basis of understanding to conclude a future bilateral general agreement on Classified Information,

HAVE REACHED the following understanding:

1. DEFINITIONS

For the purpose of this Arrangement:

- (a) **"Classified Information"** means information of whatever form, nature or method of transmission either manufactured or in the process of manufacture to which a security classification level has been attributed by the Participants and which, in the interests of national security and in accordance with the Participants' national laws and regulations require protection against unauthorized access or destruction. Any reference to Classified Information under this Arrangement is deemed to refer also to Protected Information;
- (b) **"Competent Authority (CA)"** means a Government authority responsible for the implementation of the security requirements covered by this Arrangement;
- (c) **"Contract"** means any contract or subcontract between the Participants or with or between Contractors in the country of either Participant, which contains Classified Information or the performance of which requires access to Classified Information of either Participant;

- (d) **“Contractor”** means an individual or a legal entity possessing the legal capacity to conclude contracts, in the territory of either Participant, that is negotiating or has entered into a Contract;
- (e) **“Designated Security Authority (DSA)”** means the Government Authority responsible for the security of Classified Information covered by this Arrangement and the administration of this Arrangement;
- (f) **“Facility Security Clearance (FSC)”** means determination, issued by a DSA or CA of a Participant as a result of a vetting procedure, which ascertains that, on the matters of security, a certain legal entity for which access to Classified Information is required meets the organizational security requirements in accordance with their national laws and regulations;
- (g) **“Need-to-know”** principle means the necessity to have access to Classified Information in connection with official duties and/or for the performance of a concrete official task;
- (h) **“Personnel Security Clearance (PSC)”** means determination, issued by a DSA or CA of a Participant as a result of a vetting procedure, which ascertains that a certain individual may be granted access to Classified Information in accordance with their national laws and regulations;
- (i) **“Protected Information”** means information of whatever form, nature or method of transmission either manufactured or in the process of manufacture related to other than the national interest and the compromise of which would reasonably be expected to cause injury to a non-national interest which is subject to a designation indication given by the Government of Canada; and
- (j) **“Security classification level”** means category, according to the Participants’ national laws and regulations, which characterizes importance of Classified Information, level of restriction of access to it and level of its protection by the Participants and also the category on the basis of which information is marked.

2. OBJECTIVE AND SCOPE

- (a) The objective of this Arrangement is to set out the practices and procedures for the protection of Classified Information that is commonly generated or exchanged between the Participants in the context of industrial security.
- (b) The Participants will apply the provisions of this Arrangement to all aspects of the contracting process and implementation of contracts involving access to Classified Information.

3. DESIGNATED SECURITY AUTHORITIES (DSAs)

- (a) The Participants designate the following as their DSAs:
 - (i) **For the Government of the Republic of Bulgaria:**
State Commission on Information Security
 - (ii) **For the Government of Canada:**
International Industrial Security Directorate
Industrial Security Sector
Public Services and Procurement Canada
- (b) The Participants understand that the DSAs will notify each other of:
 - (i) the relevant CAs in their countries that will be responsible for the implementation of the security requirements covered by this Arrangement; and
 - (ii) any changes to their respective CAs relevant to the implementation of the security requirements covered by this Arrangement.

4. SECURITY CLASSIFICATION LEVELS

- (a) The originating Participant will assign a security classification level to the Classified Information and mark the Classified Information according to its national laws and regulations.
- (b) The receiving Participant will ensure that the Classified Information received from the originating Participant and anything incorporating the Classified Information, when in a recorded form, is marked with a national security classification

level no lower than the corresponding security classification level specified in the Table 1 and Table 2 below.

- (c) The Participants understand that for Classified Information, the following security classification levels are equivalent to the security classification levels specified in the national laws and regulations of each Participant:

Table 1: Classified Information

In the Republic of Bulgaria	In Canada (English)	In Canada (French)
СТРОГО СЕКРЕТНО	TOP SECRET	TRÈS SECRET
СЕКРЕТНО	SECRET	SECRET
ПОВЕРЛИВО	CONFIDENTIAL	CONFIDENTIEL

- (d) Upon their mutual approval in writing, the Participants will consider the exchange of СТРОГО СЕКРЕТНО/TOP SECRET/TRÈS SECRET information in industrial security matters, on a case-by-case basis.
- (e) Canada will protect Classified Information at ЗА СЛУЖЕБНО ПОЛЗВАНЕ security classification level provided by the Republic of Bulgaria in a manner at least equivalent to that afforded to it by the Republic of Bulgaria.
- (f) The Republic of Bulgaria will protect Canadian Protected Information at the security classification level identified in the following table:

Table 2: Protected Information

In the Republic of Bulgaria	In Canada (English)	In Canada (French)
СЕКРЕТНО	PROTECTED C	PROTÉGÉ C
ПОВЕРИТЕЛНО	PROTECTED B	PROTÉGÉ B
ЗА СЛУЖЕБНО ПОЛЗВАНЕ	PROTECTED A	PROTÉGÉ A

- (g) Upon their mutual approval in writing, the Participants will consider the exchange of Canadian PROTECTED C/PROTÉGÉ C information in industrial security matters, on a case-by-case basis.

5. PROTECTION AND USE OF CLASSIFIED INFORMATION

- (a) The Participants will apply the following rules for the protection and use of Classified Information:
- (i) the Participants will implement all appropriate measures for protection of Classified Information not less than that which they provide to their own information of corresponding security classification level;
 - (ii) the receiving Participant will not use Classified Information for any purpose other than that for which it is provided without the prior written consent of the originating Participant;
 - (iii) the Participants will not disclose, release or provide to a third country, to any Contractor, organization, institution or other entity of a third country Classified Information commonly generated or exchanged between the Participants without the prior written consent of the Participant providing the information;

- (iv) the receiving Participant will comply with any additional limitations on the use, disclosure, release and access to Classified Information which may be specified by the originating Participant;
 - (v) the receiving Participant will not downgrade nor declassify Classified Information without the prior written consent of the originating Participant;
 - (vi) the originating Participant will inform the receiving Participant of any change in the security classification level of the Classified Information;
 - (vii) the receiving Participant will take all steps legally available to keep Classified Information from being disclosed; and
 - (viii) the Participants may mutually determine such additional security requirements for the protection of Classified Information as they consider appropriate for the purpose of facilitating the exchange and protection of such information.
- (b) The Participants will as soon as possible inform each other in writing about changes in their national laws and regulations affecting the protection of Classified Information in the context of industrial security.

6. USE OF CLASSIFIED INFORMATION IN CONTRACTS

- (a) Prior to the release of the Classified Information to a Contractor or sub-Contractor under this Arrangement, the receiving Participant will:
 - (i) ensure that the Contractor or sub-Contractor has the capability to protect the Classified Information adequately;
 - (ii) grant a FSC for ПОБЕДИТЕЛИHO/CONFIDENTIAL/CONFIDENTIEL and above;
 - (iii) grant a PSC for all personnel whose duties require access for ПОБЕДИТЕЛИHO/CONFIDENTIAL/CONFIDENTIEL and above;
 - (iv) ensure that all persons having access to the Classified

Information are informed of their responsibilities to protect the information in accordance with the Participants' national laws and regulations and the provisions of this Arrangement;

- (v) carry out periodic security inspections to ensure the Classified Information is properly protected; and
 - (vi) ensure that access to the Classified Information is limited to those persons who have a need-to-know for the purpose of the Contract.
- (b) The receiving Participant will ensure the appointment of a security officer to protect effectively the information pertaining to Contracts awarded pursuant to this Arrangement.
 - (c) The Participants will ensure that contracts involving information ЗА СЛУЖЕБНО ПОЛЗБАНЕ/PROTECTED A/PROTÉGÉ A contain appropriate clauses identifying the minimum measures to be applied for the protection of such information.

7. ACCESS TO CLASSIFIED INFORMATION

- (a) The Participants understand that an individual will not be entitled to access Classified Information solely by virtue of his or her rank, official position or security clearance. The Participants will ensure that access will be granted to Classified Information:
 - (i) at the ПОВЕРЛИВО/CONFIDENTIAL/CONFIDENTIEL level or above only to those individuals who have been issued a PSC and briefed on their responsibility to protect the information in accordance with the Participants' national laws and regulations; and
 - (ii) including ЗА СЛУЖЕБНО ПОЛЗБАНЕ and to PROTECTED A/PROTÉGÉ A information, in accordance with the need-to-know principle and any additional security requirements identified in contracts.

8. TRANSMISSION OF CLASSIFIED INFORMATION

- (a) The Participants understand that:
 - (i) all Classified Information will be transferred only by

diplomatic or military couriers or through other channels approved by their DSAs jointly. The transmission letter will indicate the security classification level, or, if applicable, its protection, denote the country of origin, the conditions of release, and the fact that the information relates to a Contract governed by the provisions of this Arrangement;

- (ii) the receiving Participant will provide the originating Participant with written notification of receipt of the Classified Information;
- (iii) the DSA of each Participant will advise Contractors in their country of the approved channels for transmission and the packaging standards to be used;
- (iv) when Classified Information is of such volume that it cannot be transported in the possession of a courier, the DSAs of the Participants will mutually determine a transportation plan which sets out details of the manner in which the transmitted information will be exchanged between the Participants, including, as appropriate, the type of transport, the route and the type of escort for the information; and
- (v) the Participants may mutually permit the transmission of Classified Information by protected electronic means. The Participants will mutually determine the security procedures to be applied to any such transmission.

9. RETURN OR DESTRUCTION OF CLASSIFIED INFORMATION

The Participants will ensure that upon completion of a Contract or other conditions whereby retention by the Contractor of Classified Information is no longer required, such information is returned to the originating Participant, unless specific instructions, in writing, have been given by the originating Participant to destroy the information. Any destruction of Classified Information which comes within the scope of this Arrangement will be conducted in accordance with the Participants' national laws and regulations.

10. TRANSLATION AND REPRODUCTION OF CLASSIFIED INFORMATION

- (a) The Participants understand that:
 - (i) all translations of Classified Information from one language

to another will bear an equal security classification level in accordance with Paragraph 4 of this Arrangement;

- (ii) all translations will bear a designation which shows that they contain Classified Information received by the originating Participant; and
- (iii) when Classified Information is reproduced, the security classification level of the original document will also be marked on each copy. Such reproduced information will be placed under the same control as the original information. The number of copies will be limited to that required for official purposes.

11. INTERNATIONAL VISITS

- (a) The Participants understand that:
 - (i) visiting procedures will be approved between the DSAs; and
 - (ii) the Bulgarian DSA and the Canadian DSA or CA will approve visits to facilities in their countries provided that the visit is authorized by both authorities and the visitors have appropriate PSC and a need-to-know.

12. CONTRACT SECURITY CLAUSES

- (a) Each Participant will ensure that:
 - (i) its Contracts and any of its Pre-contractual activities which involve access to Classified Information incorporates appropriate security clauses in accordance with this Arrangement and its national laws and regulations;
 - (ii) a description of security requirements is an integral part of each classified contract or sub-contract. In this description the contracting authority specifies which Classified Information will be released to or generated by the Contractor, and which corresponding security classification level has been assigned to this information;
 - (iii) the DSA of the Participant will provide promptly to the

other DSA a copy of the description of the security requirements of any contract involving Classified Information to be performed within the country of the other Participant;

(iv) the security clauses will include at least the following:

- (A) the Contractor will disclose the Classified Information only to a person who has been previously security cleared for access with regard to the relevant contract activities and who has a need-to-know for the purpose of the Contract;
- (B) the means to be used for the transfer of the Classified Information;
- (C) the procedures and mechanisms for communicating the changes that may arise in respect of Classified Information either because of changes in its security classification level or because protection is no longer necessary;
- (D) the procedures for the request for visits;
- (E) the procedures for the appropriate security authority to visit, access or inspect the facilities of the contractor in its national territory;
- (F) the procedures to notify as soon as possible the contractor's DSA of any actual, attempted or suspected unauthorized access to Classified Information of the contract;
- (G) the limitation of usage of the Classified Information under the contract only for the purposes related to the subject matter of the contract;
- (H) the strict adherence to the procedures for destruction of the Classified Information;
- (I) the provision of Classified Information under the contract to any third country, to any Contractor, organization, institution or other entity of a third country only with the written consent of the DSA of the originating Participant; and

- (J) the measures required for the protection of Classified Information.

13. SECURITY REQUIREMENTS GUIDANCE

- (a) The Participants will ensure that, for the purpose of adequate security monitoring, the security requirements guidance of a contract are provided to the responsible DSA/CA. The Participants understand that, with respect to the Republic of Bulgaria, this information will be identified in a Stage Classification Scheme and, with respect to Canada this information will be identified in a Security Requirements Check List (SRCL).
- (b) The Participants will keep current all security classification levels and inform each other of any changes thereto.

14. SECURITY ASSURANCES

- (a) The Participants will ensure that their respective DSA and CA take all appropriate measures to ensure that no Contract is awarded and that no Classified Information is provided to a Contractor in the country of the other Participant until a security assurance in relation to the Contractor has been received from the DSA of the Participant in whose country the Contract is to be performed.
- (b) The Participants will ensure that, in accordance with their respective national laws and regulations, their DSA ascertains, when requested by the DSA of the other Participant the status of a PSC or FSC of a Contractor.
- (c) The Participants will ensure that:
 - (i) if information concerning a breach of security measures comes to the attention of the DSA providing the security assurance about a Contractor in respect of whom a security assurance was provided, the DSA who requested the security assurance is promptly notified;
 - (ii) the DSA or CA granting a FSC or PSC may withdraw the FSC or PSC issued to a Contractor for any security reasons

as per the Participants' national laws and regulations and the DSA of the Contractor informs the other DSA;

- (iii) if a security assurance is unable to be given due to a Contractor not having a FSC or PSC to the requisite level, the DSA of a Participant, when requested by the DSA of the other Participant to do so, ensures the necessary investigation and security evaluation be conducted to grant or upgrade the FSC or PSC as required, and provides a written security assurance pursuant to paragraph 14 (b); and
- (iv) if the security assurance cannot be provided promptly, the requesting Participant is informed by the other Participant of the status or any action being taken to process the request.

- (d) On request, the Participants will assist each other during the vetting procedures.

15. LOSS OR COMPROMISE

The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information provided or generated pursuant to a Contract has been lost or disclosed or has been subject to any other acts or omissions resulting in a breach of security of such information. The Participants understand that the DSA of the Participant in the territory in which the investigation is conducted will inform the other DSA of the details of any such loss or compromise, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

16. THIRD COUNTRY RESTRICTION

The Participants understand that the award of a sub-contract to a sub-contractor from a third country by a Contractor requiring access to Classified Information will require the prior approval of both Participants.

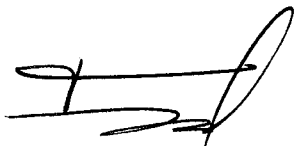
17. DIFFERENCE IN INTERPRETATION AND APPLICATION

The Participants will seek to resolve any difference arising from the interpretation or implementation of this Arrangement amicably and expeditiously by consultation or negotiation and will not refer the difference to any national or international jurisdiction for settlement.

18. FINAL DISPOSITIONS

- (a) This Arrangement will come into effect on the date of receiving the latest notice whereby the Participants inform each other of the fulfilment of all internal procedures necessary for its entry into effect including the signature of the Arrangement.
- (b) The Participants may amend this Arrangement upon their mutual consent in writing.
- (c) The Participants will review jointly this Arrangement at least once every two years to determine if there are any required changes.
- (d) This Arrangement is concluded for an indefinite period of time and either Participant may terminate this Arrangement by written notice forwarded to the other Participant. The termination will take effect six months after the date of receipt of the notification.
- (e) Upon termination of this Arrangement, the Participants will continue to protect all Classified Information which comes within the scope of this Arrangement received or commonly generated prior to termination, in accordance with the provisions of this Arrangement or until informed otherwise by the originating Participant.

SIGNED in duplicate at Sofia on this 19 day of 04 2017 and at Ottawa on this 30th day of August 2017, in the Bulgarian, English and French languages, each version being equally valid.



**FOR THE GOVERNMENT
OF THE REPUBLIC OF BULGARIA**



**FOR THE GOVERNMENT
OF CANADA**