TAX AND SOCIAL INSURANCE PROCEDURE CODE

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Division one.
GENERAL RULES

Chapter one.
SUBJECT AND GENERAL PRINCIPLES

Subject

Art. 1. With this code shall be regulated the procedures for establishing the obligations for taxes and obligatory insurance contributions, as well as for securing and collecting the public receivables, delegated to the bodies of receivables and the public executors.

Lawfulness

Art. 2. (1) The bodies of receivables and the public executors shall act within the range of their authorities established by the law, and shall apply the laws precisely and equally against every person.

(2) When in an international agreements ratified by the Republic of Bulgaria, promulgated and entered into force, are contained provisions different from the provisions of this code, the provisions of the respective agreement shall be applied.

Objectivity

Art. 3. (1) The bodies of receivables and the public executors shall be obliged to establish impartially the facts and the circumstances which are significant for the rights, the obligations and the responsibility of the obliged persons in the procedures under this code.

(2) The administrative acts under this code shall be based on the real facts significant for the case.

(3) The truth about the facts shall be established by the order and by the means, provided in this code.

Self-dependence and independence

Art. 4. The bodies of receivables and the public executors shall implement independently the proceedings. At the fulfilment of their authorities they shall be independent and shall act only on the bases of the law.

Acting ex officio

Art. 5. The bodies of receivables and the public executors shall be obliged ex officio, when there is no claim by the interested persons, to clarify the facts and the circumstances significant for the establishing and the collecting of the public receivables, including for the application of relief provided by the law.

Good faith and right of protection

Art. 6. (1) The participants in the procedures and their representatives shall be obliged to exercise their procedural rights in good faith and in accordance with the practice of good relations.

(2) All the persons which are interested in the decision of the procedures under this code shall have equal procedural opportunities to participate in them to protect their rights and legal interests.

(3) The bodies of receivables and the public executors shall be obliged to ensure to the participants in the procedures an opportunity to exercise their procedural rights and their right of protection.

Chapter two.
COMPETENCE

Competent body

Art. 7. (1) The acts under this code shall be issued by a body of receivable, respectively by a public executor, from the competent territorial directorate.

(2) (Amend. – SG, 105/20, in force from 01.01.2021) When after formation of the proceedings, the body establishes, that it does not fall with his/her competence, he/she shall send in three days term the file to the competent body, as noticing for that the interested persons.

(3) (Suppl. - SG, 105/20, in force from 01.01.2021) Appointed by the law superior body may take over the consideration and the settlement of a concrete issue or file from the competent body of receivables, respectively from the public executor, in the cases when there are grounds for challenge or self-challenge, as well as in the cases of durable impossibility to fulfil the official obligations, or impossibility, resulting from a change in the position of the revenue authority, respectively the public executor, leading to loss of competence and to delegate the authorities of their consideration and settlement to another body, respectively public executor, equal in degree of those from whom the file or the issue has been taken over.

(4) (Amend. – SG, 105/20, in force from 01.01.2021) In case of change of the circumstances, which determine the territorial competence, the proceedings shall be finished by the body which has formed it.

Competent territorial directorate

Art. 8. (1) A competent territorial directorate of the National Revenue Agency regarding the procedures under this code, unless other has been provided for, shall be:

1. the territorial directorate at the permanent address of the individual, including the sole entrepreneurs;

2. the territorial directorate at the address of management of the non-personified partnerships and the insurance funds;

3. the territorial directorate at the seat of the local corporate bodies;

4. the territorial directorate at the seat of the branch or at the address of the trade representations of the foreign person;

5. the territorial directorate at place of implementing the activity or of the management for the foreign persons – not subject of item 4, which implement economic activity in the country, including through permanent establishment or defined base, or whose effective management is from Bulgaria;

6. the territorial directorate at the location of the first acquired real estate for the persons which are not subject of the cases under items 1 – 5;

7. the territorial directorate – Sofia, when it may not be established the competent territorial directorate by the rules under items 1 – 6;

8. (new – SG 105/06) the territorial directorate at the last permanent address of the testator, respectively at the seat of business of the local legal person, in the cases referred to in Art. 126.

(2) The address of management for the persons under para 1, item 2 shall be proved by a certified by a notary copy from the constitutive contract, as if there is no indicated address of management in it, for such one shall be considered the permanent address or respectively the address of management of the first indicated associate. In the cases when a constitutive contract has not been presented, the competent territorial directorate shall be the one which

first shall implement a procedural action for establishing the obligations for taxes or obligatory insurance contributions.

(3) When a foreign person implement an economic activity in the country through more then one place of economic activity, competent shall be the territorial directorate at the location of the first appeared place of economic activity. In case the foreign person has not fulfil his/her obligation for registration in the register BULSTAT, the competent territorial directorate shall be the one, which first shall implement a procedural action for establishing the obligations for taxes and obligatory insurance contributions.

(4) The executive director of the National Revenue Agency shall determine by an order the competent territorial directorate for the persons which are in the territorial scope of more than one territorial directorate under the rules of para 1. The order shall be promulgated in the "State Gazette".

(5) The competence regarding the local taxes shall be determined at the location of the municipality in which budget shall enter the respective local tax according to the Local Taxes and Fees Act.

Chapter three.
PARTIES AND PARTICIPANTS IN THE PROCEEDINGS

General definitions

Art. 9. (1) A party (a subject) in the administrative process under this code shall be:

1. the administrative body;

2. every individual or corporate body on behalf of which or against which are instituted administrative proceeding under this code.

(2) In the proceedings under this code the non-personified partnerships and the insurance funds shall be equated to corporate bodies. The compulsory collection shall be implemented against the persons who participate in the non-personified partnerships and in the insurance funds according to their participation.

(3) Participants in the administrative proceedings shall be the subjects and every others persons, which participate in the implementation of the procedure actions.

Legal ability and representation

Art. 10. (1) All the procedure actions in the administrative proceedings may be implemented personally by the legally capable individuals.

(2) The underage, the minor age and the individuals under judicial disability shall be represented by their parents, respectively guardians or trusties.

(3) The corporate bodies shall be represented by the persons who represent them by law.

(4) The persons may be represented by representatives on the base of written letter of attorney.

(5) The body of receivables or the respective servant shall follow for the presence of legal ability and representative power for implementing the respective actions and when establishing their lack shall determine a term to eliminate the irregularity.

(6) In case the irregularity under para 5 concerns the implementation of a procedure action which is a condition for the admissibility of the proceedings, and is not eliminated in the determined term, it shall be considered that the action has not been implemented. If the action is a condition for the admissibility of the proceedings and the irregularity has not been

eliminated, the proceedings shall be terminated.

Appointment of a temporary of special representative

Art. 11. (1) When the body of receivables or the public executor should implement procedure actions, which may not be deferred, against a person which is disabled and/or has no legal representative, as well as at conflict of interest between a representative and a represented person, he/she may demand from the regional court at his/her location to appoint him/her a temporary, respectively a special representative. For procedure actions against underage and minor age persons shall be applied the provisions of the Child Protection Act.

(2) (New – SG, 105/20, in force from 01.01.2021) Where the revenue authority or the public executor is to perform proceedings against a legal person, who has not been represented for more than three months, he may request the district court at his location of appointment to appoint his temporary or special representative.

(3) (Former Para. 2 - SG, 105/20, in force from 01.01.2021) The court shall pronounce at the demand by a motivated ruling in a close sitting not later than three days after its receiving, appointing the temporary, respectively the special representative and the term for which he/she is appointed. The ruling shall not be subject to appeal.

Powers of the body of receivables and the public executor

Art. 12. (1) The body of receivable at the observance of the provisions of this code:

1. shall implement checks and audits;
2. shall establish administrative offences;
3. shall impose administrative sanctions;
4. shall have the right of access in the objects which are under control;
5. shall check the accountancy of the objects under control;
6. shall check accounting, commercial and other papers, documents and information carryings regarding the establishing of the obligations and responsibilities for taxes and obligatory insurance contributions, as well as the offences of the tax and insurance legislation;
7. shall require and collect original documents, data, information, papers, properties, statements of account, references and other information carryings for the purpose of the establishing of obligations and responsibilities for taxes and obligatory insurance contributions, as well as offences of the tax and insurance legislation; shall require certified copies of the written documents and certified printings of data from technical cartridge;
8. (suppl. – SG, 105/20, in force from 01.01.2021) shall require form the controlled persons to declare their bank accounts as well as accounts from other payment service providers in this country and in other countries;
9. shall establish the possessed properties, pecuniary funds and material values, receivables and papers;
10. shall implement the provided by this code actions for securing the evidences, including shall seal safes, warehouses, workshops, offices, shops and other objects, which are subjects of control;
11. shall require from every persons, state and municipal bodies data, information, documents, papers, materials, properties, statements of account, references and other information carryings necessary for the implementation of the controlling activity;
12. shall request disclosure of official, bank or insurance secret by an order provided in law;
13. shall receive free of charge access to the public registers and free issuing of

officially certified extracts of the entries in them or of copies of the documents, on the base they have been made;

14. shall require written explanations;

15. shall impose expert examinations and shall use specialists;

16. shall require declaration of definite facts and circumstances when this is provided by law.

(2) (new - SG 109/13, in force from 01.01.2014) A revenue body authorized to exercise fiscal control over high fiscal risk goods subject to compliance with the provisions of this Code shall have the following powers, except the ones enlisted in para 1:

1. to stop vehicles at fiscal control points;;

2. (suppl. – SG, 105/20, in force from 01.01.2021) to request and carry out checks of the documents accompanying the goods including the availability of a unique transport number;

3. (suppl. – SG, 105/20, in force from 01.01.2021) to carry out checks and inspections of the goods transported in the vehicle at the place of destination/landing location thereof, including compliance with pre-declared data;

4. to require the submission of identity documents from vehicle drivers;

5. (amend. - SG 94/15, in force from 01.01.2016, amend. and suppl. – SG, 105/20, in force from 01.01.2021) to require vehicle drivers to declare details of the type and quantity of the goods to the sender and the recipient, date and place of receipt of goods, and to state the estimated time of unloading/receipt, where any documents are missing, the documents do not contain the said information, or there is no data for preliminary declaration of the transport of the goods;

6. to place and remove technical means of control of the vehicle transporting the goods;

7. to access the place of delivery/unloading of goods (site, warehouse, facility, storage tanks and other storage places) and be present during the unloading of goods;

8. to require the presence of the buyer/consignee or their authorized representative at the inspection and examination of the goods at the place of receipt/unloading of the goods;

9. to require a security under the terms of this Code.

(3) (new - SG 109/13, in force from 01.01.2014) Vehicles can be stopped only by revenue authorities, provided with clearly recognizable and visible, including in the night-time, insignia and clothing in form approved by an order of the Executive Director of the National Revenue Agency, which is published in the State Gazette.

(4) (prev. text of para 2 - SG 109/13, in force from 01.01.2014) The public executor at the observance of the provisions of this code:

1. shall impose measures for securing the public receivables and shall implement actions of their collection;

2. shall have the right of access in the objects which are under control;

3. (suppl. – SG, 105/20, in force from 01.01.2021) shall require from the controlled persons to declare their bank accounts, as well as accounts from other payment service providers in this country and in other countries;

4. shall establish the possessed properties, pecuniary funds and material values and receivables;

5. shall require from all the persons, state and municipal bodies data, information, documents, papers, materials, properties, statements of account, references and other information carryings, necessary for securing or collecting the public receivables;

6. shall require disclosure of official, bank or insurance secret by an order provided in law;

7. shall receive an access, free of charge, to the public registers and free issuing of the officially certified extracts of the entries in them or of the copies of the documents on the base of which they have been made;

8. shall require written explanations;

9. shall impose expert examinations and shall use specialists;

10. shall require declaration of definite facts and circumstances when it is provided by law;

11. shall establish administrative offences;

12. shall impose administrative sanctions.

(5) (prev. text of para 3, amend. - SG 109/13, in force from 01.01.2014) The control under paras 1 - 4 shall be exercised only in sites, where is carried out economic activity or management of economic activity – production premises, shops, warehouses, transport means, offices, chambers, bureaus and other similar to these ones, as well as in rooms and places where are kept material values, pecuniary funds and accounting, commercial and other documents or information carryings, related to the activity of the controlling persons.

(6) (new - SG 109/13, in force from 01.01.2014, amend. and suppl. - SG, 105/20, in force from 01.01.2021) The rules of Art. 7, Para. 1 and Art. 8 shall not apply to revenue bodies or public executors, appointed by the executive director of the National Revenue Agency or by a deputy executive director, authorized by him. The powers of revenue authorities under Para 2 shall be carried out throughout the country regardless of the jurisdiction under Art. 8.

(7) (new - SG 109/13, in force from 01.01.2014) The location of fiscal control points shall be determined by an order of the Executive Director of the National Revenue Agency after coordination with Road Infrastructure Agency, which is published on the website of the National Revenue Agency.

(8) (prev. text of para 4, amend. - SG 109/13, in force from 01.01.2014) At implementing their authorities under paras 1 - 4 regarding attorneys and notaries shall be applied the provisions of the Attorney Act and the Notaries and Notary Activity Act.

(9) (New - SG 27/18) For the purposes of administrative cooperation and the exchange of information under Chapter Sixteen Sections IIIa, IV, V and VI, the Revenue Authority shall, in addition to the powers under Para. 1, have the right of access to:

1. the information, documents and data collected under the provisions of Chapter Two of the Act On Measures Against Money Laundering, and stored in accordance with the provisions of Chapter III, Section I of the same Act, including the information, documents and data for the individual deals and transactions;

2. the information, mechanisms and procedures for the comprehensive control measures applied under the provisions of Chapter Two of the Act On Measures Against Money Laundering, and to the internal rules, policies and procedures for control and prevention of money laundering under Chapter Eight, Section I of the same law;

3. the information and data about the valid owners, available to the persons under Art. 61, Para. 1 and Art. 62, Para. 1 of the Act On Measures Against Money Laundering, as well as to the information and data under Art. 63, Para. 4 of the same act, entered in the Commercial register and the register of the non-profit legal entities, and in the BULSTAT register.

Obligations for the participants in the proceedings

Art. 13. (prev. text of Art. 13, amend. - SG 109/13, in force from 01.01.2014) The participants in the proceedings shall be obliged to cooperate and provide information under the terms and procedure of this Code, to the revenue body and to the public executor in implementation of their powers under Art. 12, paras 1 - 4.

(2) (new - SG 109/13, in force from 01.01.2014) In carrying out fiscal control over movement of high fiscal risk goods the driver of the vehicle shall:

1. submit to the revenue authority identity document;

2. submit to the revenue authority the documents accompanying the goods;

3. (amend. - SG 94/15, in force from 01.01.2016) state before the revenue authority details of the type and quantity of the goods, the consignor and the consignee, the place and date of receipt of the goods and the expected time of unloading/receipt, where no documents are available or the documents available do not contain such details;

4. inform the person indicated as consignee/buyer and/or consignor/seller of the goods of the fiscal control carried out on the movement of the goods, of the control devices installed, and of the consignee's/buyer's obligation to be present at the location where the goods are to be received/unloaded;

5. protect the integrity and not damage the control devices installed by the revenue authority;

6. deliver the transported goods at the location where they are to be received/unloaded as input in the control devices;

7. deliver the transported goods at the location through which the transport vehicle is to leave the territory of Bulgaria in the cases of transit through the territory of the Republic of Bulgaria;

8. be present at the dismounting of the control devices from the transport vehicle by the revenue authority.

(3) (New - SG 109/13, in force from 01.01.2014) Where fiscal control is exercised on movement of goods of high fiscal risk, the person who is the consignee/buyer of the goods shall:

1. (suppl. – SG, 105/20, in force from 01.01.2021) instantly notify the revenue authority in case of any change in the date, time or location where the goods are to be received/unloaded, through a standard-form request submitted by electronic means. A request shall also be submitted when during the transport, the vehicle needs to be changed, including when the goods are reloaded, indicating the registration number of the other means of transport, the data about the place of reloading, the date, time and place of receipt / unloading of the goods;

2. appear at the location, on the date and in the time of receipt/unloading of the goods as notified by the revenue authority or ensure the attendance of an authorised representative;

3. be present at the dismounting of the control devices, the unloading of the goods, and the inspection and examination of the goods at the location where they are received/unloaded, or ensure the attendance of an authorised representative;

4. not dispose of the goods prior to their receipt/unloading, unless the revenue authority is provided with security in the form of cash or an unconditional and irrevocable bank guarantee for a period of at least 6 months and amounting to 30 percent of the market value of the goods.

(4) (New - SG 109/13, in force from 01.01.2014) The obligations under Para 2 shall also apply to the persons accompanying the goods.

Chapter four.
LIABLE PERSONS

Types of liable persons

Art. 14. Liable persons shall be the individuals and the corporate bodies, which:

1. are holders of the obligation for taxes or obligatory insurance contributions;
2. are obliged to deduct and pay taxes or obligatory insurance contributions;
3. are responsible for the obligation of the persons under item 1 and 2.

Persons, obliged to deduct and pay taxes or obligatory insurance contributions

Art. 15. (1) When in an Act has been provided that a definite person is obliged to deduct and pay taxes or obligatory insurance contributions, for this person shall be applied the rules which determine the rights and the obligations of a subject in the proceedings under this code.

(2) Taxes or obligatory insurance contributions, deducted and paid by the person under para 1, shall be considered paid on behalf of and at the expense of the person which remuneration or payment they have been deducted from, even when there was no obligation for deduction.

Responsible third person

Art. 16. (1) Liable person under Art. 14, item 3 shall be a person which in the cases provided by a law, has an obligation to pay the tax or the obligatory insurance contribution of a holder of the obligation or of a person obliged to deduct and pay taxes or obligatory insurance contributions, which have not been paid in term.

(2) For the liable persons under Art. 14, item 3 shall be applied the rules which determine the rights and the obligations of a subject in the proceedings under this code.

(3) The responsibility of the liable person under Art. 14, item 3 shall comprise the taxes and the obligatory insurance contributions, the interests and the expenses for their collection.

Rights of the liable persons

Art. 17. (1) The liable persons shall have the right:

1. of respect of their honour and dignity at the implementation of the procedure actions under this code;

2. to be informed about their rights in the proceedings under this code, including and the right of protection in the administrative, the executive and the court proceedings, and to be warned for the consequences of the non-fulfilment of their obligations under this code;

3. of keeping in secrecy of the information, the facts and the circumstances, which present tax and insurance information;

4. to require from the bodies of receivables and the public executors at the implementation of their authorities to establish their identity and to show the act on the base of which the respective actions are undertaken;

5. to have ensured and provided, free of charge:

a) the acceptance of all the documents, presented by liable and third persons regarding their public obligations;

b) information about their public obligations and about the terms, in which they have to pay the due taxes, obligatory insurance contributions and other public obligations;

c) information about their health insurance status and their insurance income;

d) tax and other declarations which contain instructions for their filling in, forms and other documents, which are required or issued on the base of a law, which shall be published also and at the Internet site of the agency;

e) possibility of electronic exchange of data with the bodies of receivables and the

public executors;

6. to be informed for the consequences of the enforcement of tax receivables, other public receivables and obligatory insurance contributions;

7. to require the issuing and to receive in term acts or other documents, with which are verified facts with relevance in law, or which admit or deny the existing of rights or obligations, in case there is a legal interest from that;

8. to appeal all the acts and actions of the bodies of receivables and the public executors which infringe their legal rights and interests, by the order provided in this code;

(2) The bodies of receivables shall be obliged to ensure to the parties the opportunity to express a statement at the collected evidences, as well as at the lodged claims by the order provided in this code. The parties may lodge written claims and objections;

(3) When a liable person acts according to the written instructions of the Minister of Finance, a body of receivables or a public executor, which subsequently appears illegal, the charged interests as consequence of the actions according to the given instructions, shall not be owed, and the sanction determined by the law shall not be imposed.

(4) (amend. – SG 12/09, in force from 01.05.2009) The instructions for the unified application of the legislation, which are obligatory for the bodies of receivables and the public executors, as well as all replies or opinions of general methodological character regarding the taxes or the obligatory insurance contributions, shall be published. The publishing shall be made at the Internet site of the respective administration, as it can be made and publication in the press or in other accessible to all liable persons way.

(5) When the liable person shall pay the whole due tax or obligatory insurance contribution for the respective period in the term established by the law for use of reduction, at establishing of the correctness of the made payment, he/she shall use the provided in these cases reductions of the extent of the tax, if the respective declaration has been filed in the term established by the law.

(6) The liable persons shall have the right of compensation for the damages, caused to them by illegal acts, actions or inactions of bodies of receivables and the public executors at or on occasion of the fulfilment of their activity. The responsibility shall be realized by the order, provided in the Act on the state liability for damages inflicted on citizens.

Liability of the persons obliged to deduct and to pay taxes or obligatory insurance contribution

Art. 18. (1) A person obliged by the law to deduct and to pay tax or obligatory insurance contributions, who does not deduct and does not pay the tax or the contributions, shall be joint responsible with the holder of the obligation for the non-deducted and non-paid tax or insurance contributions.

(2) In the cases when the person under para 1 has deducted the tax or the obligatory insurance contributions, but he/she has not paid them, he/she shall owe the non-paid tax or obligatory insurance contribution, and the responsibility of the holder of the obligation shall lapse.

Liability of a third person – a member of body of management, manager, procurator, commercial agent or commercial proxy

Art. 19. (Amend., SG 94/15, in force from 01.01.2016, amend. - SG 63/17, in force from 04.08.2017) (1) Whoever, in their capacity as manager, member of a management body, procurator, business representative, trade agent of taxable legal person under Art. 14, items 1

and 2, conceals facts and circumstances they were obliged by law to declare to the revenue authority or to the public executor, and as consequence obligations for taxes and/or mandatory insurance contributions cannot be collected, shall be responsible for any outstanding obligation.

(2) (Suppl. - SG 92/17, in force from 21.11.2017) A manager, member of a management body, procurator, business representative, trade agent of a taxable legal person under Art. 14, items 1 and 2 shall be liable for the outstanding obligations of a taxable legal person under Art. 14, items 1 and 2, where the former, in bad faith, does any of the following, as a result of which the assets of the taxable person have decreased and, therefore, obligations for taxes and/or mandatory insurance contributions have not been paid:

1. makes payments in kind or in cash from the property of the taxable person, thereby representing a hidden distribution of profits or dividends, or expropriates property of the taxable person, including the enterprise, free of charge or at prices considerably lower than the market ones;

2. carries out activities related to burdening the taxable legal person’s property so as to secure foreign debt and it being turned into cash in favour of the third party.

(3) (Suppl. - SG 92/17, in force from 21.11.2017) Liable under par. 2 shall also be majority partners or shareholders, where actions have been taken following their decision, with the exception of persons who have voted against and who have not voted at all.

(4) Liability for outstanding obligations under para. 2 and 3 shall be up to the amount of the payments made, and up to the extent of the reduction of the property, respectively.

(5) (Amend. and suppl. - SG 92/17, in force from 21.11.2017) Majority owners of the capital, including majority partners or shareholders having that capacity on the day of the occurrence of the liabilities, who, in bad faith, transfer stocks or shares owned by them in such a way that they cease to be majority partners or shareholders, shall be liable for the outstanding obligations for taxes and compulsory social security contributions. Liability shall be proportional to their participation in the expropriated part of the capital. Bad faith shall be present where the partner or shareholder knew that the company was over-indebted or insolvent, and the order was made before the earliest of the two dates:

1. (new - SG 92/17, in force from 21.11.2017) declaring in the Commercial Register of the debtor's application for opening insolvency proceedings;

2. (new - SG 92/207, in force from 21.11.2017) entry of the insolvency court's judgement to initiate insolvency proceedings of the debtor.

(6) Liable under para. 5 shall also be the persons, partners or shareholders holding minority shares of the capital where, simultaneously or consecutively, for a period of not more than three months, in bad faith, they transfer company stocks or shares, the total amount of which represents the majority share of capital. Sentence one shall not apply to companies, whose shares are subject of public offering.

(7) (new - SG 92/17, in force from 21.11.2017) Liability under para. 5 and 6 shall cease when the insolvency court terminates the insolvency proceedings due to the approval of a rescue plan, or on the basis of a contract for settling the payment of the monetary obligations under Art. 740 of the Commerce Act.

(8) (Prev. Para. 7 - SG 92/17, in force from 21.11.2017) Persons who have acted in secret complicity shall be jointly and severally liable together with the insolvent legal person for the unpaid tax obligations and mandatory insurance contributions in the same way as these obligations would have arisen for the insolvent legal person.

(9) (Prev. Para. 8 - SG 92/17, in force from 21.11.2017) Owners of the capital, including partners or shareholders, who have received hidden distribution of profits, shall be liable for the unpaid tax obligations and mandatory insurance contributions of the legal person

for the duration of time, in which they held that quality, up to the extent of the received amount, unless the hidden distribution has been declared.

(10) (Prev. Para. 9 - SG 92/17, in force from 21.11.2017) It shall be considered that there is bad faith within the meaning of para. 2 and 3, where the activity is carried out after the declaration and/or the establishment of obligations within one year of the declaration and/or the issuance of the act establishing the obligation.

(11) (Prev. Para. 10 - SG 92/17, in force from 21.11.2017) It shall be considered that there is bad faith within the meaning of para. 2, 3 and 5, where the activity is carried out after proceedings under this Code for compliance with the tax and/or social insurance legislation have been initiated within 6 months of the conclusion of the proceedings. Where an inspection is carried out, the period shall run from the receipt of a request or a protocol pursuant to Art. 110, para. 5.

(12) (Prev. Para. 11 - SG 92/17, in force from 21.11.2017) Any person who is authorized to exercise the powers of the manager shall also be deemed a procurator. Any person fulfilling the conditions of Art. 26 of the Commerce Act, except for the requirement to receive remuneration, as well as any person acting under the conditions of Art. 301 of the Commerce Act, shall also be deemed a trade agent.

Sequence

Art. 20. (amend. - SG 63/17, in force from 04.08.2017) In the cases under Art. 19, the security and the enforcement shall be directed firstly against the property of the liable person, for whose tax or insurance liability he is liable.

Realization of the responsibility

Art. 21. (1) In the cases under Art. 16, 18 and 19 the responsibility of the third persons shall be established by an audit act.

(2) The responsibility of the third persons shall be realized also and in the cases when regarding the debtor are present the circumstances under Art. 168, item 5, 6 and 7.

(3) The responsibility of the third persons shall be cancelled with the cancellation of the obligation for which the responsibility has been established by an act entered into force. In this case the return of the paid sums shall be made by the order of Chapter sixteen, section one.

Chapter five.
TERMS

Establishing and calculating the terms

Art. 22. (1) The term in the administrative proceedings shall be 14 days, when it is not established by the law or fixed by the body of receivables, respectively by the public executor. The body of receivables and the public executor may not fix a term, shorter than 7 days.

(2) The terms shall be calculated by years, months, weeks and days.

(3) The term, which is counted by years, shall expire on the same date and in the same month of the respective year, and when there is no such date – at the end of the respective month.

(4) The term, which is counted by months, shall expire on the respective date of the last month, and if the last month has not a respective date, the term shall expire on its last day.

(5) The term, which is counted by weeks, shall expire on the respective day of the last week.

(6) The term, which is counted by days, shall be calculated from the day following the

day from which the term begins, and shall expire at the end of its last day.

(7) When the term expires on day off, this day shall not be counted and the term shall expire on the following working day.

(8) The last day of the term shall continue until the end of the twenty forth hour, but if it should be made or present personally something before the body or receivables or the public executor, the term shall expire at the finishing of the work time.

Compliance of the term

Art. 23. (1) The deadline shall be met, when the action has been made or the documents have been filed before the appropriate body or have been received by the party before the expiration of the term, fixed by the order of Art. 22.

(2) (amend. – SG 100/10, in force from 01.07.2011) The deadline shall be considered met and when the sending or the receiving of the documents has been made through a post operator, courier, or in electronic way by using a qualified electronic signature of the sender, as well as and when they have been filed before an appropriate body under Art. 5, before its expiration.

Establishing the compliance of the term

Art. 24. (1) The compliance of the term under Art. 23 shall be established from the presence of at least one of the following circumstances:

1. a postmark or an imprint with a date of filing;
2. a certification by a post servant with a date of filing;
3. a certification by a servant of the courier service with a date of filing;
4. a date of sending of the electronic message;
5. a date of the incoming number of the filed documents.

(2) At contradiction between the data under para 1, item. 1 – 3 the post operator shall issue a certificate for confirmation of the date of filing.

Prolongation

Art. 25. The fixed by the body of receivable or the public executor terms may be prolonged under a petition of the interested person, filed before the expiration of the term, if it is necessary with reason. The prolongation may not exceed the duration of the respective term fixed by the law.

Restoration of the term

Art. 26. (amend. – SG 30, in force from 12.07.2006) Regarding the restoration of the terms in the administrative proceedings under this code shall be applied the provisions under the Administrative-Procedure code.

Wrongly fixed term

Art. 27. (1) When a body of receivables or a public executor fixes a longer term than the established by the law, the implemented action after the legal term, but before the expiration of the term fixed by the body, shall not be considered overdue.

(2) When a body of receivables or a public executor fixes a term shorter than the

established by the law term, it shall be applied the legal term.

Chapter six.
ANNOUNCEMENTS

Address for correspondence

Art. 28. (1) The address for correspondence shall be:

1. (amend. - SG 34/06, in force from 01.10.2006) the permanent address – for the individuals, if other address has not been indicated in written form, and for the registered persons in register BULSTAT – the address for correspondence entered in the register, and for the sole entrepreneurs – the address of management;

2. (amend. - SG 34/06, in force from 01.10.2006) the address of management – for the local corporate bodies, the registered trade representatives and the branches of foreign persons, unless if in the register BULSTAT has been entered other address for correspondence, respectively in the commercial register has not been entered other address of management;

3. the address at the place of implementation of the activity or the management, if there is no address under item 2 – for foreign persons who implement economic activity in the country through a permanent establishment or a definite base; when the foreign person implements economic activity through more than one permanent establishment in the country – the address of correspondence shall be the address at the place of implementation of the activity of the first established permanent establishment or a definite base;

4. the address of the first acquired real estate – for foreign persons acquired real estate at the territory of the country and which are not subject to item 1, 2, 3 and 5;

5. the address of management of the non-personified partnerships and the insurance funds; when in the contract has not been indicated an address of management, the address for correspondence shall be the permanent address, respectively the address of management of the first indicated in the contract associate; when a contract has not been presented, the address of correspondence shall be the permanent address, respectively the address of management of the associate against which has been made the first procedure action for establishing the obligations for taxes or obligatory insurance contributions.

(2) Every person shall be entitled to indicate before the bodies of receivables an electronic mail for receiving messages

(3) In the cases of opened procedure under this code, for which the person has been regularly notified, he/she shall be obliged to announce in written form to the body of receivables which is leading the procedure in three days term from undertaking actions for changing his/her address of correspondence. Otherwise all the acts and documents in this procedure shall be attached to the file and shall be considered regularly hand in.

(4) At an absence from the address of correspondence for more than 30 days, the legal representatives of the corporate bodies and the sole entrepreneurs shall authorize person to which it shall be handed in the announcements and the other acts.

(5) Individuals, against which has been opened a procedure, for which they are notified, and which reside abroad more than 30 successive days, shall be obliged to indicate person at the territory of the country which shall represent them before the bodies of receivables and to which shall be handed in the announcements and the other acts.

Handing in the announcements

Art. 29. (1) The handing in of the announcement in the administrative proceedings shall be made at the address for correspondence of the subject.

(2) (Suppl. – SG, 105/20, in force from 01.01.2021) The servicing shall be made by the revenue body or by another servant (servicer) or automatically by the relevant administration.

(3) The announcement may be handed in by sending a letter with advice of delivery, through a licensed post operator, in which it shall be written down the implemented action.

(4) (amend. – SG 100/10, in force from 01.07.2011, amend. – SG, 105/20, in force from 01.01.2021) The communication may be served by sending by fax, electronically, using a qualified electronic signature of the persons under Para. 2, electronic seal in the meaning of the Act on the Electronic Document and the Electronic Certification Services or under Art. 26 of the Electronic Government Act.

(5) The handing in may be done through the municipality or the mayoralty, if at the settlement where it should be implemented, there is not a body of receivables, respectively a person authorized to hand in announcements.

(6) The announcement shall be hand in to the person, to his/her representative or authorized by him/her person, to a member of the body of management or its servant appointed to receive papers or announcements.

(7) Except to the persons under para 6, an announcement for individual, including a sole entrepreneur, may be handed in and to a major member of his/her household, as well as to a major person, which has the same permanent address, if he/she agrees to accept it with the obligation to hand it in.

(8) The announcements for the individuals may be handed in and at the place of work personally or through the person appointed to accept announcements of the employer, if he/she agrees to accept it with the obligation to hand it in.

(9) The announcement may be handed in and at any other place when it is received personally by the person or his/her representative.

(10) The official who has handed in the announcement shall return timely the receipt which shall be attached to the file.

Certification of the handing in

Art. 30. (1) The handing in of the announcement shall be certified by a signature of the addressee or of other person which receives the announcement, as in the receipt shall be indicated his/her names, unified civil number and in what capacity he/she is accepting the announcement.

(2) The person, who hands in the announcement, shall certify by his/her signature the date and the way of handing in the announcement, as well as his/her names and his/her official capacity.

(3) (amend. – SG 63/06, in force from 04.08.2006) The announcement, sent by the post with advice of delivery, shall be considered handed in from the date on which the advice of delivery has been signed by one of the persons under Art. 29, para 6, 7 and 8.

(4) The refusal of acceptance of the announcement shall be certified by the signature of the person who hands in the announcement, respectively of the body of receivables, and of at least one witness which is not a servant of the administration, as to be notified his/her names and his/her address and to be made a note for this in the receipt. When the handing in is made through the municipality, the mayoralty or licensed post operator, the respective servant shall certify by his/her signature the made refusal. In these cases the announcement shall be considered handed in on the date of the refusal.

(5) The announcement sent by telex shall be certified in written form by the official

which has mad it, as well as by the confirmation for acceptance.

(6) (Suppl. – SG, 105/20, in force from 01.01.2021) The electronic message shall be consider handed in, when the addressee sends confirmation for its receipt through a reverse electronic message, activating of an electronic reference or its downloading from the information system of the competent administration. The content of the electronic message shall be certified through a verified by the body of receivables printing of the record in the information system, or via electronic document, signed by qualifies electronic signature.

(7) The handing in of the announcement to an individual at his/her place of work shall be certified by a signature of the person or of another person appointed to receive the announcements of the employer.

Specific rules of handing in

Art. 31. (1) To a person deprived from liberty or detained under arrest the announcement shall be handed in through the administration of the respective institution.

(2) (revoked – SG 46/07, in force from 01.01.2008)

(3) To a foreigner which is resident in the country, besides the cases under Art. 28, the message shall be handed in at the address which is declared in the services for administrative control of the foreigners.

Handing in by attaching to the file

Art. 32. (1) Handing in by attaching to the file shall be done in the cases when the person, his/her representative or authorized person, a member of a body of management or a servant appointed to receive announcements or papers, has not been found at the address for correspondence after at least two visits at an interval of 7 days.

(2) The circumstance under para 1 shall be certified by a record for every visit to the address of correspondence.

(3) The requirements under para 2 shall not be applied when there are unarguable evidences that the address of correspondence under Art. 28 is non-existent.

(4) The announcement for handing in shall be put to a definite place in the territorial directorate. The announcement shall be also published and at the Internet site.

(5) Along with putting the announcement, the body of receivable shall send also and a letter with advice of delivery, as well as an electronic message in case the person has indicated an electronic mail.

(6) In case the person shall not appear to the expiration of 14 days term from the putting of the announcement, the respective document or act shall be applied to the file and shall be considered regularly handed in.

(7) The dates of putting and removing the announcement shall be indicated by the body or receivables on the announcement.

Applicability of the provisions

Art. 33. By the order and in the terms, indicated in this chapter, shall be handed in all the acts, documents and papers, which should be handed in, issued by the bodies of receivables and the public executors, except the acts, documents and papers for realizing the administrative liability, for which shall be applied the Administrative Violations and Penalties Act.

Chapter seven.
STAY, REOPENING AND TERMINATION OF THE PROCEEDINGS

Stay of the proceedings

Art. 34. (1) The proceedings shall be stayed at:

1. illness of a person which participation shall be imperative – after certification by an appropriate medical document;

2. opened administrative, penal or other judicial proceedings, which is significant for the decision – after presenting a certificate issued by the body before which have been opened the proceedings;

3. (amend. – SG, 105/20, in force from 01.01.2021) death, or lack of a legal representative of the natural person – to the establishing of guardianship or trusteeship, or by appointment of a representative under Art. 11;

4. (new - SG, 105/20, in force from 01.01.2021) death of the only representative or absence of a representative of the legal person - until the entry of a new representative or until the appointment of a representative under Art. 11;

5. (former item 4 - SG, 105/20, in force from 01.01.2021) filed petition of the subject – one-time, for a definite period, but not more than three months;

6. (former item 5 - SG, 105/20, in force from 01.01.2021) other circumstances provided by the law.

(2) When in the course of the proceedings are established data for a committed crime which is significant for the decision of the proceedings, they shall be stayed, and the materials shall be sent to the respective prosecutor. After finishing the penal proceedings the materials from them shall be sent to the bodies of receivables for continuing the stopped proceedings.

(3) (amend. – SG 82/12, in force from 26.10.2012) At the presence of a ground under para 1 or 2 the assessment shall be made by the body which has assigned the proceedings, and at administrative appeal – by the decision-making body. The proceedings shall be stayed by an order which shall be hand in to the interested persons.

(4) (new – SG 82/12, in force from 26.10.2012) The non-delivery of a decision within 7 days from filing a request for staying by the person involved as a party in the procedure shall be deemed a refusal.

(5) (new – SG 82/12, in force from 26.10.2012, amend. – SG, 64/19, in force from 13.08.2019) The order and the refusal to stay the procedure shall be appealable within 14 days from the notification of the order, respectively from the expiry of the time limit for decision under Para 4, via the authority, which act is appealed and before the Administrative Court at the permanent address, or the seat of the claimer.

(6) (new – SG 82/12, in force from 26.10.2012) Within 14 days from submission of the appeal the court shall deliver a ruling for its rejection or shall revoke the order or the refusal to stay the procedure.

(7) (new – SG 82/12, in force from 26.10.2012) The ruling of the court referred to in Para 6 shall be final.

(8) (new – SG 82/12, in force from 26.10.2012) Where the procedure is stated due to a pending procedure for exchange of information with another state, the period of the stay shall not exceed 8 months.

Reopening of the proceedings

Art. 35. The proceedings shall be reopened when the ground of its stay falls out. Immediately after knowing the circumstance that the ground has fallen out, an order shall be

issued for reopening of the proceedings, which shall be handed in to the interested person and shall not be a subject of appeal.

Termination of the proceedings

Art. 36. (1) When before the issuing of the administrative act the individual, which is a party in the proceedings, dies, or the corporate body – a party in the proceedings stops to exist, the proceedings shall be terminated.

(2) The acts for termination of the proceedings under para 1 shall be hand in to the heirs and the legal successors, as an announcement by the rule of Art. 32, para 4 – 6 also shall be put, and shall be considered refusal for issuing an act, as not to be concerned the rights of the heirs and the legal successors to demand on their behalf the issuing of the respective act.

Chapter eight.
EVIDENCES AND MEANS OF EVIDENCE

Section I.
General provisions

Collection and evaluation of the evidences

Art. 37. (1) The evidences in the administrative proceedings shall be collected ex officio by the body of receivables or on the initiative of the subject. All collected evidences shall be a subject of objective evaluation and analysis.

(2) The person shall be obliged to present all the data, information, documents, papers, information carryings and other evidences, which concern his/her rights and obligations, the facts and the circumstances which are subject of establishment in the respective proceedings, and to point all the persons, state or municipal bodies at which are found such ones.

(3) The body of receivables shall be entitled to require in written form from the person to present the evidences under para 2 in a defined by him term.

(4) In case the subject does not present required by the order of para 3 evidences, the body of receivables may admit they do not exist and to assess only the evidences collected in the proceedings. If the required evidences are presented to the issuing of the act or the document, and in the audit proceedings – to the expiration of the term under Art. 117, para 5, the body of receivables shall be obliged to consider them.

(5) All the persons, state or municipal bodies shall be obliged in 14 days term from the receiving of request by the body of receivables on the ground of Art. 12, para 1, item 11 to present the data, the information, the documents, the papers, the information carryings and the other evidences regarding the indicated in the request facts and circumstances.

(6) Upon request by the body of receivables on the ground of Art. 12, para 1, item 12 the persons under para 5 shall be obliged to disclose the respective official, bank or insurance secret. For disclosure of bank or insurance secret, the rule established for that shall be applied.

(7) (new – SG 14/11, in force from 15.02.2011) Upon written request by a director of a territorial directorate of the National Revenue Agency the banks shall provide access to the revenue bodies specified in the request to the documents presented by the person – subject to inspection or audit – to the bank, on the basis of which to the said person has been granted a

credit, except for documents constituting a bank secrecy. The bank shall provide certified copies of the documents specified by the revenue bodies except for the ones, containing bank secrecy, papers contained in public registers as well as documents issued or certified by a body of the National Revenue Agency.

(8) (prev. text of para 7 – SG 14/11, in force from 15.02.2011) The body of receivables may, ex officio or upon request by the person, implement an inspection of movable or real property. An inspection shall be admit not only to check other evidences, but and for separate evidence.

Obligation for keeping

Art. 38. (1) (amend. - SG 57/07, in force from 13.07.2007) The accounting and commercial information, as well as any other information and documents which are significant for the taxation and the obligatory insurance contributions, shall be kept by the liable person by the order, established in the National Archive Fund Act, in the following terms:

1. pay ledger – 50 years;

2. accounting registers and financial reports – 10 years;

3. documents for tax-insurance control – 5 years after the expiration of the prescription term for redemption of the public receivable which they are related to;

4. all other cartridges – 5 years.

(2) (amend. - SG 57/07, in force from 13.07.2007) After the expiration of the term for their keeping, the information carryings under para 1 (paper or technical) which are not subject of submission to the National archive fund, may be destroyed.

(3) (new - SG 94/15, in force from 01.01.2016) The liable persons using information systems, products or archives for the creation or processing of the entire or part of the information under Para 1 shall store the created data in electronic form for the period under Para 1, irrespective of their storage on another carrier.

(4) (prev. text of Para 03, suppl. - SG 94/15, in force from 01.01.2016) The legal successors of the liable persons shall also have the obligations under para 1 and 3.

Access to information on technical carrier (Title amend. - SG 94/15, in force from 01.01.2016)

An access to accounting information on technical cartridge

An access to accounting information on technical cartridge

Art. 39. The audited or checked persons shall be obliged to ensure to the bodies of receivables an access to their automated information systems, products or archives, when the collection, the keeping and the processing of the information under Art. 38 are implemented in this way.

Actions for securing evidences

Art. 40. (1) At implementing an audit or a check the body of receivables may undertake actions for securing the evidences through inventory or through seizure with inventory of securities, properties, documents, papers and other information carryings, as well as through copying of information from and to technical cartridges, which give the possibility for its reproduction, at taking the necessary technical measures for keeping its authenticity.

(2) In case it shall be impossible to implement timely the actions under para 1 for the purpose of the audit or the check, the body of receivables may seal the object or a part of it,

only where are found the evidences which are subject to securing, for 48 hours term.

(3) For the actions under para 1 and 2 shall be compiled a record, a copy of which shall be submitted to the person.

(4) To the expiration of the term under para 2 the body of receivables may require from the regional court at the location of the object a prolongation of the term of sealing. The court shall pronounce on the day of receipt of the request in a closed meeting by a ruling, fixing a term for the sealing. The ruling shall not be subject to appeal.

(5) If until the expiration of the term under para 2 the regional court has not permitted a prolongation of the term, the sealing shall be considered terminated. After the expiration of the terms under para 2 and 4 the sealing shall be consider terminated.

Appealing of the actions

Art. 41. (1) (suppl. – SG 105/06) The actions of securing the evidences may be appealed in 14-days term from the implementation thereof before the territorial director at the location of the object, which shall pronounce by a motivated decision in one day term from the receipt of the complaint. By his/her decision the territorial director may reject the complaint or to consider it, ordering stoppage of the appealed actions. For the decision of the claimant shall be notified on the same day.

(2) The decision, which has been ordered by, stoppage of the actions, shall be implemented in the term fixed in it by the body of receivables, which has undertaken them.

(3) (amend. – SG 30, in force from 12.07.2006, amend. - SG 77/18, in force from 18.09.2018) At non-pronouncement of the body under para 1 in the established term or at rejection of the appeal, the actions for securing the evidences may be appealed in 7 days term after the expiration of the term under para 1, respectively after receiving the decision, before the administrative court at the location of the performance of the actions regarding their lawfulness. The court shall pronounce in 7 days term by a ruling which shall not be subject to appeal.

(4) The complaint shall not stop the actions for securing the evidences.

Cooperation

Art. 42. (1) In case the revised or the checked person refuses to the body of receivables or to the public executor to ensure him an access to a object which is subject to control or refuses to present papers or other information carryings, the body of receivables may demand a cooperation from the bodies of the Ministry of Interior, including for implementing of search and seizure by the order provided in the Penal procedure code.

(2) The confiscated properties, papers or other information carryings shall be transferred from the bodies of the Ministry of Interior to the bodies of receivables by a record and description.

(3) When by the order of the Penal procedure code are collected evidences which are significant for establishing of obligations for taxes or obligatory insurance contributions, the bodies of the Ministry of Interior, of the prosecution or the investigation shall ensure to the bodies of receivables an access to these evidences and verified copies from them.

Admissibility

Art. 43. Search and seizure by the police authorities shall be admit, if at implementation of audit or check there are data, that in an object which is a subject to control,

are found properties, papers or other information carryings and also at data for concealment of facts and circumstances related to:

1. obligations and responsibilities for taxes and obligatory insurance contributions;
2. violations of the tax and insurance legislation;
3. commodities with uncertain origin.

Return of evidences

Art. 44. (1) At any time the person shall be entitled to receive copies of confiscated or handed over documents and papers, as well as of the information from confiscated or handed over technical cartridges. The preparation of the copies from and on technical cartridges shall be made by a specialist – a technical assistant, at the presence of the interested people or his/her representative.

(2) In 30 days term after the written request by the person, shall be subject to return with description all the confiscated or handed over original documents or papers or technical cartridges, unless they are subject to collection as evidences in another pending proceedings or are made securities over the securities and the properties, or is opened an enforcement by the order of this code.

(3) Shall not be a subject to return the evidences under para 2, if the person refuses to verify the made copies of papers and documents or printings from technical cartridges.

(4) For the actions under para 1 and 2 shall be compiled a record, a copy of which shall be submitted to the interested person.

(5) Shall not be returned properties, the possession of which is prohibited. With them shall be proceeded by the order provided in the respective normative acts.

(6) Properties, which are not searched within 12 months term after the entrance into force of the act or the penal provision, shall be considered abandoned in favour of the State.

(7) The refusal to be returned the properties shall be subject to appeal by the order of Art. 197.

Counter check

Art. 45. (1) At an opened proceedings under this code the body of receivables may implement a counter check for establishing separate facts and circumstances, related with person which is not a party in the respective proceedings. At the counter check shall not be established obligations and responsibilities for taxes and obligatory insurance contributions of the checked person. A copy of the record shall be handed in to the audited person together with audit report.

(2) The body of receivables may lodge a written request for implementing a counter check to:

1. the competent territorial directorate;
2. the territorial directorate at the location of branch, object or activity of the subject;
3. the territorial directorate at the location of real estate or other properties of the subject, as well as of other circumstances significant for its implementation.

(3) At implementing a counter check the body or receivables may require written explanations from the checked subjects by the order of Art. 56.

Check by delegation

Art. 46. If necessary to be established facts and circumstances, related to the activity

of the subject, his branch, object, activity or property at the territory of another territorial directorate, the body or receivables may send a written request to the respective territorial directorate for implementing a check by delegation.

Evidences, collected by other controlling bodies

Art. 47. At the implementation of an audit or a check the body of receivables, who is implementing it, may require in written form from other controlling bodies the implementation of actions regarding the collection of evidences for establishing obligations or administrative-penal responsibility.

Properties of the checked persons

Art. 48. (1) A person which implements or proposes the implementation of transactions with properties or rights, or keeps properties in an object which is a subject to control, including as a pawnee, for the purposes of the taxation in the respective proceedings shall be presumed that this person is an owner of the properties, respectively of the rights, until the contrary is proved.

(2) When the price of the properties or the rights is fixed by a normative act, it shall be consider their market price.

Section II.
Written evidences and documents, submitted on a technical medium or electronically
(Title, amended – SG, 105/20, in force from 01.01.2021)
Section II.
Written evidences

Admissibility or written evidences

Art. 49. Written evidences shall be admitted for establishing of all the facts and circumstances which are significant for the proceedings under this code.

Records

Art. 50. (1) The record, compiled by the established order and form by the body of receivables or a servant at the implementation of his/her authorities, shall be a proof for the implemented by or before him/her actions and statements and the established facts and circumstances.

(2) The record shall be compiled in written form and shall contain:

1. the number and the date of its compilation;
2. the name and the position of the body which has compiled it, and of the bodies which have implemented the actions;
3. the names, the addresses and the quality of the persons, which are not bodies of receivables and have participated or have been presented at the implementation of the actions;
4. the individualization data for the checked person;
5. date and place of the actions;
6. the time when the actions have been begun and finished;
7. the implemented actions;

8. the established facts and circumstances;

9. the collected evidences;

10. the made claims, notes and objections, if there are those ones;

11. before which body and in which term may be appealed the actions if that is admissible.

(3) (suppl. – SG 98/13, in force from 01.12.2013) The record shall be signed by the body who has compiled it, and by the checked person, respectively by his/her representative or authorized person, member of a body of management, employee or servant, indicating in what capacity he/she signs it, and immediately submitting him/her a copy of the record.

(4) The record shall be signed and by the checked person in case that with it are established facts and circumstances only on the base of documents which are at the body of receivables.

(5) In the cases when the persons under para 3 refuse to sign the record, it shall be signed by at least one impartial witness which has been presented at the refusal, as to be indicated his/her name and address. A copy of the record shall be presented to the checked person.

Accounting documents

Art. 51. The entries in the accounting books shall be assessed regarding their regularity according the requirements of the Accountancy Act and regarding other circumstances, established in the course of the proceedings.

Documents issued by automatic devices or systems

Art. 52. Documents issued by automatic devices or systems under the conditions and by the order, determined by a normative act, shall be considered a private document issued by the person on whose behalf of has been registered the device or the system, and in case the device or the system are not registered – by the person in which object they are situated.

References

Art. 53. Upon request of the body of receivables the subjects, as well as the persons which represent them, shall prepare and submit signed by them references regarding facts and circumstances significant for the decision of the proceedings.

Data from technical cartridges

Art. 54. (1) (Amend. – SG, 105/20, in force from 01.01.2021) As evidences, the following shall be admitted:

1, printed data, certified by a revenue authority, submitted on the basis of the Act on technical media or electronically, in accordance with the established procedure;

2. electronic documents, certified by the revenue authority with a qualified electronic signature, containing data, submitted under the Act, on technical media or electronically in the established procedure;

3. printouts of data on technical media, certified by the subject or by a third party;

4. data, sent electronically when the electronic document, in which it is contained is signed with a qualified electronic signature.

(2) As evidences shall be admitted verified by the subject or by third person printings

of data from technical cartridges.

(3) The body of receivables shall be entitled to collect as evidences printings of data from technical cartridges if it is established that they are made or used by the subject or by a person who is or has been his contractor. It shall be consider that the data is made or used by the subject, respectively by the contractor, if it is content in the computers or other technical cartridges, situated at places where these persons exercise their activity, where is kept or carried on their accountancy or over which only the person has a control.

(4) The refusal of the person or of his/her representative to verify a printing from technical cartridge under para 3 shall be certified by a record, a copy of which shall be submitted to him/her. In this case the verification shall be done by the body of receivables.

(5) As evidences shall be admitted and printings of data, verified by the body of receivables, received on technical cartridges or in electronic way by the order of Art. 37, para 5 and 6, as well as the received ones by an order for collection and providing information, established with a normative act, by other persons, state or municipal bodies.

Submitting data electronically

Art. 54a. (New, SG, 105/20, in force from 01.01.2021) When the revenue authority requests and/or sends data electronically, the electronic message shall be signed with a qualified electronic signature.

Documents in foreign language

Art. 55. (1) Upon request by a body of receivables the subject shall be obliged to present a document made in foreign language, accompanied by a accurate translation in Bulgarian language made by an authorized translator.

(2) In case when the document is not presented with an accurate translation in the fixed term, the body of receivables may translate it at the expense of the subject.

(3) From the date of the written request under para 1 till the date of the submission of the translation the term for finishing the respective proceedings shall be stopped.

Written explanations

Art. 56. (1) (amend. – SG 59/07, in force from 01.03.2008) Upon request of the body of receivables the audited, respectively the checked person, as well as the persons which represent them, shall be obliged to give written explanations regarding the facts and circumstances which are significant for the respective proceedings. The body of receivables shall warn in written form the person for the consequences under para 2 from the non-fulfilment of this obligation, as well as that he/she may be summoned before the court under the conditions of Art. 176 of the Civil procedure code.

(2) In case the required by the order of para 1 written explanations may not be presented in the fixed term, the body of receivables may consider proved, respectively unproved, the facts and the circumstances for which are not given written explanations.

(3) The insurance income shall not be proved only by written explanations.

Written explanations of third persons

Art. 57. (1) By written explanations may be established facts which are significant for the audit, which are perceived by a third person.

(2) Written explanations by third persons shall be admitted only for establishing:

1. the authentication or the authorship of data from technical cartridge and unsigned

documents;

2. the circumstances for the proof of which the law requires a written document, if the document has been lost or destroyed not by the fault of the audited person or of the third person, as well as and for the establishment of facts and circumstances for the proof of which the law does not require a written document;

3. the facts and the circumstances for which has not been compiled documents when there was an obligation to compile them, or has been compiled documents which do not depict real facts and circumstances.

(3) The body of receivables shall notify in written form the person for his/her right to refuse to give written explanations under the conditions of Art. 58, and also that he/she may be summoned to give evidences by witness before the court under the conditions of para 2.

(4) The explanations of third persons shall be evaluated regarding all other data and as to be taken into account their interest of the result of the audit, respectively their capacity of connected persons with audited subject.

(5) The written explanations shall be signed by the persons which have given them and by the body under para 1.

(6) Shall not be admitted written explanations by persons who, because of physical or mental defect, are not capable to perceive correctly the facts which are significant for the case, or to give reliable explanations for them.

Refusal of explanations

Art. 58. (1) Nobody shall be entitled to refuse to give written explanation unless:

1. the relatives of the audited person of direct descent without restrictions, the husband, the brothers and the sisters and the relatives by marriage of first degree;

2. the persons who by their explanation may cause a criminal prosecution against themselves or against their relatives under item 1.

(2) The persons may refuse to give written explanations regarding facts and circumstance which by the law are obliged to keep as a professional secret.

Protection of the person who has given written explanations

Art. 59. Upon request of the body of receivables and upon request or with the agreement of the third person who has given written explanations, the body under the Penal procedure code may undertake measures for his/her protection under the conditions and by the order for protection of witnesses, provided in the Penal procedure code.

Section III.
Expert examination

Grounds for assignment

Art. 60. (1) Expert examination shall be assigned on the initiative of the body of receivables or under the request of the subject, when for the explication of some questions, emerged in the proceedings, shall be necessary specific knowledge which the body of receivables does not possess.

(2) At complexity of the subject of examination, the expert examination may be assigned to more than one expert.

Persons which shall be assigned an expert examination

Art. 61. (1) The expert examination shall be assigned to specialist with the necessary education and practical experience in the respective sphere, entered in the list of the experts, confirmed by the executive director of the National Revenue Agency.

(2) In the cases when there is in no an expert in the list from the respective sphere or he/she may not, or refuses to participate in the expert examination, it shall be assigned to other specialists form the respective profession or sphere.

Persons who may not implement an expert examination

Art. 62. (1) May not implement an expert examination a person which:

1. is a husband, relative of direct descent, collateral relative up to forth degree and relative by marriage of first degree of the assigning body or the subject;

2. has participated in another procedural capacity in the same proceedings;

3. because of other circumstances may be considered prejudiced or interested in the decision of the proceedings;

4. is in official or other dependence on the parties;

5. has checked in another capacity the subject and which results of the check have been a ground for opening the proceedings;

6. has been convicted for malicious felony of common nature.

(2) The expert shall be obliged to challenge him/herself immediately after the appearance or the learning of the circumstances under para 1. A challenge may be request and by the parties.

(3) The expert shall be disengaged form the assigned task by the body which has assigned it, when he/she may not implement it because of illness, incompetence or insufficiency of the provided materials for the need of the expert examination.

(4) (New - SG 103/17, in force from 01.01.2018) The circumstance under Para. 1, item 6 shall be established ex officio by the revenue authority.

Assignment of expert examination

Art. 63. (1) (Suppl. – SG, 105/20, in force from 01.01.2021) An expert examination shall be assigned in written form by the body of receivables, which has assigned the proceedings in connection with which has occurred the necessity of its implementation, and at appeal – by the decision-making body. The expertise, assigned in the course of one administrative proceeding may be used for the purposes of another proceeding, if the same object is examined with complete identity of the subject and the task of the examination. In the other proceedings, the expertise should be incorporated in accordance with this Code.

(2) At the assignment of an expert examination shall be indicated: the subject and the task of the expert examination, the materials which shall be provided to the expert, the name, the unified civil number, the address, the specialization, the place of work and the position of the expert, the term for the implementation of the expert examination. When the expert examination is implemented upon request of the subject, shall be indicated the extent and the term for the contribution of the deposit, determined by the body of receivables for the remuneration of the expert.

(3) A copy of the act for assignment of the expert examination shall be given to the expert and to the subject upon which request has been assigned the expert examination.

(4) The expert shall sign a declaration that he/she shall give objective opinion, shall

keep in secret the tax and the insurance information and that there are no grounds for challenge.

(5) After signing the declaration under para 4, the expert shall receive from the body which has assigned the expert examination the materials determined for its implementation.

Implementation of the expert examination

Art. 64. (1) The expert examination shall be implemented on the base of the materials, provided to the expert by the body of receivables.

(2) The expert shall be entitled to implement examination of real properties related to the task of the expert examination, as well as of all the movable properties which by their nature or their purpose may not be separated from the place where they are situated.

(3) All the persons, state of municipal bodies at which are situated properties under para 2, shall be obliged to ensure an access to the expert to them, as well as to give the necessary cooperation for the implementation of the task.

(4) At non-fulfilment of the obligations under para 3 the access of the expert shall be ensured by the bodies of the Ministry of the Interior upon request of the body of receivables.

(5) The expert shall establish his/her identity by a certificate issued by the body of receivables who has assigned the expert examination.

(6) In case the subject does not pay the deposit for remuneration of the expert in the fixed by the body of receivables term or makes obstacles, or does not give cooperation for the implementation of his/her task, the body of receivables may stop the proceedings which connection with has been assigned the expert examination, by the order of Art. 34, para 3.

A statement of the expert

Art. 65. (1) The expert shall be obliged to implement the expert examination in the fixed by the body or receivables term.

(2) The expert may not change, add or expand the task assigned to him/her without the agreement of the body of receivables who has assigned the expert examination.

(3) After the implementation of the necessary checks and examinations the expert shall make a written statement in which shall indicate:

1. his/he name, unified civil number, address, specialization, place of work and position;

2. the ground, the subject and the task of the expert examination and where it has been implemented;

3. the materials which have been used;

4. the examinations and by which scientific and technical means they have been made;

5. the results which have been received, and the conclusions of the expert.

(4) (amend. – SG 98/13, in force from 01.12.2013) The statement shall be signed by the expert and shall be submitted to the body of revenues, which has assigned the expert examination, and to the subject within 7 days after the date of its issuance.

(5) Under the conditions and by the order of this section shall be assigned and additional expert examination, when the statement of the expert is not enough full and clear, and a second one – when it is not grounded and appears a doubt for its correctness. The second expert examination shall be assigned to another expert.

A remuneration of the expert

Art. 66. (amend. – SG 105/06) The remuneration for the implementation of the expert examination shall be determined by the act for assignment thereof.

Evidential force of the expert's statement

Art. 67. (1) The body of receivables shall evaluate the statement of the expert together with the other evidences collected in the course of the proceedings.

(2) When he/she is not agreeing with the expert's statement, the body of receivables shall be obliged to give reasons.

Specialists

Art. 68. (1) When necessary the body of receivables shall enlist for participation in the actions of the securing, collection and check of the evidences and the preparation of the material instruments of evidence a specialist – technical assistant, which possess the necessary knowledge and skills in the respective sphere.

(2) In cases when is not possible the participation of a servant of the National Revenue Agency at the implementation of the actions under para 1, in his/her capacity of specialist may participate a person which is not a servant of the agency and does not meet the requirements for appointment of an expert.

(3) In the cases under para 2 the specialist shall sign the declaration under Art. 63, para 4 and shall be entitled to receive remuneration on the base of a contract concluded with the territorial director, respectively with a servant, appointed by the executive director of the National Revenue Agency, on the ground of written proposal of the body of receivables, who has requested his/her participation in the respective actions.

(4) Shall not be admitted the use of special intelligence means for establishing of obligations for taxes and obligatory insurance contributions.

Section IV.
Material evidence and instruments of evidence

Material evidence

Art. 69. (1) As material evidence shall be collected and checked properties which may serve for explication of facts and circumstances in the respective proceedings.

(2) The material evidence shall be described in details in a record.

(3) The material evidence shall be attached to the file, undertaking measures not to be damaged or changed.

(4) When the file shall be transferred from one to another body or receivables, the material evidence shall be transferred together with it.

(5) The material evidence, which because of its size or of other reasons, may not been attached to the file, shall be, if possible, sealed and left for keeping in the places indicated by the body of receivables.

(6) The securities and the other valuables shall be given for keeping in a commercial bank, when the body of receivables may not ensure their keeping.

Return of the material evidence

Art. 70. The material evidence shall be returned under the conditions and by the order of Art. 44.

Material instruments of evidence

Art. 71. As material instruments of evidence shall be enclosed technical cartridges of data.

Chapter eight "a".
DOCUMENTATION FOR TRANSFER PRICE FORMATION (NEW – SG, 64/19, IN FORCE FROM 01.01.2020

Subject

Art. 71a. (New – SG, 64/19, in force from 01.01.2020) (1) This Chapter shall regulate the rules for preparation of documentation for proving, that the conditions of commercial and financial relations between connected parties are in compliance with the conditions, which would be established between independent persons in comparable circumstances, including that the transactions were carried out on market prices ("transfer pricing documentation").

(2) For the purposes of this Chapter, transactions that establish business and financial relationships between connected persons (transactions between connected persons) shall be called controlled transactions.

(3) Transfer pricing documentation shall include a local dossier and a summary dossier.

(4) The local dossier shall contain general information on the activities of the person and the owner/s of the shares or units, as well as data about the controlled transactions and the methods, used to determine market prices.

(5) The summary dossier shall contain information on the organizational structure and activities of the multinational enterprise group, the controlled transactions, the functions of the group persons, and the applied transfer pricing policy.

Obligation for preparation of transfer pricing documentation

Art. 71b. (New, SG, 64/19, effective from 01.01.2020) (1) Local legal persons, foreign legal persons, carrying out economic activity in the Republic of Bulgaria through a place of business, and sole traders, who determine their taxable income in accordance with Art. 26 of the Natural Persons' Income Tax Act shall be obliged to prepare a local dossier, when conducting controlled transactions.

(2) Para. 1 shall not apply to:

1. persons, who are exempt from corporate tax under Part Two, Chapter Twenty-Two, Section II of the Corporate Income Tax Act;

2. persons, who carry out activity, subject to alternative tax under Part Five of the Corporate Income Tax Act;

3. (amend. – SG 96/19, in force from 01.01.2020) persons, who as of December 31 of the previous year do not exceed at least two of the following indicators:

a) balance value of the assets – BGN 38 000 000

b) net incomes from sales – BGN 76 000 000

c) the average number of staff for the recorded period – 250 persons;

4. person, who carry out control transactions only in this country.

(3) The persons under Para. 2, items 1 and 2, who also carry out activities, subject to corporate tax, shall prepare documentation for transfer pricing under the terms and procedure

of this Chapter only in connection with these activities.

(4) A local dossier shall not be prepared for controlled transactions with natural persons, other than sole traders.

(5) The persons under Para. 1 shall prepare a local dossier for their controlled transactions when for the relevant year:

1. the value of the transaction, excluding value added tax and excise duty exceeds:

a) in transactions, subject to sale of goods – BGN 400 000;

b) for all other transactions – BGN 200 000;

2. notwithstanding item 1, the amount of the loan received or extended, respectively, exceeds BGN 1 000 000 or the amount of accrued interest and other income or expenses related to the loan, exceeds BGN 50 000.

(6) The thresholds under Para. 5 shall be calculated separately for each controlled transaction.

(7) When the person under Para. 1 performs two or more controlled transactions with one or more related parties, and the subject matter and conditions under which such transactions are carried out are comparable to the extent, that allows the merging of those transactions and the application of one method for determining market prices against the aggregate of transactions, the thresholds under Para. 5 shall be calculated for the total value of these transactions, respectively for the total amount of loans, received / extended.

(8) For the purpose of calculating the threshold under Para. 5, also deals with one and the same related party shall be combined, which have different subject matter, but are connected in a way, that they cannot be separated and reliably evaluated independently. In this case, when calculating the threshold under Para. 5, the threshold for that transaction, the value of which has the largest share in the total value of the transactions, and where such cannot be reliably determined - the threshold for the transaction which is most significant for the parties to it, shall be taken into account.

(9) A local dossier shall be prepared only for that transaction or a set of transactions, for which the threshold under Para. 5 has been increased, although the person may also be a party to another transaction or a set of transactions, for which the relevant threshold has not been reached.

(10) Where part of a multinational enterprise group, the persons, required to draw up a local dossier must also have a summary dossier, prepared by the ultimate parent undertaking or other person of the group.

Local dossier

Art. 71c. (New – SG, 64/19, in force from 01.01.2020) (1) The local dossier shall contain the following information:

1. information about the person under Art. 71b, Para. 1:

a) description (scheme) of the management and organizational structure;

b) the identity data of the owner or owners of the person's shares or units;

c) the names and the position of the natural persons, to whom the management authorities report their activities, and the jurisdiction or jurisdictions, in which those persons perform their duties primarily;

d) a detailed description of the activity and business strategy (including changes from the previous year), details of whether it participated in or was affected by the restructuring of the business or transactions in intangible goods, as well as an explanation of how those transactions affect the activity of the person under Art. 71b, Para.;

e) major competitors;

2. Controlled transaction information - subject of local dossier:

a) description of the transactions and circumstances, in which they are carried out,

including their value;

b) the identity data of the related parties and the quality, in which they engage in the transactions referred to in letter "a";

c) the amount of received and paid amounts for the transactions, broken down by type and jurisdiction of the payers or recipients;

d) copies of contracts, governing controlled transactions;

e) detailed comparability analysis, including characteristics of the subject matter of the controlled transaction, contractual terms, economic conditions, description of the business strategies applied and functional analysis, related to the person under Art. 71b, Para. 1 and the related parties - parties to the controlled transactions, as well as the changes in the factors of comparability, compared to the previous years;

f) description of the method, chosen to determine the market prices of the transaction (s) and the reasons for that choice;

g) indication of the related person, selected for tested parted (the party to the controlled transaction, to which the relevant market pricing method applies) and an explanation of the reasons for its choice;

h) summary of the important assumptions, made in applying the market pricing method;

i) justification of the reasons for the analysis over a period of more than one year, when the analysis covers a period of several years;

j) a list and description of selected comparable transactions (internal and external) between independent parties, where available, and information on the relevant prices and / or financial indicators of the comparable persons or transactions, on which the transfer pricing analysis is based, including a description of the methodology their search and the source of that information; financial indicators are determined according to the method chosen for determining market prices;

k) description of each adjustment, made for the sake of better comparability and an explanation of whether it was made against the results of the tested person, of the comparable independent persons, or of both;

l) description of the allocation base (keys) in the case of intra-group services and the reasons for choosing the relevant base (key);

m) description of the factors, used to distribute the combined operating profit / loss under the distributed profit method, the reasons for selecting the relevant factor and how to determine the relative weight of each factor, when more than one factor is used;

n) description of the reasons why, after applying the chosen method for determining market prices, the person has accepted, that the result of the respective controlled transactions is determined in accordance with Art. 15 of the Corporate Income Tax Act;

o) a summary of the price data and / or financial indicators used in applying the chosen market pricing method;

p) a copy of existing unilateral, bilateral and multilateral ex-ante pricing agreements and other tax statements, issued by a competent authority of another state or jurisdiction and which are related to the controlled transactions - subject of the documentation;

3. financial information;

a) annual financial statement for the relevant year;

b) information (references and tables) and calculations, showing how the financial data, used in applying the market pricing method are related to or derive from the annual financial statements;

c) a summary of the price data or financial indicators of the selected independent comparable transactions or persons, used in the analysis and the source of the relevant data.

(2) The local dossier shall include the information under Para. 1, which is applicable to the particular person under Art. 71b, Para. 1, the transactions performed by him and the chosen method for determining market prices.

(3) Where the summary dossier lacks information, required under Art. 71d, this information may be included in the local file.

Summary dossier

Art. 71d. (New – SG, 64/19, in force from 01.01.2020) The summary dossier shall contain the following information:

1. description and diagram / chart of the legal and organizational structure of the group, a list of related parties in the group, as well as the jurisdiction, to which each of them is a local person for tax purposes, or, if not a local person in any jurisdiction, the jurisdiction, according to whose legislation it was established;

2. general description of the group activity, including:

a) major factors, that influence profit formation;

b) description, scheme or diagram of the supply chain of the five most important goods, services and / or intangible goods, determined on the basis of their income, and of all other goods, services and / or intangible goods, that form more than 5 per cent of the consolidated income of the group;

3. general description of the controlled transactions, including:

a) movement of goods, services and/or intangible goods;

b) movement of invoices;

c) value of goods, services and / or intangible goods under letter "a";

4. the group's transfer pricing policy or description of the group's transfer pricing methodology, that substantiates the market nature of controlled transaction prices;

5. a list and brief description of the most relevant service contracts between related parties within the group, with the exception of research and development services contracts; the description also provides information on the capacity of the main units, providing these services and on the transfer pricing policies of the group for the allocation of service costs and determination of the pricing of intra-group services;

6. description of the main markets by geographical regions, in which the goods, services and / or intangible goods of the group are offered, referred to in item 2;

7. a brief functional analysis, describing the contribution of the individual related parties in the group to the value creation (key functions performed, significant risks assumed and important assets used), including a description of the changes in functions and risks, compared to the previous tax year, if any;

8. description of significant restructures, acquisitions and divisions during the tax year;

9. description of the business strategies, as well as the changes, that have occurred in comparison with the previous tax year;

10. information about intangible goods;

a) general description of the group's strategy for development, ownership and use of the intangible goods, as well as the location of the main research and development centers and the locations, from which they are managed;

b) a list of intangible goods (patents, trademarks, know-how, etc.) or groups of intangible goods, that are important for transfer pricing purposes, royalties and license renumerations, accrued to them, as well as information about their owner;

c) a list of related party contracts, governing the provision or transfer of intangible assets under letter "b", including cost sharing agreements and research and development activity contracts;

d) a general description of the group's transfer pricing policy in terms of research and

development activity and intangible assets;

e) general description of the intangible asset transactions referred to in letter “b” between related parties during the tax year, including the renumeration due, the related parties involved, the jurisdiction, to which each of them is a local person for tax purposes, or, where it is not a local person in none of the jurisdictions, the jurisdiction, under which the legislation was created;

11. information about the financial activities of the group;

a) a general description of the group's sources of funding, including the substantial for the activity financing arrangements with non-related persons;

b) designation of related persons, that have a central funding function within the group, including the jurisdiction, under whose legislation each of them is a local person for tax purposes or, where it is not a local person of any jurisdiction, the jurisdiction, under whose legislation it has been established;

c) a general description of the group's transfer pricing policy in relation to related party financing activities;

12. financial and tax results of the group:

a) the annual consolidated financial statements for the tax year, to which the summary dossier relates;

b) list and brief description of existing unilateral ex-ante pricing agreements and other transfer pricing tax statements, issued in respect of related parties in the group.

Deadlines for the preparation of transfer pricing documentation

Art. 71e. (New – SG, 64/19, in force from 01.01.2020) (1) (Amend. - SG 104/20, in force from 01.01.2021) The local dossier shall be prepared by June 30th of the year, following the year to which it relates.

(2) When a corrective annual tax declaration has been submitted under Art. 75, Para. 3 of the Corporate Income Tax Act, which leads to changes in the data in the local dossier, it shall be updated in connection with the correction made. The local dossier shall be updated within 14 days of the submission of the correction declaration, but no later than 30 September of the current year.

(3) The person under Art. 71b, Para. 10 shall have a summary dossier for the tax year of the ultimate parent undertaking of the multinational enterprise group, beginning on or after January 1 of the year, for which the local dossier under Art. 71c is prepared, not later than 12 months after the term under Para. 1.

Save and update of the transfer pricing documentation

Art. 71f. (New – SG, 64/19, in force from 01.01.2020) (1) The documentation for transfer pricing shall be kept by the persons under Art. 71b, Para. 1 and 10 and shall be provided at the request of the revenue body within the framework of the performed tax-insurance control.

(2) The local and summary dossier shall be prepared annually.

(3) In the absence of significant changes in the comparability factors for controlled transactions, the conducted study of comparable independent transactions and / or persons shall be updated at least every three years. Notwithstanding the first sentence, the financial data of the transactions or persons, identified as comparable on the basis of the survey must be updated annually.

Special cases

Art. 71g. (New, SG, 64/19, effective from 01.01.2020) (1) The provisions of this Chapter shall apply mutatis mutandis to transfers between a place of business and other parts of the enterprise of a foreign person, located out of the country.

(2) For the purposes of this Chapter, non-personified companies shall be treated as

legal persons.

Chapter nine.
TAX AND INSURANCE INFORMATION

Scope

Art. 72. (1) Tax and insurance information shall be concrete individualization data of the liable persons and subjects regarding:

1. the bank accounts;

2. the extent of the incomes;

3. the extent of the charged, established or paid taxes and obligatory insurance contributions, the used reductions, exemptions and assignment of tax, the extent of the tax credit and the tax at the source of the incomes, except of the extents of the tax assessment and the due tax under the Local Taxes and Fees Act;

4. the data from commercial activity, the value and the type of the separate assets and liabilities or properties, which present a commercial secret;

5. all the other data, received, certified, prepared or collected by a body or receivables or a servant of the National Revenue Agency at the implementation of his/her authorities, containing information under item 1 – 4.

(2) The tax and insurance information shall be processed, kept and destroyed by the order, determined by the executive director of the National Revenue Agency, and shall be presented by the order of this code.

(3) Tax and social security information shall also be the data obtained by way of mutual assistance and administrative cooperation, including the exchange of information, with other countries under Chapter Sixteen, Sections IIIa, IV, V and Section VI, Chapter twenty-seven "A" and chapter twenty-seventh "b". Disclosure of the information under sentence one shall be effected only under the terms and in the manner provided for in an international treaty, to which the Republic of Bulgaria is a party, or in chapter sixteen, Sections IIIa, IV, V and Section VI, Chapter twenty-seven "a", or Chapter twenty-seventh "b".

(4) (New – SG, 64/19, in force from 13.08.2019) Tax and insurance information shall also be the data, received in the procedure for the settlement of disputes under Chapter Sixteen, Section IIa, including data revealing commercial, business, industrial or professional secret or trade process.

Obligation for keeping the tax and insurance information

Art. 73. (1) The bodies and the servants of the National Revenue Agency, the experts and the specialists and all the other persons which has been provided or has been known tax or insurance information, shall be obliged to keep it in secret and not to use it for other purposes unless for the direct implementation of their official obligations.

(2) Shall not be a violation of the obligation under para 1:

1. the providing of tax or insurance information, content in the public registers, and at judicial process;

2. the announcement of the information by the order of Art. 182, para 3;

3. (suppl. – SG 105/06, in force from 01.01.2007; suppl. - SG 94/15, in force from 01.01.2016, amend. - SG 63/17, in force from 04.08.2017) the provision of data in the course of mutual assistance and administrative cooperation, including the exchange of information, under the terms and conditions of Chapter Sixteen, Sections IIIa, IV, V and Section VI, Chapter twenty-seven "a", Chapter twenty-seven "b", as well as under European Union regulations.

4. (suppl. - SG 105/14, in force from 01.01.2015) the provision of tax and insurance information relating to the receiving state and de minimis aid;

5. (new - SG 12/15; suppl. - SG 94/15, in force from 01.01.2016) the provision of tax and insurance information related to the implementation of support schemes and measures under the Common Agricultural Policy and the Common Fisheries Policy of the European Union.

6. (New - SG 63/17, in force from 04.08.2017) the provision of tax and insurance information to the tax liable person on data declared by him and about him, and data contained in his tax insurance account by means of a telephone service and after identification of the person by an order determined by the Executive Director of the National Revenue Agency;

7. (new – SG, 64/19, effective from 13.08.2019) the provision of tax and insurance information in the dispute resolution procedure under Chapter Sixteen, Section IIa.

Disclosure of tax and insurance information

Art. 74. (1) Data, which present tax or insurance information, shall be provided only upon:

1. written request of the President of the Republic of Bulgaria in connection with his powers under Art. 98, item 12 of the Constitution of the Republic of Bulgaria;

2. request of a body of the National Revenue Agency in connection with the implementation of his powers under conditions and by an order, determined by the executive director;

3. (amend. - SG 33/06; amend. - SG 73/06, in force from 01.01.2007; amend. SG 109/07, in force from 01.01.2008; suppl. - SG 98/08; amend. – SG 12/09, in force from 01.05.2009; suppl. - SG 26/12, in force from 30.03.2012; amend. – SG 38/12, in force from 19.11.2012; amend. - SG 94/15, in force from 01.01.2016, suppl. – SG 42/16, suppl. – SG 62/16, in force from 09.08.2016, amend. – SG 7/18, amend. - SG 27/18, amend. – SG 98/18, in force from 07.01.2019, amend. - SG 69/20, amend. – SG, 105/20, in force form 01.01.2021) a written request of the Chief Prosecutor, the manager of the National Social Security Institute or the director of the respective territorial division the National Social Security Institute, the director of Agency "Customs" or the Director of the respective territorial directorate, the chairman of the State Agency "National Security", the Director of the Financial Intelligence Directorate of the State Agency for National Security or other officials authorized by the Chairperson of the State Agency for National Security, the director of the Agency for State Financial Inspection, the chairman of the Commission for Protection of the Competition or officials authorised by him, the chairman of the Commission for counteracting corruption and on seizure of Illegally Acquired Property, or officials, authorized by him or the directors of the territorial directorates of the Commission for Combating Corruption and Confiscation of Illegally Acquired Property, the Executive Director of the Executive Agency "General Labor Inspectorate", or the director of the respective Labor inspection directorate, the executive director of the Employment Agency or officials, authorized by him from the Employment Agency, the executive director of the Social Assistance Agency or the directors of the respective territorial divisions of the Social Assistance Agency, the Chairperson of the Audit Office, the Financial Supervision Commission and its bodies, the Chairperson of the National Statistical Institute, the chief inspector or Inspector from the Inspectorate at the Supreme Judicial Council - if necessary in connection with implementation of their authorities determined by the law;

4. written request of judicial executives – in connection with an opened before them case;

5. (new - SG 94/15, in force from 01.01.2016, amend. - SG 63/17, in force from 04.08.2017) a written request from the Director-General of the European Anti-Fraud Office or a person designated thereby, and from the Director of the Directorate for the Protection of the European Union's Financial Interests of the Ministry of the Interior in connection with an administrative inquiry;

6. (new - SG 94/15, in force from 01.01.2016) a written request of the customs authority in relation to carrying out its functions under conditions and order determined by the executive director of the National Revenue Agency;

7. (new - SG 94/15, in force from 01.01.2016) a request of the Minister of Finance or another authority specified in a law in relation to their competences under Art. 31 of the Code of Civil Procedure and Art. 3 of the Act on the International Commercial Arbitration.

8. (new - SG 18/20, in force from 28.02.2020) a request by the Minister of Finance for the amount of public obligations of budget organizations within the meaning of § 1, item 5 of the Additional provisions of the Public Finances Act in connection with his powers under the same act.

(2) Regardless of the cases under para 1 tax and insurance information may be provided only:

1. with written agreement of the person, or

2. on the base of an act of the court, or

3. on the initiative of a body of the National Revenue Agency – in the cases when this is provided by the law.

(3) (new – SG 105/06; amend. - SG 60/15) The officials from the inspectorates at the National Revenue Agency and from the National Customs Agency shall have right to access all data and documents in the customs administration in connection with the checks implemented by them. They shall be obliged to keep in secret the data, representing tax and insurance information, that have become known to them in relation to the fulfilment of their official obligations, including after termination of the legal relations with the respective Agency.

Disclosure of tax and insurance information by the court

Art. 75. (1) The court, regardless of the cases under Art. 74, para 2, item 2, may rule disclosure of tax or insurance information upon well-grounded and motivated request by:

1. (suppl. – SG 105/06; amend. – SG 69/08) the prosecutor, the investigating policeman or the investigator – in connection with an opened preliminary inspection or penal proceedings;

2. (amend.- SG 82/06; amend. - SG 109/07, in force from 01.01.2008; amend. – SG 69/08; amend. – SG 93/09, in force from 25.12.2009; amend. – SG 52/13, in force from 14.06.2013; amend. - SG 14/15) the Minister of the Interiors, the General Secretary of the Ministry of Interior, the directors of General Directorate "Combating Organised Crime" and General Directorate "National Police", the directors of the regional directorates of the Ministry of Interior – if necessary in connection with implementation of their authorities determined by the law.

(2) (amend. – SG 30, in force from 12.07.2006, amend. – SG, 64/19, in force from 13.08.2019) The Administrative Court at the location of the bodies under Para. 1. P. 1 and 2 shall pronounce at the request for disclosure of tax and insurance information by a motivated ruling at a closed session not later than 24 hours after its receiving, appointing the person regarding whom shall be disclosed the tax and insurance information, the scope of the concrete individualization data about him/her regarding Art. 72, para 1 and the term for disclosure of the information. The ruling shall not be a subject to appeal.

Chapter ten.
OTHER PROVISIONS

Challenge and begging to be struck off the list

Art. 76. (1) May not participate in the administrative proceedings a body of receivables, a servant or a public executor, which is connected person with the subject or is interested in its decision, or has relations with some of the others participants, which raise grounded doubts for his/her objectiveness and impartiality.

(2) On his/her initiative or upon motivated request by other participant in the proceedings he/she may be challenged. The request for challenge shall be made immediately after appearing or learning of this. The challenge shall be made by the body who has assigned the proceedings and in the cases when the proceedings are not assigned by an explicit act, the challenge shall be made by the territorial director, respectively by the executive director of the National Revenue Agency.

(3) The official for which has arisen a ground for challenge shall undertake only actions which may not be delayed, to be protected important state or social interests, to be prevented a danger from foiling or serious complication of the implementation of the act or to be protected especially important interest of the interested persons.

Notification at termination, transfer and reorganization of an enterprise

Art. 77. (amend. – SG 14/11, in force from 15.02.2011) (1) (amend. - SG 99/12, amend. - SG 92/17, in force from 01.01.2018) In the cases of termination of legal entity–merchant, transfer of enterprise under art. 15 of the Commerce Act, transformation by the order of chapter sixteen of the Commerce Act, as well as at filing a liquidation application as referred to in § 5a, Para 1 of the Transitional and Concluding Provisions of the Commercial Register Act, the trader or the applicant shall notify the territorial directorate of the National Revenue Agency at the seat of the trader before submitting of the respective application for registration of the circumstance subject to registration. The territorial directorate of the National Revenue Agency shall issue to the trader or applicant a certificate for the notification within 60 days from the receipt thereof and send to the Registry Agency ex officio a notice about the presence or the lack of liabilities for taxes and obligatory insurance instalments under the conditions and in the term of art. 87, para 6. In the certificate and the notice shall not be included liabilities, secured by the order of this Act. The certificate under second sentence shall be attached to the application for registration.

(2) The certificate of notification of the territorial directorate shall be enclosed to the application for entry submitted at the Registry Agency lodged and shall be a condition for its consideration.

Notification in case of opening a procedure of stabilization of a trader

Art. 77a. (New – SG, 105/2016) (1) In cases of opening a procedure of stabilization of a trader, before submission of the claim to the court, the National Revenue Agency shall be notified.

(2) Attachment of evidence for the notification under Para. 1 to the submitted claim to the court shall be a condition for its consideration.

Notification at suspension of insolvency proceedings

Art. 78. (1) (amend. – SG 12/09, in force from 01.05.2009) In the cases of a petition for instituting of insolvency proceedings, lodged by the debtor or his creditor, before lodging the petition in the court, shall be notified the National Revenue Agency.

(2) The attachment of the proof for the notification under para 1 to the lodged petition in the court shall be a condition for its consideration and for instituting the insolvency case.

Dossier

Art. 79. (1) The National Revenue Agency shall make and keep dossier in which shall be content all the documents, information and data about the person at: the registration, the filed declarations and all the other information carryings, the correspondence with the bodies of the National Revenue Agency, the acts and the documents in connection with the implemented actions and other information which is kept in the agency.

(2) The conditions and the order for establishing, keeping, use, storage and destruction of the dossier shall be determined by the executive director of the National Revenue Agency by an instruction, confirmed by the managing council.

Division two.
SEPARATE ADMINISTRATIVE PROCEEDINGS

Chapter eleven.
REGISTRATION

Register and database

Art. 80. (1) The National Revenue Agency shall establish and maintain a register and a database for the liable persons.

(2) Shall not be entered in the register the local individuals and the foreign individuals and corporate bodies for incomes which are taxed at source with ultimate tax.

(3) It may be provided by an Act the keeping of special registers as a part of the register under para 1.

Content of the register

Art. 81. (1) The register contains data regarding:

1. the competent territorial directorate;

2. the name, respectively the company name (the firm) of the registered person;

3. (amend. - SG 34/06, in force from 01.10.2006) the unified identification number, determined by the Registry Agency or the unified identification code BULSTAT, respectively the unified civil number or the personal number of the foreigner;

4. the addresses under Art. 8 and 28;

5. the name and the identification number under item 3 of the person which represent him/her by law;

6. the type and the statute of the registered person;

7. the main economic activity;

8. the dates of establishing, beginning, reorganization, successions, termination and deregistration;

9. the date of registration;

10. the date of termination of the registration;

11. the dates special registration;
12. the dates of termination of the special registration;
13. the date of changing of the competent territorial directorate.

(2) The type, the content, the order for establishing, the maintaining and the access to the database shall be determined by an order of the executive director of the National Revenue Agency.

Entry in the register

Art. 82. (1) The registration shall be made by entry ex officio of data in the register.

(2) (amend. - SG 34/06, in force from 01.10.2006) The data for the local and foreign individuals, except the persons under Art. 80, para 2, the persons, entered in the commercial register, and the persons which are subject to registration in the register BULSTAT, shall be entered in the register by the respective territorial directorate on the base of the first filed declaration related to taxation or obligatory insurance contributions.

(3) (amend. - SG 34/06, in force from 01.10.2006; suppl. - SG 94/15, in force from 01.01.2016) The data under Art. 81, para 1 for the persons entered in the commercial register, and of the persons entered in register BULSTAT shall be entered ex officio by the respective competent territorial directorate on the base of the data from the commercial register, respectively from register BULSTAT. The data referred to in Art. 81, Para 1 regarding the foreign natural persons with address registration of short-term or long-term residence shall be entered ex officio by the competent territorial directorate on the basis of the data in the Single Register of Foreigners maintained by the Ministry of Interior.

(4) (amend. - SG 34/06, in force from 01.10.2006; amend. - SG 94/15, in force from 01.01.2016) Entry ex officio of data in the register, except the data under Para 3, which are subject to entry, shall be made with a record under Art. 50 on the base of entries in other official (public) registers or made observations after a check by the body of receivables. In this case at the lack of unified civil number or personal number of foreigner, the person shall receive an official number.

Special registers

Art. 83. (1) The entry and the termination of the registration in the special register shall be made on the grounds and in the terms, provided in the respective normative act.

(2) The entry in the special registers shall be made by the body of receivables ex officio or upon request by the person after implementing a check for the presence of grounds for entry.

(3) When the entry is made ex officio, it shall have an effect from the date of handing in the act for registration or deregistration (termination of the registration).

(4) The acts and the refusals for registration or deregistration (termination of the registration) in the special registers shall be appealed by the order provided for appealing the audit acts.

(5) The non-pronouncement in term for the registration or deregistration in a special register shall be considered refusal, which may be appealed by the order of appealing the audit acts in 14 days term after the expiration of the term for pronouncement.

Identification of the registered persons

Art. 84. (1) (amend. - SG 34/06, in force from 01.10.2006; amend. – SG 105/06) The

registered persons shall identify themselves by the data under Art. 81, para 1, item 2 – 4, as the identification of the entered in register BUSTAT persons shall be made by unified identification code BULSTAT, and of the persons, registered by the procedure of the Commercial Register Act – by unified identification code specified by the Registry Agency. The sole entrepreneurs shall be identified by unified civil number, respectively personal number of foreigner, and by unified identification code, determined by the procedure of the Commercial Register Act.

(2) (amend. - SG 34/06, in force from 01.10.2006) The identification of individuals, which are not entered in the commercial register, respectively in register BULSTAT, shall be made by unified civil number or personal number of a foreigner.

(3) The persons which are not subject of the cases under para 1 and 2 shall identify themselves by an official number.

Obligation for indication

Art. 85. The registered person shall be obliged to indicate his/her identification and address for correspondence in the declarations filed by him/her, in the whole correspondence with the National Revenue Agency, as well as when that is required by a normative act.

Termination of the registration

Art. 86. (1) The registration under Art. 82 shall be terminated:

1. with the death of the individual;

2. with dropping out of the ground for the registration in the rest cases.

(2) In the register shall be maintained and kept an archive for the persons with terminated registration.

(3) The term and the ways for keeping the archive shall be determined by the executive director of the National Revenue Agency by the order under Art. 81, para 2.

Tax-insurance account

Art. 87. (1) It shall be opened a tax-insurance account to every registered person.

(2) In the tax-insurance account shall be described:

1. the extent of the taxes and the interests on them, as well as the budget in which they should enter;

2. the extent of the obligatory insurance contributions and the interests on them, as well as the budget, respectively the fund, in which they should enter;

3. the extent of the contributions for fund "Guaranteed receivables of employees", the interests on them, as well as then budget in which they should enter;

4. the entered payments by the registered person, by a third liable person or by every third person in favour of the subject;

5. the sums entered as a result of actions of the enforcement;

6. the made deduction and restoration of sums and the ground for that;

7. other circumstances related to the occurrence, change and discharge of obligations for taxes and obligatory insurance contributions, including obligations and payments for someone else’s dept;

8. data from the filed declarations related to taxation and obligatory insurance contributions, the issued audit acts, the acts for deduction and restoration, the penal provisions and the judicial decision on them.

(3) The executive director of the National Revenue Agency shall confirm the form and the elements of the tax-insurance account by the order under Art. 81, para 2.

(4) The account shall be kept and after the termination of the registration and shall be finished after the discharge of all the obligations described in it. The information from it shall be archived and kept in a term and in a way, determined by the order under Art. 81, para 2.

(5) Upon request by the registered person the body of receivables shall submit the information about all the circumstances described in the account.

(6) The body of receivables shall issue a certificate for the presence and the lack of obligations upon request of the liable person or on the base of an act of the court in 7 days term after the receiving of the request or the act. In the certificate shall be indicated and the responsibility for someone else's obligations. In the certificate shall not be indicated obligations at non – effective acts, and also for postponed, deferred or secured obligations.

(7) (suppl. - SG 94/15, in force from 01.01.2016) Regardless of the cases when it shall be provided on the base of an act of the court, the information under para 5 or the certificate under para 6 for the presence of obligations shall be received personally by the subject, by a person explicitly designated by him before an income authority, by a person, authorized by a notary certified letter of attorney or in electronic way.

(8) Till July 1 of the respective year the insured persons shall receive the information for their insurance income.

(9) (new - SG 94/12, in force from 01.01.2013) The registered person shall be entitled to electronic access to his tax-insurance account according to a procedure and a method determined in an order of the Executive Director of the National Revenue Agency.

(10) (new - SG 40/14, in force from 01.07.2014; amend. - SG 13/16, in force from 15.04.2016, suppl. – SG, 105/20, in force form 01.01.2021) Within 5 days from receipt of request by a contracting authority referred to in Art. 5 of the Public Procurement Act or by a person, organizing a public procurement procedure under the Public Procurement Act, the revenue body shall provide information of presence or absence of liabilities of the person concerned, except for liabilities under acts that have not entered into force, rescheduled, deferred liabilities and collateralised debt obligations. National Revenue Agency can provide contracting authorities electronic access to information concerning the presence or absence of liabilities of the persons. The assignors to the environment for inter-register exchange under Art. 5 of the Public Procurement Act or persons, who organize procedures for awarding public procurement contracts under the Public Procurement Act shall request and receive the information through it.

(11) (new - SG 94/15, in force from 01.01.2016, amend. - SG 63/17, in force from 01.01.2018, amend. and suppl. - SG 92/17, in force from 01.01.2018, suppl. – SG, 105/20, in force form 01.01.2021) For the purposes of the complex administrative services, the competent authorities and other eligible persons shall officially request and receive electronically from the National Revenue Agency, the Customs Agency and the municipalities information on the presence or lack of obligations of the persons, with the exception of obligations under ineligible acts, as well as deferred, delayed or secured liabilities. The competent authorities, connected to the environment for inter-register exchange and other persons, determined in the respective Act shall request and receive the information through it.

(12) (New - SG 92/17, in force from 01.01.2018) The procedure for requesting and providing the information under Para. 11 shall be determined by:

1. the mayor of the municipality - for the information exchanged by the municipalities;

2. the Executive Director of the National Revenue Agency - for the information exchanged by the Agency;

3. the Director of the Customs Agency - for the information exchanged by the Agency.

Chapter twelve.
ADMINISTRATIVE SERVICE

General provisions

Art. 88. (1) (prev. text of Art. 88 - SG 109/07, in force from 01.01.2008) The service in the sense of this chapter shall be implemented by issuing documents significant for acknowledgement, exercising or discharge of rights or obligations.

(2) (new - SG 109/07, in force from 01.01.2008, amend. – SG, 105/20, in force from 01.01.2021) Under this Chapter, certificates shall also be issued, regarding the legislation in the field of social security, which applies to the holders.

Request for issuing a document

Art. 89. (1) The document under Art. 88 shall be issued under a request by the interested person to the competent territorial directorate.

(2) The request may be filed through every territorial directorate. The request may be filed to the competent directorate in electronic way or to be sent through a licensed or registered post operator.

(3) (amend. - SG 109/07, in force from 01.01.2008) To the request as per Art. 88, para 1 shall be attached the necessary proofs for the issuing of the document, if that is provided by a normative act, and to the request referred to in Art. 88, para 2 – proof of availability of the grounds for issue of a certificate according to the rules for coordination of the social security systems. The request shall be left without consideration, if they are not presented in 7 days term after the receiving of the announcement for remedy of the irregularity.

(4) (suppl. - SG 109/07, in force from 01.01.2008) When the issue of the document as per Art. 88, para 1 does not fall with the competence of the body of receivables, the proceedings shall be terminated. The sender of the request shall be notified and shall be given instructions about the body or organization, which is competent to issue the document under Art. 88, para 1.

Issuing

Art. 90. (1) (suppl. - SG 109/07, in force from 01.01.2008) The document as per Art. 88, para 1 shall be issued in 7 days term after the receiving of the request, if a shorter term is not provided. When the receiving is filed through another territorial directorate, the document as per Art. 88, para 1 shall be issued in 14 days term after its filing.

(2) (new - SG 109/07, in force from 01.01.2008) The document referred to in Art. 88, para 2 shall be issued within 30 days from the submission of the request. In case the request has been submitted via another territorial directorate, the document shall be issued within 45 days term from the submission thereof. A copy of the document shall be sent to the employer, if the request for its issuing has been made by a person, employed by him, as well as to the interested institutions of the other Member states.

(3) (prev. text of para 2 - SG 109/07, in force from 01.01.2008) The document shall be received in the territorial directorate where the request has been filed. The interested person may determine and other way for receiving the document, indicating precise address in the cases of receiving by mail or in electronic way.

Refusal

Art. 91. (1) The refusal to issued the requested document shall be announced in 7 days term after its issuing.

(2) The non-pronouncement in term at the request for issuing the document shall be considered implicit refusal.

Withdrawal

Art. 91a. (New, SG, 105/20, in force from 01.01.2021) (1) The certificate under Art. 88, Para. 2 may be withdrawn by the revenue authority, that issued it, at the request of a foreign competent institution or when new facts and circumstances or new written evidence of essential importance for its issuance have been discovered.

(2) The decision to withdraw shall be announced within 7 days of its issuance.

Appeal by administrative order

Art. 92. (1) (Amend. – SG, 105/20, in force from 01.01.2021) The refusal to issue a document and the decision to withdraw the certificate under Art. 88, Para. 2 may be appealed within 14 days from their notification before the territorial Director.

(2) (suppl. – SG 14/11, in force from 15.02.2011)The implicit refusal may be appealed before the body under para 1 in 14 days term after the expiration of the term under Art. 90, para 1 or para 2.

(3) Before the body and in the term under para 1 may be disputed and the content of a document, which certifies facts with legal importance, or in which is admitted or denied the existing of rights or obligations.

(4) The content of the document under para 3 may be disputed before the body under para 1 and by every interested person in 14 days term after its knowing.

Right of response

Art. 93. (Suppl. – SG, 105/20, in force from 01.01.2021) The complaint shall be lodged through the revenue body, who has issued or refused the issuing of the document or withdrawn the certificate under Art. 88, Para. 2. In 7-day term he/she:

1. shall issue the requested document, or
2. shall issued a document with a new content, or
3. shall send the complaint together with the file to the territorial director.

Decision on the complaint

Art. 94. (1) The territorial director shall pronounce in 7 days term after the receiving of the complaint.

(2) (Amend. – SG, 105/20, in force from 01.01.2021) He/she may order the issuing of the requested document, to cancel the withdrawal under Art. 91a, or to leave the complaint not granted, about which the appellant shall be notified in 7 days term.

Appeal by judicial order

Art. 95. (1) (amend. – SG 30, in force from 12.07.2006, amend. – SG, 105/20, in force from 01.01.2021) The refusal for issuing a document may be appealed before the administrative court at permanent address or central office of the person in 7 days term after

the announcement under Art. 91, para 1 or after the expiration of the term under Art. 91, Para 2, respectively after the announcement under Art. 94, Para 2.

(2) May not be disputed before a court the content of a document.

(3) The complaint to the court may be lodged after having tried the possibility or having been expired the term for appeal by administrative order.

Appeal of withdrawal in a judicial procedure

Art. 95a. (New – SG, 105/20, in force from 01.01.2021) The withdrawal under Art. 91a may be appealed before the Administrative court at the permanent address or the seat of the person within 7 days from the notification under Art. 94, Para. 2. Withdrawal may not be appealed in a judicial procedure, if it has not been appealed administratively.

Consideration of the complaint

Art. 96. (Suppl. - SG, 105/20, in force from 01.01.2021) When the complaint is grounded, the court shall oblige the respective body of receivables to issue the document, without giving instructions about its content, or to cancel the withdrawal under Art. 91a.

Impossibility to appeal

Art. 97. (amend. – SG 30, in force from 12.07.2006) The decision of the administrative court shall be final.

Chapter thirteen.
DECLARATIONS

Declaring

Art. 98. At filing declarations, documents or data before the bodies of receivables shall be applied the provisions of that chapter, unless provided otherwise by an Act.

Filing and accepting declarations

Art. 99. (1) The declaration and the other documents or data which are subject to file, shall be filed in the competent territorial directorate, unless by a normative act has been provided otherwise. The declaration may be filed and through a licensed post operator or in electronic way.

(2) The declaration shall be filed in written form by filling confirmed samples on a paper cartridge, on technical cartridge in confirmed format of the record and in electronic way.

(3) The servants who accept the declarations, upon request, shall be obliged to cooperate in all the problems related with the filling of the declaration, and also to notify the necessity of eliminating incompleteness in a filled declaration.

(4) When the declaration is filed personally or by a representative, the person who files the declaration shall certify his/her identity or his/her representative power.

(5) The acceptance of the declaration may be refused only if it is not signed or is not filed by an authorized person or does not content the data for identification under Art. 81, para 1, item 2 and 3.

Certification of filing the declaration

Art. 100. (1) The filing of declaration shall be entered in an entry register, as to the sender shall be announced in written form the entry number and the date of the filed declaration.

(2) The filed through a licensed post operator declaration shall be entered with the date under Art. 23, para 2 and it shall be indicated the way of its receiving.

Filing and accepting declarations and documents or data on technical cartridge

Art. 101. (1) The types of declarations and the other documents and data, which are subject to file also and on technical cartridge or only on technical cartridge, shall be determined by the respective normative act.

(2) For the declarations and the other filed on technical cartridge documents or data shall be used a programme product, approved by the executive director of the National Revenue Agency or appointed by him body of receivables. The programme product shall be received from every territorial directorate or trough Internet.

(3) The filing of the declaration and the other documents or data shall be certified by a record which shall be compiled and signed by the accepting servant.

(4) A declaration and other documents or data, which do not contain due identification of the sender, unified civil number of the insured person, the period for which the information concerns, or the technical cartridge does not meet the requirements, shall not be accepted and the technical cartridge shall be returned to the sender. He/she shall be obliged in 7 days term after the return to present the necessary data, respectively to file a technical cartridge which meets the requirements.

(5) When the filing of the new declaration and the other documents or data under para 4 has been implemented in the established 7 days term, the legal established term for their filing shall be consider observed.

Filing and accepting documents in electronic way

Art. 102. (1) (amend. – SG 100/10, in force from 01.07.2011; suppl. - SG 105/14, in force from 01.01.2015) The filing of declarations, documents or data in electronic way shall be implemented by the subject or his/her representative with an qualified electronic signature or personal identification code issued by the National Revenue Agency.

(2) At the acceptance of declarations, documents or data, filed in electronic way, shall be made automatic issuing of entry number and date, which shall be send to the sender by electronic message.

(3) (amend. - SG 105/14, in force from 01.01.2015) The declarations, documents or data, which do not contain unified civil number of the insured person, the period for which the information concerns, or do not meet the requirements for format of the record and filing of the respective document, shall not be accepted and to the sender shall be send an announcement for refusal in three days term after their receiving.

(4) The sender shall be obliged in 7 days term after receiving of the refusal to file the declaration, document or data which meets the requirements. In this case shall be applied Art. 101, para 5.

(5) (new - SG 105/14, in force from 01.01.2015) Conditions and procedures for the issuance and use of a personal identification code, and the types of declarations, documents or data that can be submitted by use thereof shall be determined by an order of the Executive Director of the National Revenue Agency. The order shall be published on the website of the National Revenue Agency.

Actions after the acceptance

Art. 103. (1) At establishing discrepancies between the content of the filed declaration and the requirements for its filling or discrepancies between the data in the declaration and the data received by the body of receivables from third persons or administrations regarding the requirements of the tax and insurance legislation for filing declaration or information, except in the cases under Art. 101, para 4 and Art. 102, para 4, the sender shall be invited to eliminate the discrepancies in 14 days term after the receiving of the announcement.

(2) The elimination of the discrepancies shall be done by filing a new declaration. The filing of the new declaration, made in the term under para 1, shall use the sender, regardless of Art. 104, para 3.

(3) In the cases, when the discrepancies concern data content in the register under Art. 81, para 1, they shall be eliminated by the servant of the respective territorial directorate, for which to the person shall be sent an announcement in 14 days term after the elimination of the discrepancy.

Changes of filed declaration and other data or documents

Art. 104. (1) After the filing of the declaration, but before the expiration of the established by the law term for its filing, the sender shall be entitled to make changes, related with the declared data and circumstances, the base and the determined obligations.

(2) Changes in a filed declaration shall be made by a new declaration.

(3) Filed after the expiration of the term under para 1 declaration for changes shall be considered not filed and shall not cause legal consequences for the purposes of the taxation.

(4) Correcting declarations for obligatory insurance contributions may be filed and after the expiration of the established by the law term for filing.

Chapter fourteen.
ESTABLISHMENT OF TAXES AND OBLIGATORY INSURANCE CONTRIBUTIONS

Section I.
Preliminary establishment

Self calculating and obligation for contribution

Art. 105. The obligation under declaration. at which the liable person calculate by him/herself the base and the due tax and/or obligatory insurance contributions, shall be paid in the terms, fixed by the respective law.

Corrections ex officio

Art. 106. (1) When in declaration under Art. 105 are established discrepancies which concern the base for the taxation or for the calculation of the obligatory insurance contributions or the extent of the obligation, which are not eliminated by the order of Art. 103, the body or receivables shall issue an act for establishing the obligation, by which shall be corrected the declaration. The act shall be announced to the liable person in the term under Art. 109.

(2) The act may be appealed in 14 days term after its receiving before the territorial director. In these cases shall not be applied Art. 154.

(3) Regardless of the issuing of the act under para 1, including when it has been appealed, the obligations for the tax or for the obligatory insurance contributions shall be subject to establishment trough implementation of an audit.

Establishment at data from declarations

Art. 107. (1) When the body of receivables establishes the extent of the due tax or insurance contribution on the base of filed by the liable person declaration, the obligation shall be paid in the term provided by the respective law.

(2) The liable person shall be entitled upon request to receive a reference about the way in which the obligation has been calculated, which contains data for the liable person, the type, the ground, the whole and the unpaid extent.

(3) (amend. – SG 98/10, in force from 01.01.2011; suppl. - SG 94/15, in force from 01.01.2016) The extent of the obligation under para 1 shall be announced to the liable person. Upon request by the liable person the body of receivables shall issue an act for establishing the obligation in 30 days term after the request. An act may be issued and ex officio, if discrepancy has been found between the declared data and the data obtained from third persons and organizations following the end of the procedure under Art. 103, as well as when a declaration was not filed or the obligation has not been paid in term and an audit has not been done. An act may be issued also ex officio on the basis of own data, data received from third parties and organisations, where it is not legally required to file a declaration and the debt has not been paid and no audit has been done.

(4) The act may be appealed in 14 days term after its receiving before the director of the territorial directorate. In these case shall not be applied Art. 154.

Section II.
Establishment

Establishment of obligations for taxes and obligatory insurance contributions

Art. 108. (1) The tax obligations and the obligations for obligatory insurance contributions shall be established by an audit act under Art. 118.

(2) When an audit act has not been issued and the term for beginning an audit under Art. 109 has been expired, the established obligations under section I shall be finally established.

A term for establishment

Art. 109. (1) (suppl. - SG 94/15, in force from 01.01.2016) Shall not be instituted proceedings for establishing obligations for taxes under this code, when are expired 5 years after the expiration of the year in which has been filed a declaration or should have been filed a declaration, or from the expiry of the year of receiving the data obtained from third parties and organisations, where this act does not provide for filing a declaration.

(2) The term under para 1 shall not expire when a penal proceedings have been instituted, from the decision of which depends the establishing of the tax obligations.

(3) (New – SG, 64/19, in force from 13.08.2019) The term under Para. 1 shall not apply when there is a decision under Art. 134f or 134p, subject to execution. In this case, proceedings to establish tax obligations under this Code may be instituted within one year of the entry into force of the decision.

Chapter fifteen.
TAX-INSURANCE CONTROL

Audits and checks

Art. 110. (1) The bodies of receivables shall implement the tax-insurance control though audits and checks.

(2) The audit shall be a combination of activities of the body of receivables, directed to the establishment of obligations for taxes and obligatory insurance contributions.

(3) The check shall be a combination of activities of the body of receivables regarding the observation of the tax and insurance legislation. By a check may be established definite facts and circumstances significant for the obligations for taxes and obligatory insurance contributions. By a check shall not be established obligations for taxes and obligatory insurance contributions of the checked person.

(4) The check shall be implemented by the bodies of receivables, without necessary an explicit written assignment. The rules under Art. 8 shall not be applied, when there is an assignment by the executive director or a person authorized by him/her. For the result of the check shall be compiled a record, when by a law is not provided an act by which the check shall finish.

(5) (new - SG 94/15, in force from 01.01.2016) Where not otherwise provided by a law, the time limit for carrying out the checks shall not extend beyond 6 months from the date of the first procedural act, which shall be certified in a protocol or submitted request under Art. 37, Para 3. If the 6-month time limit turns out to be insufficient, it may be extended by up to 6 months by means of a resolution by the authority that has appointed the check. Where a protocol is drawn up regarding the results of the check, it shall be provided to the person within 7 days from its performance.

(6) (New, SG, 105/20, in force form 01.01.2021) When carrying out an inspection, Art. 116 shall apply.

Authorization at securing evidences

Art. 111. At the implementation of an audit or a check the actions under Art. 40 for securing evidences shall be implemented by the body of receivables, authorized by an order of the territorial director of the National Revenue Agency or a person, authorized by him/her, which shall identify themselves by an official card and shall present a copy of the order certifying the assignment of these powers.

Institution of the audit proceedings

Art. 112. (1) The audit proceedings shall be instituted with the issue of the order for assignment of the audit.

(2) The audit may be assigned by:

1. the body of receivables, appointed by the territorial director of the competent territorial directorate;

2. the executive director of the National Revenue Agency or an appointed by him/her deputy executive director – for every person and for all types of obligations and responsibilities for taxes and obligatory insurance contributions.

(3) (new – SG 14/11, in force from 15.02.2011) In case audit proceedings are assigned pursuant to para 2, item 2, Art. 8 shall not apply.

Content, handing in and amendment of the order for assignment of audit

Art. 113. (1) By the order for assignment shall be determined:

1. data for the audited person under Art. 81, para 1, item 2 – 5;

2. (suppl. - SG 82/12, in force from 01.01.2013) the auditing bodies of receivables and the head of the receivables;

3. the term for implementation of the audit;

4. the audited period;

5. the types of audited obligations for taxes and/or obligatory insurance contributions;

6. other circumstances which are significant for the audit.

(2) The order under para 1 shall be hand in to the audited person.

(3) The order under para 1 may be amended by the body who has assigned the audit, by a new order for assignment which shall be hand in to the audited person. The amendment shall be considered made from the date of the issue of the new order.

(4) The order for assignment of audit shall not be a subject to appeal separately from the audit act.

(5) The order for termination of the audit proceedings shall be a subject to appeal by the order of appeal of audit acts.

(6) (new – SG 97/16, in force from 01.01.2017) The head of audit is the body of revenue among those listed in Art. 7, Para 1, item 4 of the National Revenue Agency Act.

Term for fulfilment of the audit

Art. 114. (1) (suppl. – SG 14/11, in force from 15.02.2011; suppl. - SG 82/12, in force from 01.01.2013, amend. and suppl. - SG 63/17, in force from 04.08.2017) The term for implementation of the audit shall be up to three months and shall begin from the date of the handing in of the order for assignment. Where the order for assigning audit has been delivered pursuant to Art. 143l, para 1, or Art. 269y, Para. 3, the term for its implementation shall start as of the date of receipt of the notification that a delivery has been carried out by the competent authority of the other Member State.

(2) (amend. – SG 105/06; amend. – SG 99/11, in force from 01.01.2012) If the term under para 1 is insufficient, it may be prolonged up to two months by an order for prolongation of the term by the body who has assigned the audit.

(3) (new - SG 108/07, in force from 19.12.2007; revoked – SG 99/11, in force from 01.01.2012).

(4) (amend. – SG 105/06; prev. text of para 3 – SG 108/07, in force from 19.12.2007) When the terms under para 1 and 2 are insufficient because of a specific factual complexity of the concrete case, the term executive director, issued on the base of motivated proposal of the territorial director.

Place of carrying out the audit

Art. 115. (1) The audited person shall ensure an appropriate place and conditions for implementing the audit and shall appoint the persons for contact with the body or receivables and for giving support at its implementation.

(2) The auditing bodies shall be obliged to familiarize at place with the documents and other evidences, which are found at the audited person, as well as to establish the facts and the circumstances which are significant for determining the results from the audit.

(3) At impossibility to implement the audit at the audited person, it shall be

implemented in the territorial directorate. In this case shall be compiled a record and a description of the documents, which shall be given to the body of receivables. A copy of the record and the description shall be submitted to the person.

(4) The body of receivables shall be responsible for the protection of the given to him/her documents at description and shall return them to the person by the order and in the terms, provided under Art. 44.

(5) At necessity to be established facts and circumstances, related to the activity of the person, its branch, object, activity or property out of the settlement of the implementation of the audit, including and at the territory of another territorial directorate, the auditing persons may be sent on business trip for the establishment of these circumstances.

Specific proof rules

Art. 116. (1) In case that for the establishment of the obligations of the audited person is necessary to be cleared facts and circumstances out of the territory of the country, the audited person shall be oblige to submit evidences for their clarification. When the relations or the transactions are between related persons, as well as in the cases of transfers between a permanent establishment of a foreign person in Bulgaria and other parts of the same enterprise abroad, it shall be considered that the audited person has not have the opportunity to submit evidences.

(2) When the audited person implements a transaction with related persons, he/she shall be obliged to proof its correspondence with the market price and the reasons for discrepancies from it, including through submitting all the related documents from foreign country.

(3) (revoked – SG 1/14, in force from 01.01.2014)

(4) (amend. – 1/14, in force from 01.01.2014) When the audited person does not fulfil his/her obligations under para 1 and 2, the revenue body shall be entitled to establish the market prices on the base of accessible information or evidences.

(5) At applying the methods for determination of the market prices the revenue body shall use and data for stock prices, data indicated in statistic reference books or other issues, which contain specialized price information.

(6) (amend. – 1/14, in force from 01.01.2014) At establishing the circumstances under § 1, item 3, letter “n” of the Additional Provisions the revenue body shall use data for related person, for the burden of the taxation or the regime for implementation of activity at the local market, received or published by other revenue administrations, international organizations, public registers and issues, which contain specialized information.

(7) When applying para 5 and 6 the revenue body shall be obliged to indicate the stock market, the issue, the administration, the international organization, respectively the Internet site – source of the information, applying a verified by him/her copy or printing which contains the respective data.

Audit report

Art. 117. (1) The audit report shall be compiled by the auditing body of receivables not later than 14 days after the expiration of the term for implementing the audit.

(2) The audit report shall contain:

1. the names and the position of the bodies which compiles it;
2. number and date of the report;
3. data for the audited person;

4. the scope of the audit and the other circumstances which are significant for its implementation;

5. the made procedural actions and the established facts and circumstance and the evidences for them;

6. the made factual and legal conclusions and the grounds for them;

7. the undertaken actions for securing the public takings;

8. a proposal for establishing the obligations;

9. description of the applied evidences;

10. signatures of the body of receivables, which have compiled the report.

(3) The applied to the audit report evidences shall be an inseparable part from it.

(4) The audit report together with the application shall be handed in to the audit person in 3 days term after its compilation.

(5) The audit person may lodge a written objection and to submit evidences in 14 days term after the handing in of the audit report before the bodies which have made the audit. When the term is insufficient, it shall be prolonged under a request by the person, but not with more than one month.

Audit act

Art. 118. (1) By the audit act:

1. shall be established, change and/or deducted obligation for taxes and for obligatory insurance contributions;

2. shall be restored results for tax period, subject to restoration, when this is provided by law;

3. shall be restored undue paid or collected sums.

(2) (revoked – SG 97/16, in force from 01.01.2017)

Issuing of an audit act

Art. 119. (1) In three days term after the preparation of the audit report the bodies which have implemented the audit, shall notify in writing the body who has assigned it.

(2) (amend. - SG 82/12, in force from 01.01.2013) The audit act shall be issued by the body that has assigned the audit and the head of the audit within 14 days from submission of any objections or from expiry of the time limit for filing objections. Where the establishment of obligations and responsibilities is inadmissible in the particular proceedings, the proceedings shall be terminated by an order.

(3) (amend. - SG 82/12, in force from 01.01.2013) Where the bodies referred to in Para 2 may not achieve agreement, the audit act, respectively the order for termination shall be issued by another receivables body, determined by the territorial director or a person authorised by him pursuant to a written notification from the body that has assigned the audit.

(4) (amend. - SG 82/12, in force from 01.01.2013) The audit act or the order for termination shall be handed in to the audited person in 7 days term after its issuing.

Content of the audit act

Art. 120. (1) The audit act shall be issued in written form and shall contain:

1. (amend. - SG 82/12, in force from 01.01.2013) the name and the position of the issuing bodies;

2. number and date of the act;

3. data for the audited person;

4. the scope of the audit and the other circumstances which are significant for its implementation;

5. grounds for issuing the act;

6. efficient part by which shall be determined the rights, the obligations or the responsibilities and the way and the term for their fulfilment;

7. before which body and in which term may be appealed the act;

8. (new – SG 105/06; amend. - SG 82/12, in force from 01.01.2013) signatures of the revenue bodies, that issued the audit act.

(2) The audit report shall be applied to the audit act and shall be inseparables part from it. The body of receivables shall be obliged to consider the made against the audit report objection and the submitted evidences.

(3) The audit act shall be issued at a sample, confirmed by the executive director of the National Revenue Agency.

Preliminary securing of the takings

Art. 121. (1) In the course of the audit or at the issuing of the audit act the body of receivables may require grounded from the public executor the imposing of securing measures in purpose to prevent the implementation of transactions and actions with property of the person as a consequence of which the collection of the obligations for taxes and obligatory insurance contributions shall be impossible or shall be hampered.

(2) The preliminary securing measures shall be imposed by the order under Art. 195 with a decree of the public executor and shall be appealed by the order of Art. 197.

(3) The preliminary securing measures shall be imposed over assets, the securing over which shall not lead to a serious obstruction of the activity of the person. If that is not possible, the imposed securing measures shall not stop the implemented by the person activity.

(4) (amend. – SG 30, in force from 12.07.2006) When within 4 months term, after the imposing of the first preliminary securing measure, has not been issued an audit act, the imposed securing measures shall be consider terminated, unless a request for their continuance has been done before the administrative court per location of the body which imposed the securing measures. The request may be done by the public executor or the audited person.

(5) The court shall check the presence of the conditions under para 1 for imposing of preliminary securing measures and the fulfilment of the requirement under para 3 and shall pronounce by a ruling in 14 days term after the filing of the request. If considers the request favourably, the court shall fix a term for continuing the measures, not longer than the term for termination of the audit proceedings. The ruling shall not be a subject to appeal.

(6) (new – SG 105/06) The effect of the preliminary securing measures shall be prolonged by securing measures of the same type and on the same property, imposed in one month term from the issue of the audit act, in case the act is issued within the four-months term under para 4 or within the term, determined by the court in accordance with para 5.

Preliminary Precautions in case of Fiscal Control

Art. 121a. (New - SG 109/2013, in force from 01.01.2014) (1) When exercising fiscal control on movement of goods of high fiscal risk, the revenue authority may request that the public enforcement agent immediately imposes preliminary precautionary measures on the

property of the consignee of the goods in order to secure the tax claims that would arise, the amount of such measures being at least 30 percent of the market value of the goods, in the following cases:

1. the integrity of the control devices is impaired;

2. the prohibition under Art. 13, para 3, Item 4 is violated;

3. where any inconsistencies are found between the type and/or quantity of the goods indicated in the documents and the ones established during the inspection;

4. the driver of the transport vehicle or the consignee/buyer of the goods fails to appear at the location where they are to be received/unloaded.

(2) (suppl. - SG 63/17, in force from 04.08.2017) The measures under para 1 may also be imposed where the revenue authority establishes that in case of subsequent disposal of the goods the collection of the taxes due would be impossible or significantly impeded. When collateral is provided under Art. 176c of the Value Added Tax Act, the amount of the collateral shall not be less than 10 per cent of the market value of the goods.

(3) (suppl. - SG 63/17, in force from 04.08.2017, suppl. – SG, 105/20, in force form 01.01.2021) In the cases referred to in para 1 and para 2 the revenue authority shall also undertake measures under Art. 40 to secure evidence for a time period of up to 72 hours without a court resolution and shall define an amount of the collateral, in which case the goods and the documents pertaining thereto shall be seized. In such case the prohibition of disposal under Art. 13, para 3, Item 4 shall retain its effect, and the goods shall be released after security is provided in the form of cash or an unconditional and irrevocable bank guarantee valid for at least 6 months and amounting to 30 percent, respectively 10 percent, of the goods' market value and after the cost of seizure and storage of such goods is reimbursed. The collateral, provided in cash or an unconditional and irrevocable bank guarantee shall be released by the competent territorial Directorate under Art. 8.

(4) Where the security under para 3 is not provided within 72 hours of seizure, or, in the case of perishable goods, within 24 hours, the goods shall be considered abandoned in favour of the State. This fact shall be recorded in a report on the type and quantity of the goods abandoned in favour of the state and in the Fiscal Control Register.

(5) (Suppl. – SG, 105/20, in force form 01.01.2021) The preliminary precautionary measures under Para. 1 shall be imposed in compliance with the procedure set out in Art. 195 through a warrant by the public enforcement agent and shall be subject to appeal pursuant to Art. 197.

(6) The preliminary precautionary measures imposed shall be in effect for 6 months. Within the said period their effect may be extended by precautionary measures of the same type and on the same property, imposed pursuant to the procedure provided for in Art. 121 or Art. 195.

(7) Where the consignee/buyer of the goods violates the prohibition under the second sentence of para 3 and under Art. 13, para 3, Item 4, such warrant shall be null and void in respect of the state.

Audit at specific cases

Art. 122. (1) The body of receivables may apply the established by law extent of the tax at a determined by him/her by the order of para 2 base, when is present one of the following circumstances:

1. to the beginning of the audit has not been filed a declaration when the obligation is determined at declaration;

2. there are data for hidden revenues or incomes;

3. when in the accountancy have been used non-authentic documents or documents with incorrect content;

4. a book-keeping accountancy is missing or has not been submitted regarding the Accountancy Act or the kept accountancy does not give the possibility to establish the base of the taxation, as well as when the documents, necessary for establishing the base of the taxation or for determining the obligatory insurance contributions, have been destroyed not by the established order;

5. the documents, necessary for establishing the base for the taxation, are missing or are damaged to a degree, that makes them unsuitable for use;

6. the data and the information, necessary for establishing the base for taxation, may not be received, because the audit person has not been found at the address for correspondence under Art. 28;

7. the declared and/or the received revenues, incomes, sources for formation of the own capital or of free financing of the economic activity of the audited person do not correspond to the property and financial status for the audited period;

8. (new – SG 14/11, in force from 15.02.2011) where the audited or inspected person does not provide access to the site – subject to control – or to accounting and/or trade data on an electronic medium which are of importance to the production.

(2) For the determination of the base for taxation the body of receivables shall take into account every of the following, related to the respective person, circumstances:

1. the type and the character of the factually implemented activity;

2. paid taxes, duties, fees, contributions and other public takings;

3. the movement and the balance of the bank accounts;

4. the official documents and the documents with authoritative data;

5. the rent price for the real estates, in which is exercised fully or partly the activity;

6. the trade importance of the place, where the activity is implemented;

7. the capital and the market price of the acquired properties at the moment of the acquisition;

8. the gross revenues/incomes (the turnover);

9. the number of the persons employed for the implementation of the activity;

10. the concluded contracts by the person in relation with the implementing of his/her activity;

11. the difference between the delivered and the invested in the production stuffs and materials;

12. the summarized data for the realized profit, respectively the revenues or the incomes from other persons, which exercise the same or similar activity under the same or similar conditions;

13. the price and other conditions of the transactions, concluded for the purpose of discrepancy of the taxation, including the data for such transactions between related to the audited person persons;

14. the common extent of the expenses for life, maintenance, education and medical treatment, and also of the transport, daily and rented expenses at travelling in the country or abroad;

15. the received and made deliveries and the exercised right of tax credit;

16. other evidences, which may be used for the determination of the base.

(3) The audit report shall be grounded with the circumstance under para 1 and 2.

(4) In the cases under para 1 the body or receivables shall determine the base for taxation for the respective period, for which are established the circumstances.

Establishment of non-declared profits or incomes

Art. 123. (1) In the case under Art. 122, para 1 at the determination of the base by the order of Art. 122, para 2 shall be considered till the proof of the opposite, that is present a profit or income which is subject to taxation, when:

1. the value of the property of the person obviously essentially exceeds the extent of the declared revenues, incomes, sources for formation of the own capital or of free financing, received from it;

2. the made expenses by the person and by the related to him/her persons under § 1, item 3, letter "a" from the additional provisions obviously and essentially exceed the extent of the declared received funds.

(2) It shall be consider part of the property under para 1 the properties of other persons, if by enforced court act shall be established, that they have been acquired by means of the person regarding which are established the circumstances under para 1.

Specific rules for audits

Art. 124. (1) When the body of receivables establishes the presence of circumstances under Art. 122, para 1, he/she shall notify the audited person, that the base for taxation shall be determined by the provided in Art. 122 order, and shall fix him/her a term for submitting evidences and taking a statement, which may not been shorter than 14 days.

(2) In the proceedings of appeal of the audit act at implemented audit by the order of Art. 122, the factual observations in it shall be considered true till the proof of the opposite, when the presence of the grounds under Art. 122, para 1 is supported by the collected evidences.

(3) At establishing a circumstance under Art. 122, para 1 the audited person shall be obliged to declare his/her property, the type and the extent of the made expenses, as well as all the sources of incomes, revenues, sources of formation of the own capital or of free financing and their extent by a declaration at a sample confirmed by the executive director of the National Revenue Agency.

(4) At establishing a circumstance under Art. 122, para 1 the body or receivables may undertake measures for preliminary securing of the takings by the order of Art. 121.

Establishment of obligations for compulsory insurance contributions

Art. 124a. (new – SG 14/11, in force from 15.02.2011) The provisions of Art. 122 to 124 shall also be respectively applied for establishment of obligations for compulsory insurance contributions.

Audit at insolvency

Art. 125. When the audit act has been handed in to the trustee in bankruptcy by the body of receivables in the term under Art. 685 or 688 of the Commerce Act, the takings for taxes and obligatory insurance contributions shall be considered lodged in term, independently whether the act has been appealed.

Audit at succession

Art. 126. In the cases of succession or termination, when there are many legal

successors or responsible for the obligations persons and their obligations or responsibility shall be established in joint proceedings, before undertaking the procedural actions, the body or receivables shall notify for that in written the persons, inviting them in fixed by him/her term, but not less than 14 days, to indicate in written a represent in the proceedings till its finishing by an entered into force act.

Fulfilment of the audit act

Art. 127. (1) The established by the audit act obligation shall be a subject to voluntary payment in 14 days term after the handing in of the act.

(2) After the expiration of the term under para 1 the audit act shall be a subject to enforcement, unless the fulfilment has been stopped by the order of this code.

Chapter fifteen.
FISCAL CONTROL ON MOVEMENT OF GOODS OF HIGH FISCAL RISK

Fiscal Control on Movement of Goods

Art. 127a. (New - SG 109/13, in force from 01.01.2014) (1) Revenue bodies authorised by an order of the Executive Director of the National Revenue Agency may exercise fiscal control on movement of goods of high fiscal risk within the territory of the Republic of Bulgaria, provided that no explicit written assignment shall be required.

(2) Movement of all goods of high fiscal risk shall be subject to fiscal control, regardless of the location where the goods are to be received/unloaded - be it in the territory of Bulgaria, the territory of another Member State of the European Union, or the territory of a third country.

(3) (suppl. - SG 63/17, in force from 04.08.2017) Para 2 shall not apply to goods under a customs procedure within the meaning of the applicable customs legislation.

(4) Fiscal control on movement of goods of high fiscal risk shall be a set of actions by revenue authorities aimed at preventing tax evasion and tax fraud and carried out in relation to movement of goods of high fiscal risk within the territory of the Republic of Bulgaria.

(5) Fiscal control on movement of goods of high fiscal risk shall not establish tax liabilities but may establish certain facts and circumstances relevant to tax liabilities.

(6) Each action in the course of exercising fiscal control on movement of goods shall be recorded in a report.

(7) The list of goods of high fiscal risk shall be approved by an order of the Minister of Finance based on a reasoned proposal by the Executive Director of the National Revenue Agency. The order and the list of goods of high fiscal risk shall be published on the websites of the Ministry of Finance and the National Revenue Agency.

(8) The data referred to in of Art. 13, para 2, Item 3 relating to movement of goods of high fiscal risk and the fiscal control actions by the revenue authorities shall be entered into the Fiscal Control Electronic Register.

Actions related to the Fiscal Control on Movement of Goods

Art. 127b. (New - SG 109/13, in force from 01.01.2014) (1) Fiscal control on the movement of goods of high fiscal risk shall be exercised by way of stopping vehicles transporting goods within the territory of the Republic of Bulgaria, checking whether the goods transported are such of high fiscal risk, inspecting the documents accompanying the goods in

terms of the type and quantity thereof, identifying the supplier/seller and/or the consignee/buyer of the goods and the location where the goods are to be received/unloaded.

(2) (Amend. – SG, 105/20, in force form 01.01.2021) When exercising the control under Para 1, revenue authorities shall be entitled to stop transport vehicles with a load capacity exceeding 3,5 tonnes.

(3) Where the goods transported are included in the list of goods of high fiscal risk, the revenue authority may install control devices onto the transport vehicle and affix a seal/stamp reading "High fiscal risk" on the transport document. The actions carried out shall be recorded in a fiscal control report, a copy whereof shall be provided to the vehicle driver.

(4) (Amend. – SG, 105/20, in force form 01.01.2021) Where it is suspected that transport vehicles with a load capacity of less than 3, 5 tonnes are used to transport goods of high fiscal risk in order to evade the control under Para 1, Para 2 and Para 3 shall apply.

(5) For the purposes of identifying vehicles transporting goods of high fiscal risk, revenue authorities shall co-operate with the bodies of the Ministry of Interior pursuant to a procedure laid down in a joint co-operation instruction.

Fiscal Control in case of Intra-Community Acquisition of Goods of High Fiscal Risk

Art. 127c. (New - SG 109/13, in force from 01.01.2014) (1) (Amend. and suppl. – SG, 105/20, in force from 01.01.2021) In cases of intra-Community acquisition of goods of high fiscal risk and in regime of storage on request, upon entry of the transport vehicle into the territory of Bulgaria, the revenue authority may, at the respective fiscal control point, install control devices onto the transport vehicle and affix a seal/stamp reading "High fiscal risk" on the transportation document.

(2) The control devices shall be dismounted by a revenue authority at the location where the goods are unloaded.

(3) The control devices shall be dismounted within 4 hours of the time stated by the driver under Art. 13, para 2, Item 3. Where a change notification has been submitted under Art. 13, para 3, Item 1, the control devices shall be dismounted within no more than 24 hours from submission of the notification.

Fiscal Control in case of Intra-Community Supply of Goods of High Fiscal Risk (Title, amend. – SG, 105/20, in force form 01.01.2021)

Art. 127d. (New - SG 109/13, in force from 01.01.2014) (1) (Suppl. - SG, 105/20, in force form 01.01.2021) In the cases of intra-Community supply of goods of high fiscal risk and in a regime of storing upon request, before the transport vehicle leaves the territory of Bulgaria, the revenue authority may, at the relevant fiscal control point, inspect and examine the goods transported and the documents accompanying the goods.

(2) The inspection under para 1 shall also include a system verification of the validity of the supplier's/seller's VAT number entered in the invoice.

Fiscal Control on Goods of High Fiscal Risk Transited from One European Union Member State to Another through the Territory of the Republic of Bulgaria

Art. 127e. (New - SG 109/13, in force from 01.01.2014) (1) (Amend. - SG, 105/20, in force form 01.01.2021) Where goods of high fiscal risk are transited from one European Union Member State to another through the territory of the Republic of Bulgaria, upon the entry of the

vehicle into the territory of Bulgaria, the revenue authority may, at the relevant fiscal control point, install control devices onto the transport vehicle and affix a seal/stamp reading "High fiscal risk" on the transportation document.

(2) The control devices installed under para 1 shall be dismounted by a revenue authority before the transport vehicle leaves the territory of Bulgaria.

Fiscal Control on Movement of Goods of High Fiscal Risk within the country

Art. 127f. (New - SG 109/13, in force from 01.01.2014) (1) Fiscal control on movement of goods of high fiscal risk shall also be exercised within the country.

(2) (Amend. - SG, 105/20, in force form 01.01.2021) Revenue authorities may install control devices onto vehicles transporting goods of high fiscal risk within Bulgaria and affix a seal/stamp reading "High fiscal risk" on the transportation document.

(3) The control devices installed under para 2 shall be dismounted by a revenue body at the location where the goods are unloaded pursuant to the procedure set out in Art. 127c.

Appeals of Actions in the Course of Fiscal Control Exercised on Movement of Goods of High Fiscal Risk

Art. 127g. (New - SG 109/13, in force from 01.01.2014) (1) The actions undertaken by revenue authorities in relation to fiscal control on movement of goods of high fiscal risk may be subject to appeal in accordance with the procedure provided for in Art. 41.

(2) No appeal shall suspend the above-mentioned actions.

Terms and Procedure for Exercising Fiscal Control

Art. 127h. (New - SG 109/13, in force from 01.01.2014) The Minister of Finance shall, in an ordinance, lay down the terms and procedure for the exercising fiscal control on movement of goods of high fiscal risk within the territory of the Republic of Bulgaria and the requirements applicable to fiscal control points.

Voluntary declaration of transport of goods with high fiscal risk

Art. 127i. (New – SG, 105/20, in force from 01.01.2021) (1) In the case of transport of goods with high fiscal risk, which starts from the territory of another Member State of the European Union and ends in the territory of the country, the consignee or buyer / acquirer in a tripartite operation or the final consignee in a chain of consecutive deliveries of goods may preliminarily declare data for each individual transport until the entry of a vehicle on the territory of the country.

(2) In the case of transport of goods with high fiscal risk, which starts from the territory of the country and ends in the territory of another Member State of the European Union, the supplier or seller / transferor in a tripartite operation or the first supplier in a chain of consecutive supplies may preliminarily declare data for each individual transport before the start of loading of the vehicle.

(3) Para. 1 and 2 shall apply only in cases, where the transport is carried out by a vehicle with a load capacity exceeding 3.5 tonnes.

(4) After preliminary declaration of data for transport of goods with high fiscal risk, a unique number for the transport of the goods is provided by the National Revenue Agency, through an electronic service for declaration of data for the transport of goods with high fiscal

risk. The validity of the unique transport number shall be 14 days from its provision.

(5) The persons under Para. 1 and 2 shall communicate the unique transport number to the driver of the means of transport / the person accompanying the goods / carrier or the person, organizing the transport. Where the unique carriage number is communicated to the carrier or the person, arranging the carriage, they shall provide it to the driver of the vehicle.

(6) For the purposes of Para. 1 and 2 in carrying out fiscal control, together with the documents under Art. 13, Para. 2 the driver shall also provide the unique transport number.

(7) When the persons under Para. 1 have declared in advance data for transportation of goods with high fiscal risk, but have not received the goods, they shall be obliged to notify the revenue authority thereof. When goods with high fiscal risk will be stored by the recipient under the regime of storage of goods on request, but have not been received in the warehouse of a taxable person, established in the country, for whom the goods are intended, he must notify the revenue authority .

(8) The scope and the procedure for preliminary declaration of data, their correction or cancellation in case of non-performed transport, as well as the procedure for notification under Para. 7 shall be determined by the Ordinance under Art. 127h. The preliminary declaration shall not release the persons from the obligation to compile the respective transport, accounting and other documents, in connection with the transport and delivery.

Chapter sixteen.
SPECIFIC PROCEEDINGS

Section I.
Deduction and restoration

Sums object to deduction

Art. 128. (1) Undue paid or collected sums for taxes, obligatory insurance contributions, imposed by the body or receivables fines and property sanctions, as well as sums subject to restoration regarding the tax and the insurance legislation by the National Revenue Agency, shall be deducted by the body or receivables for redeeming of due public takings, collected by the National Revenue Agency. A deduction may be done by redeemed obligation by prescription, when the taking of the debtor has become due before the redemption of his obligation by prescription.

(2) Every person which receives illegally restoration of sums under para 1, shall be obliged to restore the sums to the budget. This obligation shall be consider an obligation for tax, and when are restored overpaid insurance contributions – an obligation for obligatory insurance contribution, and shall be due on the day which follows the day of the receipt of the act for the illegal payment.

(3) (amend. - SG 61/15, in force from 15.08.2015) Requests for undue paid or collected sums for additional obligatory pension insurance shall be considered only up to the extent of the available funds in the individual account of the person in the pension insurance company or up to the extent of funds at the State Fund for Guaranteeing the Stability of the State Pension System. In the rest cases the relations shall be arranged between the pension insurance company, the insurer and the insured person.

Procedure

Art. 129. (1) The deduction or the restoration may be implemented on initiative of the body or receivables or upon written request of the person. The request for deduction or

restoration shall be considered, if it has been filed till the expiration of 5 years regarding 1 January of the year which follows the year of the appearing of the ground for restoration, unless by an Act has been provided otherwise.

(2) After receiving of the request under para 1 may be assigned the implementation of:

1. an audit;

2. a check.

(3) (suppl. - SG 108/07, in force from 19.12.2007) The act for deduction or restoration shall be issued in 30 days term after the receiving of the request in the cases when in the same term has not been assigned an audit. Regardless of any withholding or refund being carried out, including in case the act referred to in the first sentence has been appealed, the tax liabilities or the obligatory insurance contributions shall be subject to ascertainment by way of carrying out audit. In the event that the act has been appealed to a court of law, the issue of an audit act shall be admissible till the court decision becomes effective.

(4) (Suppl. – SG, 105/20, in force form 01.01.2021) The surplus after implementing the deduction shall be returned to the person at a bank account, or another payment account, indicated by him/her. The restoration of sums, related with the application of the Local Taxes and Fees Act, to individuals, which are not traders, may be done in cash.

(5) The body of receivables shall be obliged in 30 days term, after the lodging before him/her an entered into force court or administrative act, to restore or deduct by the order of para 2, item 2 completely the sums indicated in the act together with the due under para 6 interest, when by the act in favour of the liable person has been admitted the right to receive:

1. sums for incorrectly or undue paid, deposited or collected sums for taxes, obligatory insurance contributions, fees, fines, property sanctions, established, collected or imposed by the bodies of receivables, including paid upon written instruction or statement;

2. illegally refused sums for restoration;

3. (revoked - SG 94/15, in force from 01.01.2016)

(6) Undue paid or collected sums, except of the obligatory insurance contributions, shall be returned with the legal interest for the expired period, when they are paid or collected on the base of an act of a body or receivables. In the rest cases the sums shall be returned with the legal interest from the day in which should have been restored by the order of para 1 – 4.

(7) The acts for deduction or restoration may be appealed by the order of appealing of the audit acts.

Simplified procedure

Art. 130. (1) (amend. - SG 94/15, in force from 01.01.2016, suppl. – SG, 105/20, in force form 01.01.2021) In cases where a declaration has been submitted indicating the amount for refund and also where a request for a refund under Art. 129 was filed, the income authority may refund the entire claimed amount to the bank account, or another payment account, indicated by the person or through a postal money order in cases of local tax refund at the address indicated by the person, by indicating in the payment order or the postal money order the number and the date of the declaration or the request for a refund.

(2) (Suppl. – SG, 105/20, in force form 01.01.2021) With the verification of the indicated by the person bank account, or another payment account with the whole pretended sum, respectively with the receiving of the announcement for the post record, shall be considered, that the request of the person for restoration of the overpaid sum is completely satisfied.

Use of overpaid amounts for subsequent payments

Art. 130a. (New - SG 104/20, in force from 01.01.2021) (1) When a declaration has been submitted with the overpaid amount indicated therein and the sender has stated that he wishes the overpaid amount to be used for further repayments under the order of Art. 169, Para. 4 and / or on the account for compulsory collection of public receivables, the revenue authority, within 30 days from the submission of the declaration, may reflect in the tax-insurance account the claimed amount according to the requested type of liabilities, and this shall be considered as payment received on the date of its reflection.

(2) With the reflection of the entire claimed amount it shall be considered that the request of the person is fully satisfied.

(3) In case of non-fulfillment of the request under Para. 1, Art. 129 shall apply, as the term under Para. 3 of the same provision shall start to run from the date of submission of the application under Para. 1.

Implicit refusal

Art. 131. (1) The non-pronouncement in term upon request for issuing of act for deduction or restoration shall be considered an implicit refusal.

(2) A complaint against the implicit refusal may be filed in 14 days term after the expiration of the term for pronouncement. The appeal shall be made by the order of appealing of an audit act.

(3) When the person has not appealed the implicit refusal in the term under para 2, he/she may file a new request for deduction or restoration.

(4) When by administrative or court order is repealed an implicit refusal, it shall be considered repealed and the explicit refusal which has followed before the decision for repeal.

Complaint for slowness

Art. 132. (1) The subject shall be entitled to file a complaint when the procedure for deduction and restoration slows down unjustifiably and out of the terms established by the law.

(2) The complaint shall be filed to the territorial director, which shall check the circumstances on it and shall pronounce in written within three days term. In case that the complaint is grounded, he/she shall fix a term for issuing the act.

(3) A copy of the decision shall be sent to the appellant.

Section II.
Change of the obligations for taxes and obligatory insurance contributions

Initiative and grounds

Art. 133. (1) An obligation for taxes or obligatory insurance contributions, determined by an entered into force audit act, which has not been appealed by court order, may be changed on initiative of the body of receivables or at application of the audited person.

(2) The obligation shall be changed on the following grounds:

1. when are found new circumstances or new written evidences which are of essential significance for establishing the obligations for taxes or obligatory insurance contributions, which may not have been known to the person, respectively to the body issued the audit act, till:

a) the issue of the audit act, when the act has not been appealed;

b) the entrance into force of the audit act, when the act has been appealed;

2. when by the due court order is established incorrectness of the written explanations of third persons, of the conclusion of experts, of the written declaration on the base of which has been established the obligation for taxes and obligatory insurance contributions, or is established criminal activity of the audited person, of his/her representative, of a body of receivables who has participated in the establishment of the taxes or the obligatory insurance contributions or who has considered the complaint against the audit act;

3. when the establishment of the obligation is based on a document which is admitted for untrue, with untrue contents or forged, under the due court order;

4. when the establishment of the obligation is based on a court act or an act of another state institution, which subsequently has been repealed;

5. when for the same obligations, for the same period and regarding the same liable person is issued another entered into force audit act which contradicts it;

6. (new – SG, 64/19, in force from 13.08.2019) when for the obligations, established by the revision act there is an enforced decision under Art. 134f or 134p.

(3) The body of receivables may, on his/her initiative or at request by the interested person, correct an obvious factual mistake in the audit act. In this case shall be issued an audit act, without to be necessary order for assignment of audit or an audit report. The audit act for the correction shall be appealed together with the corrected audit act or independently.

(4) The provision of para 2, item 1 shall not be applied regarding facts and circumstance, for which there is an agreement under Art. 154.

Authorities in connection with the change

Art. 134. (1) (suppl. - SG 94/15, in force from 01.01.2016) A body of receivables which establishes a ground for change under Art. 133, para 2, shall be obliged to notify the territorial director, basing the presence of the respective ground. After an assessment for the presence of ground for change the territorial director may assign an audit or order its assignment, by which may be changed already determined obligations for taxes or obligatory insurance contributions.

(2) The interested person may file a written request to the territorial director, to which shall be applied the evidences on which it is based.

(3) The change shall be admissible, if the order for assignment of the audit is issued or the request for change is filed within three month term after knowing the ground for change and to the expiration of the term under Art. 109.

(4) Within 30 days term after the receiving of the request under para 2 the territorial director shall order or shall refuse reasonably the assignment of audit. A copy of the refusal shall be sent to the person, who has filed the request within 7 days term after its pronouncement, but not later than 14 days after the expiration of the term under the first sentence.

(5) (amend. – SG 30, in force from 12.07.2006) The interested subject may appeal the refusal in 14 days term after the receiving of the decision, and the implicit refusal – in 30 days term after the expiration of the term for pronouncement, before the administrative court competent to consider the complaint against the audit act. The complaint shall be filed through the territorial director. The court shall pronounce at the complaint by a ruling which shall not be a subject to appeal.

(6) When establishing that the obligation for taxes or obligatory insurance contributions is established in higher or lower extent from the due one, for difference shall be issued an audit

act. If there is an overpaid sum, it shall be deducted or restored by the audit act.

Section II "a".
Procedure for the settlement of disputes between Member States of the European Union in connection with double taxation agreements or other international agreements of a similar nature (New, SG, 64/19, effective from 13.08.2019)

Subject

Art. 134a. (New, SG, 64/19, effective from 13.08.2019) (1) This Section shall govern the rules for the settlement of disputes, arising between the Republic of Bulgaria and other Member States ("interested Member States") in connection with the interpretation and application of double taxation agreements or other international agreements of a similar nature. For the purposes of this Section, the issue, giving rise to a dispute under sentence one is called a "controversial issue".

(2) This Section shall also regulate the rights and obligations of the persons concerned in the event of disputes under Para. 1.

General provisions

Art. 134b. (New – SG, 64/19, in force from 13.08.2019) (1) Every affected person shall have the right to file an appeal to resolve a disputed issue under Art. 134a, Para. 1 to the competent authority under this Section.

(2) Affected person shall be any person, who is a local person for tax purposes of the Republic of Bulgaria or of another Member State and whose taxation is directly affected by the issue in question.

(3) The competent authority in the dispute settlement procedure under this Section shall be the Minister of Finance or an official, authorized by him.

(4) The competent court to hear the appeals and requests under this Section shall be the Administrative Court at the permanent address or the registered office of the person concerned. Where the person concerned does not have a permanent address or head office in the country, disputes shall be considered by the Administrative Court - Sofia.

(5) Double taxation within the meaning of this Section shall be the taxation of the same taxable income or property of two or more Member States with taxes, which fall within the scope of an agreement or other international agreement of similar nature under Art. 134a, Para. 1, where this leads to additional taxation, increase of tax liabilities or non-recognition of losses, that could be deducted from the tax profit.

(6) Unless otherwise provided in this Section, concepts in the dispute settlement procedure shall be interpreted as meaning, as defined in the said acts at the date of receipt of the first notification about the action, giving rise to or will give rise to a dispute, in the following order:

1. the relevant agreement of another international agreement of similar nature under Art. 134a, Para. 1;

2. tax legislation, to which the agreement or other international agreement of similar nature applies under Art. 134a, Para. 1;

3. other legislative acts apart form those, under p. 2.

Submitting complaints

Art. 134c. (New, SG, 64/19, effective from 13.08.2019) (1) The complaint shall be filed in the Bulgarian language within three years from the receipt of the first notification of the action, leading or likely to occur to the disputed issue, whether the person concerned uses other remedies for legal protection under the Bulgarian law or the legislation of the other

Member States concerned. The complaint may be accompanied by an English language translation.

(2) The competent authority shall acknowledge receipt of the complaint within two months of its receipt. Within the same period, it shall inform the competent authorities of the other Member States concerned about the complaint and the language to be used during the proceedings.

(3) Simultaneously with the filing under Para. 1, the person concerned shall file the complaint with identical content and attachments to the competent authorities of the other Member States concerned in the respective languages, indicating in it the Member States concerned by the disputed issue.

(4) The complaint may be filed only to the competent authority under Art. 134b, Para. 3, where the person concerned is a local person for tax purposes of the Republic of Bulgaria and is:

1. a natural person, or

2. a micro, small or medium-sized enterprise, that is not part of a large group within the meaning of the Accounting Act.

(5) In the cases of Para. 4, the competent authority shall simultaneously notify the competent authorities of the other Member States concerned within two months of receipt of the complaint. The person concerned shall be deemed to have lodged a complaint to all the Member States concerned, as from the date of notification.

(6) It is assumed, that before the competent authority under Art. 134b, Para. 3, a complaint has been submitted, when the competent authority of another Member State concerned notifies it of a complaint by a affected person, who is a local person for tax purposes of the Member State concerned and is a natural person or micro, small or medium-sized enterprise, which is not part of a large group in accordance with the relevant national legislation. The complaint shall be deemed to have been received on the date, on which the competent authority received the notification, referred to in sentence one.

(7) The rules under Para. 4 and 5 shall also apply to the answers to the request for additional information under Art. 134d, Para. 2, the withdrawal of the complaint under Art. 134e, Para. 7 and the request under Art. 134g, Para. 1.

Contents of the complaint

Art. 134d. (New, SG, 64/19, effective from 13.08.2019) (1) The complaint must contain:

1. the name / title of the complainant concerned and, accordingly, of the proxy, if filed by a proxy, the correspondence address, tax identification number, and other information, necessary to identify the complainant and, where appropriate - the identification details of each other person affected;

2. indication of other Member States concerned;

3. tax periods, to which the disputed issue concerns;

4. a detailed description of the relevant facts and circumstances of the case with a copy of all supporting documents, including:

a) information on the structure of the transaction and on the relationship between the person concerned and other parties to the respective transactions;

b) facts, established in good faith in a binding agreement between the person concerned and the tax administration of the Member State concerned, where applicable;

c) a description of the actions, leading to the issue in question and the date, on which they took place;

d) information on income, received in another Member State and on their inclusion in taxable income in that Member State, where applicable;

e) information on taxes, levied or to be levied in respect of the income referred to in letter "d" in the other Member State, where applicable;

f) the circumstances, referred to in letters “a” to “e” in the currencies of the Member States concerned;

5. a reference to the applicable national rules and the agreement or international agreements under Art. 134a, Para. 1; where more than one agreement or contract may be applied, the person concerned shall indicate the agreement or contract to be interpreted and applied in relation to the issue in question;

6. the following information, provided by the complainant, together with copies of all supporting documents:

a) an explanation of the reasons, why the person concerned considers that there is a controversial issue;

b) detailed information on all appeals and court proceedings, relating to the transactions in question, as well as any court decisions, relating to the disputed issue;

c) an obligation by the person concerned to respond in a comprehensive and timely manner to any relevant to the disputed issue request from the competent authority and to provide documentation at the request of the competent authority;

d) a copy of the act, establishing the tax liability or any other similar document, giving rise to the disputed issue, as well as any other documents, issued by the revenue authorities, respectively, by the tax authorities of the Member State concerned in relation to the disputed matter, if applicable;

e) information on complaints, filed by the person concerned under other mutual agreement procedures, or dispute settlement procedures under a double taxation agreement or other international agreements of a similar nature, as well as an undertaking an obligation by the person concerned, that will undertake the necessary actions to terminate these procedures in accordance with Art. 134y, Para. 7, where applicable;

7. other information of relevance for consideration of the concrete disputed issue in substance.

(2) The competent authority may request additional information, that it deems necessary to consider the substance of the disputed issue within three months of receipt of the complaint. Requests for additional information may also be made during the mutual agreement procedure under Art. 134f.

(3) The affected person, who received a request for additional information under Para. 2, shall reply within three months of receipt of the request. At the same time, the person shall send a copy of the reply to the competent authorities of the other Member States concerned.

(4) In cases, where the competent authority of another interested Member State has requested additional information, at the same time the person concerned shall provide a copy thereof also to the competent authority under Art. 134b, Para. 3.

(5) When the complaint is filed in accordance with Art. 134c, Para. 4, the competent authority shall send a copy of the additional information received under Para. 3 to the competent authorities of the other Member States concerned. The additional information shall be deemed to be made available to all Member States concerned on the date of its receipt by the relevant competent authorities.

Actions after sending the complaint

Art 134e. (New – SG, 64/19, in force from 13.08.2019) (1) The competent authority shall accept for consideration or reject the appeal with a decision within 6 months from its receipt. When additional information under Art. 134d, Para. 2 or such information has been provided by a competent authority to another interested Member State in the cases under Art. 134c, Para. 6, the 6-month period shall start from the receipt of the information by the

competent authority.

(2) The competent authority shall reject the complaint, where one of the following grounds is present:

1. the complaint does not contain the information under Art. 134d, Para. 1 or within the term of Art. 134d, Para. 3 the requested additional information has not been provided;

2. there is not dispute issue;

(3) The competent authority shall immediately inform the person concerned and the competent authorities of the other Member States concerned about its decision under Para. 1. Where the competent authority rejects the complaint, the decision shall give a general statement of the reasons therefor.

(4) Where the competent authority under Art. 134b, Para. 3 or the competent authority of another interested Member State has not taken a decision on the complaint within the time limit under Para. 1 or within the period, provided for by a similar provision in the legislation of the Member State concerned, the complaint shall be deemed to have been accepted by the competent authority concerned.

3. the complaint has not been sent within the 3-year term under Art. 134c, Para. 1.

(5) The person concerned may file a complaint against the decision under Para. 1 before the respective Administrative Court, in the event that the competent authorities of all the Member States concerned have rejected the complaint. It shall be lodged within 14 days of receipt of the last notification of rejection of the complaint by the competent authority of the Member State concerned. The decision of the Administrative Court shall be final and is not subject to appeal. When the decision under Para. 1 is repealed, the complaint shall be deemed to have been accepted by the competent authority, which shall inform about this the competent authorities of the other Member States concerned.

(6) In the term of Para. 1, the competent authority may decide the substance of the dispute without the involvement of the competent authorities of the other Member States concerned. In such a case, it shall immediately inform the person concerned and the competent authorities of the other Member States concerned and the dispute proceedings shall be terminated.

(7) The complaint may be withdrawn at any time after it has been filed by the person concerned with a written notification, sent simultaneously to the competent authority under Art. 134b, Para. 3 and to the competent authorities of the other Member States concerned. Proceedings on the disputed matter shall be terminated from the date of receipt of the notification. The competent authority under Art. 134b, Para. 3 shall immediately inform the other Member States concerned about the termination of proceedings.

(8) Except in the cases under Para. 6 and 7, the dispute proceedings shall also be terminated when the disputed issue ceases to exist. The competent authority shall immediately inform the person concerned about the termination, indicating in general terms the reasons on which it is based.

(9) The complaint proceedings shall also be terminated where one of the following grounds arises:

1. the complaint was rejected by the competent authorities of all the Member States concerned on the basis of Para. 2 or a similar provision in the legislation of the Member State concerned and within the time limit for appeal, provided for in the legislation of the Member States, no appeal has been lodged against the decision of the competent authority concerned or in all interested Member States the rejection has been confirmed by an act of a competent Court;

2. upon appeal of the decision of the competent authority under Para. 5 the rejection of the appeal was confirmed by the respective Administrative Court by an enforced act;

3. in another Member State concerned, the rejection of the complaint was confirmed by a competent court with an enforced act and the national law of that State does not allow it to be rejected;

4. the person concerned has withdrawn the complaint before the competent authority of another interested Member State in the cases under Art. 134c, Para. 6 and the competent authority under Art. 134b, Para. 3 has been notified about this.

Mutual agreement

Art. 134f. (New – SG, 64/19, in force from 13.08.2019) (1) Where the complaint is accepted for consideration by all interested Member States, the competent authority under Art. 134b, Para. 3 shall endeavor to resolve the matter in dispute by mutual agreement with the competent authorities of the other Member States concerned, within two years of the last notification by the Member State concerned about its decision to accept the complaint for consideration.

(2) The term under Para. 1 may be extended, but for no more than one year, at the reasoned written request of a competent authority of an interested Member State, addressed to all other competent authorities of interested Member States.

(3) When, within the term of Para. 1, an agreement has been reached to resolve the disputed issue, on which basis the competent authority shall issue a decision, which shall notify immediately the person concerned.

(4) The agreement reached finally shall resolve the disputed issue, and a decision, issued on the basis of it shall be binding on all bodies and institutions and shall be enforceable for the person concerned when he/she:

1. accepts the decision;

2. declares that is aware, that the disputed issue is being finally resolved by the agreement and that no other remedies of legal protection may be used against it, and

3. provides evidence within 60 days from the date of receipt of the notification under Para. 3, that action has been taken to terminate the proceedings, that have been initiated but still pending in connection with the use of other remedies of legal protection.

(5) When the conditions under Para. 4 and the conditions under a similar provision in the legislation of the other Member States concerned have been fulfilled, the decision under Para. 3 shall be fulfilled immediately in accordance with this Code, irrespective of the prescribed limitation periods. The decision shall not be subject to appeal.

(6) When, within the term of Para. 1, no agreement has been reached to resolve the disputed issue, the competent authority shall notify the person concerned, indicating in general the reasons for the inability to reach an agreement.

Resolution of disputes by an advisory commission

Art 134g. (New – SG. 64/19, effective from 13.08.2019) (1) The competent authorities of the Member States concerned shall set up an advisory commission to resolve the dispute at the request of the person concerned, when one of the following conditions has been fulfilled:

1. the complaint, lodged by the person concerned was rejected on the grounds provided for in Art. 134e, Para. 2 or in a similar provision in the legislation of another Member State concerned, at least by one, but not all competent authorities of the Member States concerned;

2. the competent authority under Art. 134b, Para. 3 and the competent authorities of the Member States concerned have accepted to consider the complaint, lodged by the person concerned, but have failed to agree on the resolution of the disputed issue within the time limit provided for in Art. 134f, Para. 1.

(2) A request under Para. 1, item 1 may be filed only when there are no pending proceedings under Art. 134e, Para. 5 or appeal proceedings against the decision rejecting the

appeal in another Member State concerned, and when the time-limits for appeal provided for in the legislation of all interested Member States have expired.

(3) The request under Para. 1 shall be submitted in writing within 50 days from the date of receipt of the notification under Art. 134e, Para. 3 or Art. 134f, Para. 6, respectively, from the date of the adoption of the act, annulling the rejection of the appeal in at least one of the Member States concerned. In the request, the person concerned shall declare the circumstances under Para. 2.

(4) The advisory commission shall be constituted within 120 days from the date of receipt of the request under Para. 1, and its chairman shall immediately inform the person concerned of this circumstance.

(5) The competent authority may refuse to set up an advisory commission, where the disputed issue does not involve double taxation and shall immediately inform about that the person concerned and the competent authorities of the other Member States concerned.

(6) Where the advisory commission shall be composed on the basis of Para. 1, item 1, it shall adopt a decision on the admissibility of the complaint within 6 months from the date of its establishment. The decision shall be notified to the competent authorities of the Member States concerned within 30 days of its adoption.

(7) When the advisory commission confirms with the decision under Para. 6, that the requirements of Art. 134c and 134d have been completed, the procedure for mutual agreement under Art. 134f shall start at the request of one of the competent authorities.

(8) When the request under Para. 7 is made by the competent authority under Art. 134b, Para. 3, it shall inform the advisory commission, the competent authorities of the other Member States concerned and the person concerned about that.

(9) When a mutual agreement procedure has commenced under the procedure of Para. 7, the term for resolving the dispute under Art. 134f, Para. 1 shall start to run from the date of notification of the decision of the advisory commission on the admissibility of the complaint.

(10) Where no request for a mutual agreement procedure under Para. 7 has been made within 60 days from the date of notification under Para. 6 for the decision of the advisory commission, the commission shall give an opinion on the resolution of the disputed issue under Art. 134p, Para. 1. For the purposes of Art. 134p, Para. 1, the advisory commission shall be deemed to have been constituted on the date, on which the term under sentence one has expired.

(11) Where the advisory commission is composed on the basis of Para. 1, item 2, it shall give an opinion on the resolution of the disputed issue in accordance with Art. 134p, Para. 1.

Composition of the advisory commission

Art. 134h. (New – SG, 64/19, in force from 13.08.2019) (1) The advisory commission for dispute resolution under Art. 134g shall have the following composition:

1. chairperson;

2. one representative of each competent authority of an interested Member State;

3. one independent expert, appointed by each competent authority of the Member States concerned from the list under Art. 134i.

(2) By agreement between the competent authorities of the Member States concerned, the number of representatives, respectively, of the independent experts under Para. 1, items 2 and 3 may be increased to two representatives, respectively to two independent experts, for each competent authority.

(3) The rules for appointment of independent experts shall be agreed between the competent authorities of the Member States concerned. To each independent expert shall be

assigned a substitute in accordance with the rules in sentence one for cases, where he or she is prevented from performing his / her duties. In the absence of agreed rules, the selection of independent experts shall be made by drawing lots.

(4) The representatives of the competent authorities and the independent experts shall elect a chairman from the list of persons, referred to in Art. 134i. The chairman shall be a judge, unless otherwise agreed by the representatives of the competent authorities and the independent experts.

(5) Except in the cases under Art. 134k, a competent authority may object to the appointment of an independent expert, when one of the following grounds exists:

1. the person is an employee of, or works for one of the revenue / tax administrations concerned or has been in such a position at any time during the last three years;

2. the person holds or has held a substantial share or voting power in any of the persons concerned or has been their employee or consultant at any time during the last 5 years before the date of his / her appointment as an independent expert;

3. the person does not provide sufficient guarantees of objectivity to resolve the disputed issue;

4. the person is an employee of another person, who provides tax advice, including by profession, or has been in such a position at any time during the last three years before the date of his appointment;

5. another reason, agreed in advance between the competent authorities of the Member States concerned.

(6) The competent authority may require a person, designated as an independent expert or his / her alternate to declare any interest, relationship or other circumstance, that may affect his / her independence or which may give rise to reasonable doubt about his / her impartiality during the proceedings.

(7) The restrictions under Para. 5 shall also apply to an independent expert, who participates in an advisory commission for a period of 12 months, starting from the opinion of the commission, in the event, that the relevant circumstance under Para. 5 would be a reason for the competent authority to object to his inclusion in the advisory commission.

List of independent experts

Art. 134i. (New, SG, 64/19, effective from 13.08.2019) (1) The competent authority shall designate three or more persons, who are competent and independent and can act with impartiality and integrity for inclusion in the list of independent experts, maintained by the European Commission. The list of independent experts shall be composed of all independent experts, designated by the Member States.

(2) An independent expert may be a capable adult, who has not been convicted of a deliberate crime of general nature, has a university degree in economics or law, at least 8 years of professional or academic experience in the field of direct taxation, double taxation agreements or transfer pricing and he has high moral qualities.

(3) The competent authority shall provide the European Commission with the names of the independent experts, designated by it, as well as full and up-to-date information on their professional and academic experience, their competence, expertise and possible conflict of interest. The competent authority may designate one or more of the independent experts it designates, who may be elected as a chair of the advisory commission.

(4) The competent authority shall immediately inform the European Commission of any change to the list of independent persons.

(5) The competent authority shall determine by an order the procedure for the inclusion of independent experts in the list under Para. 1 and their deletion, when they cease to meet the requirement of independence.

(6) The competent authority may object to the existence of an independent expert in the list, maintained by the European Commission, when there are reasonable doubts as to his independence by notifying the European Commission and providing evidence for that.

(7) When the competent authority has been notified by the European Commission of the objection and evidence, received against an independent expert, designated by it in the list under Para. 1, within six months he shall take the necessary actions for consideration of the complaint and decide on the retention or deletion of the respective person from the list. The competent authority shall immediately inform the European Commission of its decision.

Determination of composition of the advisory commission by the Court

Art134k. (New – SG, 64/19, in force from 13.08.2019) (1) The person concerned may request from the respective Administrative Court to determine the composition of the advisory commission under Art. 134h, when the competent authority has not done so within the term under Art. 134g, Para. 4. The request shall be submitted within 30 days after the expiry of the term under Art. 134g, Para. 4.

(2) The Court shall appoint an independent expert and his / her alternate from the list of independent experts, and in the cases under Art. 134h, Para. 2 - two independent experts and their alternates. In determining them, the Court must take into account their competence and all circumstances, that ensure the appointment of an independent and impartial expert in accordance with Art. 134h.

(3) The Court shall appoint one representative of the competent authority, and in the cases under Art. 134h, Para. 2 - two representatives to participate in the advisory commission, obliging the competent authority to provide a list of persons, who may hold this position.

(4) In the cases of Para. 2 and 3 the Court shall rule within 30 days of the submission of the request. The Court's decision shall be final. The Court shall communicate the decision to the person concerned and to the competent authority, which shall immediately inform the competent authorities of the other Member States concerned.

(5) Where the competent authorities of all the Member States concerned have not nominated independent experts and their alternates and the person concerned has so requested from the competent courts or national appointing authorities, the designated independent experts shall, by lot, elect the chair from the list, maintained by the European Commission.

(6) Where more than one affected person is involved in the proceedings, each of them shall bring the matter before the competent Court or appointing authority in the state of which he is a local person for tax purposes, for appointment of independent experts and their alternates.

Alternative commission for solving disputes

Art. 134l. (New, SG, 64/19, effective from 13.08.2019) (1) The competent authorities of the Member States concerned may agree to establish an alternative dispute resolution commission, instead of an advisory commission, which should present an opinion to resolve the disputed issue in accordance with Art. 134p.

(2) The alternative commission under Para. 1 may also be a commission of a permanent nature, set up by the competent authorities of the Member States for alternative dispute resolution.

(3) In its composition and structure, the alternative commission may be different from the advisory commission. The rules under Art. 134h, Para. 5 to 7 shall also apply to the alternative commission.

(4) The alternative commission may apply any procedures and means of resolving the dispute in a binding manner, applied in arbitration proceedings.

(5) The competent authorities of the Member States concerned shall adopt Rules of

Procedure for the alternative commission in accordance with Art. 134m. Unless otherwise provided in the Rules in relation to the alternative commission, Art. 134n and 134o shall apply accordingly.

Rules of procedure

Art. A34m. (New – SG, 64/19, in force from 13.08.2019) (1) The competent body shall notify the person concerned within the term under Art. 134g, Para. 4 about the establishment of an advisory commission, respectively an alternative dispute resolution commission, for the following:

1. the Rules of Procedure of the advisory commission or the alternative commission;

2. the period, within which the opinion must be adopted in connection with the resolution of the disputed issue in question;

3. the applicable provisions in the national law of the Member States concerned, including applicable agreements or other international agreements of a similar nature.

(2) The Rules of Procedure shall be signed by the competent authorities of the Member States concerned, which are parties to the dispute.

(3) The Rules of Procedure shall contain:

1. description of the disputed issue;

2. the rules, on which the competent authorities of the Member States agree on the points of law and fact, which must be resolved;

3. the structure of the dispute settlement body, which may be an advisory commission or an alternative commission, and the type of alternative dispute resolution procedure, if different from the independent opinion procedure, applied by the advisory commission;

4. terms for conducting the dispute resolution procedure;

5. the composition of the commission, including the number and names of the members, detailed information about their competence and qualifications, as well as disclosure of any conflict of interests of the members;

6. the rules for the involvement of the affected person and third parties concerned in the proceedings, exchange of papers, information and evidence, costs, the type of dispute settlement procedure and any other procedural or organizational matters;

7. logistical organization of proceedings and adoption of the opinion by the commission.

(4) Where the advisory commission is composed in accordance with Art. 134g, Para. 1, item 1, the Rules of Procedure shall contain only the information, specified in Para. 3, items 1, 4 - 6.

(5) When the Rules of Procedure are incomplete or the person concerned has not been notified under Para. 1, the activities of the commission shall be carried out on the basis of standard rules of procedure, approved by the European Commission.

(6) Where the person concerned has not been notified of the Rules of Procedure within the time limit under Para. 1, the chairman and the independent experts shall draw up Rules, based on the standard model of Para. 5 and shall send it to the person concerned within two weeks from the date of the establishment of the advisory commission or of the alternative Commission respectively. Where the chairman and the independent experts have not agreed on the Rules of Procedure or have not informed about it the person concerned, the person concerned may ask the relevant Administrative Court or the competent court of another Member State concerned to oblige them to draw up Rules.

Costs for the proceedings

Art. 134n. (New, SG, 64/19, effective from 13.08.2019) (1) Unless otherwise agreed by the competent authorities, the Member States concerned shall equally share the following costs for carrying out the proceedings under this Section:

1. the costs of independent experts, equal to the average of the usual amount, reimbursed to senior officials of the Member States concerned, and

2. the fees of independent experts, where applicable, up to EUR 1000 or their equivalent per person per day - for each day, during which the advisory commission or the alternative commission meets.

(2) The costs, incurred by the person concerned shall be borne by him.

(3) The expenses, referred to in Para. 1, items 1 and 2, shall be taken over by the person concerned when the competent authorities of the Member States concerned have agreed to it and the person concerned:

1. has notified about the withdrawal of the complaint under Art. 134e, Para. 7, or

2. has made a request for the establishment of an advisory commission after rejection of the complaint on the grounds of Art. 134e, Para. 2 or similar provision in the legislation of another Member State concerned and the advisory commission confirmed the decision of the relevant competent authorities for the rejection.

Information, evidence and hearing

Art. 134o. (New, SG, 64/19, effective from 13.08.2019) (1) Where the competent authorities of the Member States concerned have reached an agreement, the person concerned may submit any documents, data and other evidence in the proceedings under Art. 134g, which may be relevant for the opinion of the advisory commission, or the alternative commission respectively.

(2) At the request of the advisory commission or the alternative commission, respectively, the person concerned and the competent authorities of the Member States concerned shall be required to supply all documents, data and other evidence, relevant to the proceedings.

(3) The competent authority may refuse to provide information under Para. 2, when one of the following reasons exists:

1. receiving the information requires application of administrative measures, that are not in compliance with the Bulgarian legislation;

2. the information cannot be obtained according to the Bulgarian legislation;

3. the information constitutes a trade, business, industrial or professional secret and trade process;

4. disclosure of information would be contrary to public order.

(4) The person concerned may, at his request and with the agreement of the competent authorities of the Member States concerned, attend a meeting of the advisory commission or the alternative commission, either in person or through a representative.

(5) At the request of the commission, the person concerned must appear before it personally or through a representative.

(6) The person concerned and his representative shall submit a declaration to the competent authorities, obliging them to keep confidential the information, to which they have access in the dispute settlement proceedings, when requested to do so in the course of the proceedings.

Opinion of the advisory commission, or of the alternative commission

Art. 134p. (New – SG, 64/19, in force from 13.08.2019) (1) The advisory commission, respectively the alternative commission, shall submit its opinion in writing to the competent authorities of the Member States concerned within 6 months. after the date of its establishment. The period under sentence one may first be extended by three months when, due to the nature of the matter at issue, the commission decides that a longer period is required to submit an opinion. The commission shall inform the person concerned and the competent authorities of the Member States concerned of the extension of the term.

(2) The advisory commission or the alternative commission respectively, shall base their opinion on the provisions of the applicable agreement or other international agreement of similar nature and of the applicable national rules.

(3) The advisory commission, or the alternative commission, shall adopt its opinion by a simple majority. In the absence of a majority, the chairperson's vote shall be decisive for the final opinion.

(4) The chairperson shall communicate the opinion of the commission to the competent authorities of the Member States concerned.

Final decision

Art. 134q. (New, SG, 64/19, effective from13.08.2019) (1) The competent authorities of the Member States concerned shall reach an agreement and adopt a final decision within six months of receipt of the opinion of the advisory commission or of the alternative commission respectively.

(2) The opinion of the advisory commission or of the alternative commission shall be binding for the competent authorities in making the final decision only when the competent authorities have not reached an agreement on the resolution of the disputed issue within the time limit under Para. 1.

(3) The competent authority shall immediately inform the person concerned of the final decision of the resolved disputed issue. Where, within 30 days of the decision being taken, the person concerned, who is a local person for tax purposes of the Republic of Bulgaria, is not informed thereof, he may request the respective Administrative Court to oblige the competent authority to provide him with the final decision.

(4) The final decision shall be enforceable for the person concerned, provided that within 60 days from the date of receipt of the notification under Para. 3, accepts the decision and declares, that he is aware, that the disputed issue is finally resolved with the entry into force of the decision and that no other legal protection can be used against it, respectively fulfil the conditions for the entry into force of the decision, according to a similar provision in the legislation of the other Member States concerned.

(5) The final decision shall not be subject to appeal and shall be enforced without delay under the terms of this Code, irrespective of the statute of limitations, unless the competent Court of an interested Member State has determined, that to an independent expert the conditions of independence under Art. 134h, Para. 5 or similar provision in the legislation of the Member State concerned.

(6) The final decision to settle the dispute shall be binding in relation to the matter at issue for the competent authority and for all authorities and institutions.

(7) Where the final decision is not enforced by the competent revenue authority, the person concerned may request the relevant Administrative Court to oblige the authority to enforce it.

Execution of an enforced decision for settling the dispute

Art. 134r. (New – SG, 64/19, in force from 13.08.2019) (1) Where no audit act has been issued on the disputed issue, the person concerned shall file a declaration or a correction declaration under Art. 104 within three months from the entry into force of the decision under Art. 134f or 134p. A declaration shall not file a person, for whom there is no obligation to declare under the Corporate Income Tax Act or the Personal Income Tax Act.

(2) Where the person concerned has not filed a declaration or the declaration finds inconsistencies with the decision, entered into force under Art. 134f or Art. 134p on the disputed matter, the revenue body may issue an act under Art. 107.

(3) When a revision act has been issued on the disputed issue, that has not been appealed under a judicial procedure, Art. 133, Para. 2, p. 6 shall apply.

(4) On the basis of a decision in force on the disputed issue, the person concerned may file a request for set-off or reimbursement within the period of Para. 1, if this period expires after the term under Art. 129, Para. 1.

Publicity

Art. 134s. (New – SG, 64/19, in force from 13.08.2019) (1) The competent authority may agree, the final decision under Art. 134p to be published in its entirety in the central register, maintained by the European Commission, with the express agreement of the person concerned and the competent authorities of the other Member States concerned.

(2) Where the competent authority or the person concerned do not consent to the publication of the final decision in its entirety, a summary of the decision shall be published in the central register. The summary shall include a general description of the issue at hand, the date, the relevant tax periods, the legal basis, the business sector, a brief description of the final result, and a description of the arbitration method used.

(3) The competent authority shall send the information under Para. 2 to the person concerned before its publication. Within 60 days of receipt of the information, the person concerned may request the competent authorities not to publish information, relating to any trade, business, industrial or professional secret or trade process, as well as information contrary to the public order.

(4) The information under Para. 1 and 2 shall be published in a form, approved by the European Commission.

(5) The competent authority shall immediately forward to the European Commission the information, published in accordance with Para. 2 and 3.

Competition with other proceedings

Art. 134t. (New, SG, 64/19, effective from 13.08.2019) (1) The person concerned may use the procedures provided for in this Section, regardless of whether the disputed issue has been resolved by an enacted act, except where a judgment has entered into force.

(2) The consideration of a dispute in a procedure under this Section shall not prevent the initiation or continuation of judicial, administrative or criminal proceedings in connection with the dispute in question.

(3) When the disputed issue is the subject of court proceedings under Para. 2, the procedure for the appeal under Art. 134e and 134f shall be suspended, pending the pronunciation of a judgment by the court with an enacted act. When the court proceedings are suspended or concluded by an act, other than a court decision, the proceedings under this Section shall be resumed, with the time limits under Art. 134e, Para. 1 and 6 and Art. 134f, Para. 1 and 2 shall commence on the date, on which the act enters into force.

(4) When the court proceedings concerning the disputed issue under Para. 3 ended with an enforced judgment, the competent authority shall notify the competent authorities of the other Member States concerned, where:

1. the procedure of mutual agreement under Art. 134f shall be terminated, with effect from the date of notification to the competent authorities of the other Member States concerned, when the judgment has been given before agreement is reached on the settlement of the disputed matter under a mutual agreement under Art. 134f;

2. the competent authority refuses to form an advisory commission when the judgment has been rendered before the person concerned submits a request for settlement of the dispute under Art. 134g, in the event, that the disputed issue remained unresolved during the mutual agreement procedure in accordance with Art. 134f;

3. the proceedings for the settlement of disputes by an advisory commission, respectively by an alternative commission, is terminated, when the court decision is rendered after the submission of a request under Art. 134g and before the commission has delivered its

opinion to the competent authorities of the Member States concerned in accordance with Art. 134p.

(5) When criminal proceedings have started under Para. 2 for a crime against the tax system under Art. 255 and 255a of the Penal Code, the proceedings under this Section shall be suspended until the completion of the criminal proceedings by an enacted act. At the conclusion of the criminal proceedings by an act, imposing a penalty under sentence one, the competent authority shall notify the competent authorities of the other Member States concerned about it and the proceedings under this Section shall be terminated, respectively, and the competent authority shall refuse to set up an advisory commission. .

(6) Proceedings under this Section shall also be terminated, if the competent authority is notified by a competent authority of another Member State of the termination of the dispute resolution proceedings on the basis of circumstances, provided for in the legislation of the Member State concerned.

(7) The initiated proceedings for the settlement of disputes under an agreement or other international agreement of similar nature, which are interpreted or applied in connection with the disputed issue, shall be terminated by filing a complaint under Art. 134c from the date of first receipt of the complaint by a competent authority of an interested Member State.

Section III.
Procedure of applying the agreements for avoiding the international double taxation of the income and the property regarding foreign persons

General Principles

Art. 135. (1) This section settles the procedure of applying the tax relief for foreign persons stipulated by the enacted agreements for avoiding the double taxation (AADT).

(2) The agreements for avoiding double taxation shall apply after certifying the grounds for that.

Grounds for applying the agreements for avoiding double taxation

Art. 136. For the purposes of art. 135, para 2 after the appearing of tax obligation for income from source in the country the foreign person shall certify before the body of receivables that:

1. he/she is a local person of the other country in the meaning of the respective AADT;

2. he/she is a holder of the income from a source in the Republic of Bulgaria;

3. does not have a permanent establishment or a base on the territory of the Republic of Bulgaria, to whom the respective income is actually related;

4. the special requirements for applying AADT or its individual provisions have been met regarding persons determined by the AADT itself, when such special requirements are contained in the respective AADT.

Beneficial Owner

Art 136a. (new – SG 94/10, in force from 01.01.2011) (1) A foreign person shall be an owner (beneficiary) of the income, where:

1.is entitled to dispose the income and to assess its utilisation and to bear the whole or a substantial degree of the risk from the activity by which the income is being realised;

2. does not act as a company for income redirection.

(2) A company for income redirection is a company, which is being controlled by

persons, who would not be entitled to the same type and amount of reductions, if the income had been realised directly by them, and does not carry out any business activity beyond the possession and/or administration of the rights or assets from which the income of the company is realised, and the company:

1. does not dispose with assets, capital or staff adequate to its business activity, or

2. does not have the control over the usage of the rights or of the assets by which the income is realised.

(3) A foreign person, if more than half of its voting shares are traded on a regulated market, shall not be considered a company for income redirection.

Certifying the grounds

Art. 137. (1) The circumstances under Art. 136 shall be indicated by a request in a form approved by the executive director of the National Revenue Agency.

(2) The circumstances under Art. 136, item 1 shall be certified by the foreign tax administration in the request under para 1 or according to the usual practice.

(3) The circumstances under Art. 136, item 2 and 3 shall be declared by the foreign person.

(4) The circumstances under art. 136, item 4 shall be certified by official documents, including abstracts of public registers. When such documents are not issued, other written evidence shall be acceptable. These circumstances may not be certified by declarations.

Evidences

Art. 138. (1) To the request under art. 137, para 1 shall be attached also and written evidences regarding the kind, the ground for realization and the size of the respective income.

(2) The evidences under para 1 may be:

1. when the right of receiving the concrete income ensues from a contractual legal relation - a written contract, and if there is none - proof of the presence of a contractual legal terms of relation between the payer of the income and the foreign person;

2. in case of payment of income from dividends - a decision of the general assembly of the company, coupon notes, abstract from the book of the stock holders certified by the company, a copy of a copier or a temporary certificate, personal certificate for dematerialised shares, an abstract of the book for dematerialised shares or other document certifying the kind the size of the income, as well as the size of the share of the foreign person;

3. for income from a liquidation share - a document proving the size of the investment, a final liquidation balance after the satisfaction of the creditors and a document determining the distribution of the liquidation share, and for distribution of the liquidation share in kind - a decision of the partners or share holders and documents on whose grounds the market price of the liquidation share was determined;

4. for income from interest on instalments under Art. 134 and 190 of the Commerce Act - a decision of the general assembly, indicating the size or the way of determining the interest on these instalments;

5. for income from state, municipal and other debtor’s securities which are not exempt from taxation - a nominal certificate for ownership, including interest and/or discounts; interest coupons on bonds or other document certifying the ownership and the size or the way of determining the interest;

6. for interest on granted loan - a contract and proof of the calculated interest;

7. for income from passage of:

a) stocks, bonds, tradable rights of stocks and other corporate rights and securities when they are not exempt from taxation by virtue of a law - a document for passage of the rights and a document proving the sale price and the price of acquisition;

b) share holding - certified copy of the entered into the trade register contract for sale of a company share, as well as documents proving the price of acquisition of this share;

c) other movable and immovable property when the income from this property is not exempt from taxation - documents proving the price of acquisition of this property and sale price.

(3) The request under art. 137, para 1 may be accompanied, besides the evidences under para 2, and by any other written evidences which would serve to clarify and establish the grounds for application of the respective AADT and the type, the size and the ground for realisation of the respective income.

Filing the request

Art. 139. (1) The request under Art. 137, para 1 and the documents attached to it shall be filed in the territorial directorate of registration of the payer of the income or in the directorate where he/she is subject to registration.

(2) If the payer is not subject to registration the request under Art. 137, para 1 and the documents attached to it shall be filed in Territorial directorate - Sofia.

Contracts with continuous effect

Art. 140. (1) When the income is realized on the basis of contracts with continuous effect or it is realized by one and the same person on equal grounds a request under Art. 137, para 1 shall be filed once.

(2) The income from dividends shall not be considered income under para 1.

(3) (amend. – SG 63/06, in force from 04.08.2006) The foreign person shall inform the territorial directorate about each change of the circumstances under Art. 136 and 138 within 30 days from their occurrence.

Actions of the bodies of receivables

Art. 141. (1) (amend. – SG 105/06, in force from 01.01.2007) The bodies of receivables shall exercise control over the implementation of AADT by a check or an audit. On carrying out a check a statement for the presence or absence of grounds for applying AADT shall be issued to the foreign person within 60 days after filing the request under Art. 137, para 1. A copy of the statement shall be sent to the payer of the income.

(2) (amend. and suppl. – SG 105/06, in force from 01.01.2007) The bodies of receivables shall issue a statement for lack of grounds for applying AADT when the foreign person has not met the requirements of Art. 136 – 138 and has not removed the incompleteness in 15-days term from the date of the request by the revenue body. Not delivering of a statement within the term of para 1 shall be considered a statement of presence of grounds for applying AADT.

(3) (suppl. – SG 105/06, in force from 01.01.2007; amend. - SG 108/07, in force from 19.12.2007) From the moment of issuing of the statement of presence or absence of ground for applying AADT or non-resolution within the term under para 1, the requirements of Art. 135, para 2 shall be considered fulfilled. Where in relation to the request submitted under Art. 137, para 1 audit is carried out, during which it is found that there are grounds for applying AADT,

the requirements of Art. 135, para 2 shall be considered to be fulfilled by the moment of submitting the request.

(4) (amend. – SG 105/06, in force from 01.01.2007) The statement for lack of grounds for applying AADT shall be subject to appeal by the recipient of the income or by the payer, in case the latter is authorised thereof by the recipient of the income. The appealing shall be implemented by the procedure of appealing the audit acts, provided that the appeal is submitted via the territorial directorate, in which the request has been submitted.

(5) (new - SG 108/07, in force from 19.12.2007) The statement for lack of grounds for applying AADT shall be subject to appeal together with the audit act or with the act for deduction or restoration as per Art. 129, para 2, with which implementation of AADT has been refused.

(6) (amend. – SG 105/06, in force from 01.01.2007; prev. text of para 5, amend. - SG 108/07, in force from 19.12.2007) Regardless of the statement under para 1 and in those cases referred to in Art. 142 the lawful implementation of AADT shall be subject to subsequent control at carrying out audit, unless it has been subject to appeal individually.

Specific cases

Art. 142. (1) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 108/07, в in force from 19.12.2007; amend. – SG 14/11, in force from 15.02.2011) When a payer charges to a foreign person incomes from a source in the country with total amount to 500 000 lv. per year, the circumstances under Art. 136 shall be certified before the payer of the income. In this case a request under Art. 137, para 1 shall not be filed.

(2) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 108/07, в in force from 19.12.2007; amend. – SG 14/11, in force from 15.02.2011) In the cases under para 1, when the total extent of the realized incomes exceeds 500 000 lv. within the range of the tax year, the grounds for application of AADT regarding the total extent of the incomes shall be certified by the order of Art. 137 – 139.

(3) After paying a tax, the grounds for applying AADT regarding the already taxed income shall be proven by the order of Art. 129.

(4) At implementing a check by the order of Art. 129 or an audit, the circumstances under Art. 136 shall be certified before the body of receivables without filing a request at sample, and if such has been filed, shall not be issued a statement on it.

(5) (new – SG 14/11, in force from 15.02.2011, suppl. - SG 63/17, in force from 04.08.2017) In case of implementation of the special procedure under para 1 for verification of the grounds for application of tax relief according to AADT, the payer of income of foreign natural or legal persons, who is obliged to deduct and pay final tax according to the Income Taxes on Natural Persons Act or the Corporate Income Taxation Act, shall declare by March 31 of the following year the amount of the income paid and the provided tax relief. The declaring shall be carried out by submitting a declaration in a form, approved by the Executive Director of the National Revenue Agency, at the territorial directorate, where the income payer is registered or is subject to registration. Where income is paid to more than five persons, the declaration shall be submitted only electronically in a format and order approved by order of the Executive Director of the National Revenue Agency.

Section III "a".
Automatic exchange of financial information in the field of taxation (New - SG 94/15, in force from 01.01.2016)

Subsection I.
General conditions (New - SG 94/15, in force from 01.01.2016)

Subject matter

Art. 142a. (new - SG 94/15, in force from 01.01.2016) (1) This Section regulates the order of implementing administrative cooperation through automatic exchange of financial information in the field of taxation with participating jurisdictions, the duties of the financial institutions providing information of the collection, the implementation of the complex check procedures and the provision of financial information.

(2) Automatic exchange of financial information means systematic provision of information under Art. 142b, Para 1 to a participating jurisdiction regarding persons that are local for taxation purposes to the said participating jurisdiction, without advance request, on time intervals determined in advance.

Scope of the financial information

Art. 142b. (new - SG 94/15, in force from 01.01.2016) (1) Each reporting financial institution must report information with respect to each account meeting the requirements of § 1a, Item 40 of the Additional Provisions to the executive director of the National Revenue Agency, which shall include:

1. the name, address, participating jurisdiction of which the person is local for taxation purposes, tax number, date and place of birth (in the case of an individual) of each reportable person that is an account holder;

2. where the account holder is an entity that, after application of the due diligence procedures is identified as a passive non-financial entity having one or more Controlling Persons that is a Reportable Person - the name, address, tax number and participating jurisdiction or another jurisdiction of which the person is local for taxation purposes, and also the name, address, participating jurisdiction, of which it is a local person for taxation purposes, tax number, date and place of birth of each controlling person that is a reportable person;

3. the account number or functional equivalent in the absence of an account number;

4. the name and identifying number (if any) of the Reporting Financial Institution;

5. the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or the date of closure of the account;

6. in the case of any Custodial Account:

a) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year; and

b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

7. in the case of any Depository Account - the total gross amount of interest paid or credited to the account during the calendar year;

8. in the case of any account not described in Items 6 or 7, the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

(2) Where a Reported Person is a local person for taxation purposes of more than one

participating jurisdictions, the information shall be provided for each participating jurisdiction separately.

(3) The reported information shall identify the currency in which each amount is denominated.

(4) (suppl. - SG 63/17, in force from 04.08.2017) The tax number or date of birth is not required to be reported if they are not in the records of the Reporting Financial Institution and the latter was not required to collect it under the terms of this Code or any other law. However, the Reporting Financial Institution shall obtain the tax number and date of birth with respect to account holder by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts.

(5) Tax number is not required to be reported if such tax number is not issued by the relevant jurisdiction for local persons of which tax information is provided.

(6) (Amend. – SG, 64/19, in force from 13.08.2019) The place of birth is not required to be reported if the Reporting Financial Institution does not have such information and is not otherwise required, or has not been required to obtain it pursuant to another procedure.

(7) For the purposes of the Agreement between the Government of the United States of America and the Government of the Republic of Bulgaria to Improve International Tax Compliance and to Implement FATCA, signed in Sofia on 5 December 2014, ratified by law (SG 47/15), hereinafter referred to as the “FATCA Agreement”, if the reporting financial institution does not have information of the tax number in respect of an existing account of a natural person, the date of birth of the account holder should be necessarily provided and information of the tax number shall be collected within the time limit referred to in Para 4.

(8) The Reporting Financial Institution shall apply the due diligence procedures under the conditions and order of the present section in order to identify the reported accounts and the non-participating financial institutions, the payments to which are being reported.

(9) The Reporting Financial Institution (other than a trust), which is local for tax purposes of two or more states, shall apply the due diligence procedures and report to the state, in which it maintains the Financial Accounts.

Term or reporting information

Art. 142c. (new - SG 94/15, in force from 01.01.2016) (1) The information referred to in Art. 142b, Para 1 shall be provided electronically once per year by 30 June of the year following the year it relates to, according to a procedure and in a format approved by the executive director of the National Revenue Agency.

(2) A Reporting Financial Institution, not maintaining reported accounts, shall declare this within the term under Para 1.

(3) The Reporting Financial Institution shall provide to the executive director of the National Revenue Agency information of the name and the total amount of payments to each non-participating financial institution made by it during 2015 and 2016. The information shall be provided within the term under Para 1.

(4) Where the Reporting Financial Institution makes a payment from a United States of America source, which is levied a tax pursuant to Art. 1, Para 1, Item “dd” of the FATCA Agreement to a non-participating financial institution, or acts as a proxy for such payment, the Reporting Financial Institution shall inform the direct payer of the income thereof.

(5) (suppl. - SG 63/17, in force from 04.08.2017) The executive director of the National Revenue Agency shall perform automatic exchange of information with the competent authorities of each participating jurisdiction, with which there is an agreement. The information referred to in Art. 142b, Para 1 shall be exchanged in standardised electronic form by 30 September of the year following the year it relates to.

List of non-reporting financial institutions, excluded accounts and participating

jurisdictions

Art. 142d. (new - SG 94/15, in force from 01.01.2016) (1) The executive director of the National Revenue Agency shall draw up a list of the formations considered as non-reporting financial institutions under § 1a, Item 12, Letter “c” of the Additional Provisions, and of the accounts considered excluded under § 1a, Item 39, Letter “g” of the Additional Provisions.

(2) The list under Para 1 shall be approved in an order of the executive director of the National Revenue Agency, published on the website of the Agency and shall be sent to the European Commission, which shall be notified of any subsequent changes therein.

(3) The executive director of the National Revenue Agency shall publish a list of the participating jurisdictions on the website of the Agency.

Subsection II.
Due diligence procedures (New - SG 94/15, in force from 01.01.2016)

Due diligence general rules

Art. 142e. (new - SG 94/15, in force from 01.01.2016) (1) The Reporting Financial Institution shall treat an account as a Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures. Information with respect to the account shall be reported annually in the calendar year following the year to which the information relates, unless otherwise provided in the present Code.

(2) The balance or value of a Reportable Account shall be determined as of the last day of the calendar year.

(3) The Reporting Financial Institution may use a third-party service provider to fulfil the reporting and due diligence obligations under the present Section.

(4) In the cases of Para 3 the obligations shall remain the responsibility of the Reporting Financial Institution, which shall have access or own the information and the documentary evidence used for performance of the due diligence.

(5) The Reporting Financial Institution may apply the due diligence procedures for New Accounts to Preexisting Accounts, while the relief applicable to Preexisting Accounts shall continue to apply.

(6) The Reporting Financial Institution may apply the due diligence procedures for High Value Accounts to Lower Value Accounts.

Subsection III.
Due diligence for individual accounts (New - SG 94/15, in force from 01.01.2016)

Due diligence for preexisting individual accounts of lower value

Art. 142f. (new - SG 94/15, in force from 01.01.2016) (1) The following procedures apply with respect to preexisting individual accounts of lower value:

1. (amend. - SG 63/17, in force from 04.08.2017) the Reporting Financial Institution, having in its records a last residence address for the individual Account Holder based on Documentary Evidence, may treat him as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person;

2. a Reporting Financial Institution, which does not apply the procedures under Item 1, shall review electronically data maintained by it for any of the following indicia:

a) identification of the Account Holder as a resident for tax purposes of a participating jurisdiction;

b) (amend. - SG 63/17, in force from 04.08.2017) last residence or mailing address (including a post office box) in a participating jurisdiction;

c) one or more telephone numbers in a participating jurisdiction and no telephone number in the Republic of Bulgaria;

d) standing instructions to transfer funds to an account maintained in a participating jurisdiction, other than with respect to a Depository Account;

e) currently effective power of attorney granted to a person with an address in a participating jurisdiction;

f) a “in-care-of” address or a “hold mail” instruction in a participating jurisdiction if the Reporting Financial Institution does not have any other address on file for the Account Holder.

(2) If the Reporting Financial Institution has not used due diligence at a residence address under Para 1, Item 1 and there is a change of circumstances as a result of which the Reporting Financial Institution has learned or may be reasonably expected to have learned that the initial documentary evidence (or other documentation of equal value) is wrong or non-authentic, the Reporting Financial Institution shall receive a declaration and new documentary evidence establishing that the Account Holder is a local person for tax purposes. The declaration and the new documentary evidence referred ton in the first sentence shall be received before the whichever of the following dates expires later:

1. the last day of the respective calendar year, or

2. ninety calendar days following the notification or the reveal of the change of circumstances.

(3) If no declaration or new documentary evidence is received within the term under Para 2, the Reporting Financial Institution shall apply a procedure of reviewing the electronically data under Para 1, Item 2.

(4) For the purposes of the FATCA Agreement:

1. Paragraph 1, Item 1 shall not apply;

2. the indicia under Para 1, Item 2 shall include also identification of the account holder as being a citizen of the United States of America and place of birth in the United States of America;

3. in case of review of the indicia under Para 1, Item 2, Letter “c” the lack of a phone number in the Republic of Bulgaria shall not be taken into account;

4. in case of review of the indicia under Para 1, Item 2, Letter “d” the deposit accounts shall not be excluded.

Consequences on discovery of indicia

Art. 142g. (new - SG 94/15, in force from 01.01.2016) (1) If none of the indicia listed in Art. 142f, Para 1, Item 2 are discovered by the Reporting Financial Institution in the electronic search, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account, or the account becomes a High Value Account.

(2) If any of the indicia listed in Art. 142f, Para 1, Item 2, Letters “a” - “e” are discovered by the Reporting Financial Institution in the electronic search, or if there is a change in circumstances that results in one or more indicia being associated with the account, then the Account Holder shall be treated as a resident for tax purposes of each participating jurisdiction for which an indicium is identified, unless it elects to apply Art. 142h.

(3) If the Reporting Financial Institution has discovered only indication under Art. 142f, Para 1, Item 2, Letter “f” in the electronic search, it must apply the paper record search for the Account Holder described in Art. 142i, Para 1, Item 2, or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder.

(4) (suppl. - SG 63/17, in force from 04.08.2017) If none of the indicia is discovered by the Reporting Financial Institution in the paper record search under Para. 3 and no

self-certification or Documentary Evidence is received, the account shall be deemed undocumented account and it shall be reported to the executive director of the National Revenue Agency.

(5) Each preexisting account of a natural person identified as a reportable account shall be deemed a reportable account during each subsequent year, unless the account holder ceases to be a reportable person.

Exceptions on discovery of indicia

Art. 142h. (new - SG 94/15, in force from 01.01.2016) (1) The Reporting Financial Institution is not required to treat an Account Holder as a local person of a participating jurisdiction for tax purposes on discovery of indicia, when:

1. the Account Holder information contains indicia under Art. 142f, Para 1, Item 2, Letters “b”, “c” or “d” and the Reporting Financial Institution obtains, or maintains a record of the following documents:

a) a self-certification from the Account Holder of the jurisdiction(s) of which he is a local person for tax purposes; and

b) Documentary Evidence establishing the Account Holder’s non-reportable status;

2. the Account Holder information contains an indication under Art. 142f, Para 1, Item 2, Letters “e” and the Reporting Financial Institution obtains, or maintains a record of some of the following documents:

a) a self-certification from the Account Holder of which he is a local person for tax purposes; or

b) Documentary Evidence establishing the Account Holder’s non-reportable status.

(2) For the purposes of the FATCA Agreement a Reporting Financial Institution is not required to treat an Account as a a Reportable Account if the information of the Account Holder includes a telephone number in the United States of America and a telephone number in another jurisdiction or the indication under Art. 142f, Para 1, Item 2, Letter “f”, and the Reporting Financial Institution obtains, or maintains a record of some of the following documents:

a) a self-certification from the Account Holder of which he is a local person for tax purposes;

b) Documentary Evidence establishing the Account Holder’s non-reportable status.

(3) For the purposes of the FATCA Agreement a Reporting Financial Institution is not required to treat an Account as a a Reportable Account if the information of the Account Holder includes a place of birth in the United States of America and the Reporting Financial Institution obtains, or maintains a record of some of the following documents:

1. a self-certification from the Account Holder that he is not a US citizen or a resident of US for tax purposes;

2. a passport or another official identity document indicating that the Account Holder's nationality is other than US;

3. a copy of a certificate for loss of US nationality of the Account Holder or explanation of:

a) the reasons the Account Holder lacks such certificate despite renouncing US citizenship;

b) the reasons why the Account Holder has not acquired US citizenship at his birth.

Enhanced Review Procedures for High Value Pre-eexisting Accounts

Art. 142i. (new - SG 94/15, in force from 01.01.2016) (1) The following enhanced review procedures apply with respect to identifying a preexisting individual account, which is a High Value Account:

1. the Reporting Financial Institution must review electronically searchable data

maintained by it for any of the indicia described in Art. 142f, Para 1, Item 2;

2. the Reporting Financial Institution must also review the current customer master file on paper and the following documents obtained within the last five years for any of the indicia described in Art. 142f, Para 1, Item 2:

a) the most recent Documentary Evidence collected with respect to the account;

b) the most recent account opening contract or documentation;

c) the most recent documentation obtained pursuant to anti-money laundering and and terrorism funding procedures as defied in § 1a, Item 50 of the Additional Provisions, hereinafter referred to as "KyC Procedures", or obtained for other regulatory purposes;

d) any power of attorney form currently in effect;

e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.

3. a Reporting Financial Institution is not required to perform a paper record search for the client to the extent the electronically searchable information maintained by it includes information of:

a) the Account Holder’s jurisdiction of residence;

b) (amend. - SG 63/17, in force from 04.08.2017) the Account Holder’s last residence address and mailing address on file;

c) the Account Holder’s telephone number(s) currently on file, if any;

d) standing instructions to transfer funds in the account to another account, excluding instructions in respect of a deposit account;

e) whether there is a current “in-care-of” address or “hold mail” instruction for the Account Holder;

f) whether there is any power of attorney for the account.

(2) If none of the indicia listed in Art. 142f, Para 1, Item 2 are discovered by the Reporting Financial Institution in the enhanced review described above, and the account is not identified as held by a reportable person, then further action is not required until there is a change in circumstances that results in one or more indicia being associated with the account.

(3) If any of the indicia listed in Art. 142f, Para 1, Item 2, Letters "a" - "e" are discovered in the enhanced review by the Reporting Financial Institution, or if there is a subsequent change in circumstances that results in one or more indicia being associated with the account, then information is provided for each participating jurisdiction for which an indicium is identified unless Art. 142h has been applied.

(4) If only the indicium referred to in Art. 142f, Para 1, Item 1, Letter "f" is discovered in the enhanced review by the Reporting Financial Institution, it must obtain from the Account Holder a self-certification or Documentary Evidence to establish his residence(s) for tax purposes. If such self-certification or Documentary Evidence are not obtained, the account must be treated as an undocumented account and reported to the executive director of the National Revenue Agency.

(5) If a Preexisting Individual Account is not a High Value Account, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures with respect to such account within 6 months from the end of the calendar year following the year in which the account becomes a High Value Account. The required information about such account shall be reported with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.

(6) Once a Reporting Financial Institution applies the enhanced review procedures to a High Value Account, such procedures may not be re-applied, other than the relationship manager inquiry described in Para 5, in any subsequent year. If the account is undocumented,

the Reporting Financial Institution should re-apply the enhanced procedures annually until such account ceases to be undocumented.

(7) If there is a change of circumstances with respect to a High Value Account that results in one or more indicia described in Art. 142f, Para 1, Item 2 being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each participating jurisdiction for which an indicium is identified unless it elects to apply Art. 142h.

(8) A Reporting Financial Institution must implement procedures to ensure that a relationship manager identifies any change in circumstances of an account.

Pre-existing Individual Accounts not Requiring Due Diligence

Art. 142j. (new - SG 94/15, in force from 01.01.2016) (1) For the purpose of the FATCA Agreement, a Reporting Financial Institution may elect to not perform due diligence or report the following pre-existing individual accounts:

1. Preexisting Individual Account with an aggregate account balance or value that does not exceed BGN equivalent of USD 50 000 as of 30 June 2014;

2. a cash value insurance contract or an annuity contract with a balance or value equal to or lower than the BGN equivalent of USD 250 000 as of 30 June 2014;

3. a deposit account with a balance equal to or lower than the BGN equivalent of USD 250 000 as of 30 June 2014.

(2) Para 1 shall apply to all or a specific group of accounts.

Due Diligence for New Individual Accounts

Art. 142k. (new - SG 94/15, in force from 01.01.2016) (1) With respect to New Individual Accounts, upon account opening, the Reporting Financial Institution must obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder’s residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained in connection with the opening of the account, including any documentation collected pursuant to KyC Procedures.

(2) For the purpose of the FATCA Agreement, a Reporting Financial Institution may elect to not perform due diligence or report the following new individual accounts:

1. a deposit account with a balance that does not exceed BGN equivalent of USD 50 000 as of the end of each calendar year;

2. a cash value insurance contract or an annuity contract with a balance or value equal to or lower than the BGN equivalent of USD 250 000 as of the end of each calendar year.

(3) The Reporting Financial Institution shall apply the procedures of complex due diligence under Para 1 within 90 from the end of the calendar year, in which the account has ceased to met the requirements of Para 2.

(4) Para 2 shall apply to all or certain group of accounts.

(5) If the self-certification under Para 1 establishes that the Account Holder is resident for tax purposes in a participating jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account.

(6) A US citizen shall be deemed a US resident for tax purposes, even if he is a resident for tax purposes of another jurisdiction.

(7) (amend. - SG 63/17, in force from 04.08.2017) If there is a change of circumstances with respect to a New Individual Account that causes the Reporting Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Financial Institution cannot rely on the original self-certification and must obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder. If the Reporting Financial Institution does not obtain a valid self-certification, it

shall deem the account as an account reportable to each participating jurisdiction for which there is indication that the account holder may be a resident for tax purposes as a result of the change in circumstances, as well as of the participating jurisdiction referred to in the original declaration.

Subsection IV.
Due diligence of entity accounts (New - SG 94/15, in force from 01.01.2016)

Preexisting entity accounts not requiring due diligence

Art. 142l. (new - SG 94/15, in force from 01.01.2016) (1) A Reporting Financial Institution may elects to not perform due diligence with respect to Preexisting Entity Accounts with an aggregate account balance or value that does not exceed the BGN equivalence of USD 250 000 as of 31 December 2015.

(2) For the purposes of the FATCA Agreement the aggregate account balance or value with respect to the accounts referred to in Para 1 shall be determined as of 30 June 2014.

(3) Para 1 and 2 shall apply to all or to a specific group of accounts.

(4) A Preexisting Entity Account that has an aggregate account balance or value that exceeds the BGN equivalence of USD 250 000 as of the last day of any subsequent calendar year must be reviewed by the Reporting Financial Institution in accordance with the procedures set forth in Art. 142m.

(5) For the purposes of the FATCA Agreement the aggregate account balance or value with respect to the accounts referred to in Para 4 shall exceed the BGN equivalence of USD 1 000 000.

Preexisting entity accounts requiring due diligence

Art. 142m. (new - SG 94/15, in force from 01.01.2016) (1) For Preexisting Entity Accounts, with respect to which Art. 142l, Para 1 and 2 was not applied, a Reporting Financial Institution must apply the procedures in Para 2 and 3 to determine whether the account is held by one or more entities, qualifying as Reportable Persons, or by Passive non-financial entities with one or more Controlling Persons who are Reportable Persons.

(2) Determining whether the entity is a reportable person:

1. (suppl. – SG, 64/19, in force from 13.08.2019) the reporting financial institution shall review information maintained for regulatory or customer relationship purposes (including information collected pursuant to KyC Procedures) to determine whether the information indicates that the Account Holder is resident for tax purposes in a participating jurisdiction. For this purpose, the information, showing that the holder of the account is a local person of a jurisdiction, shall include the place of establishment or creation or the address of this jurisdiction;

2. if the information indicates that the Account Holder is resident for tax purposes in a participating jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.

(3) Determining whether the entity is a passive non-financial entity with one or more controlling persons who are reportable persons:

1. the Reporting Financial Institution must determine whether the Account Holder (including an entity which is a Reportable Person) is a passive non-financial entity with one or more Controlling Persons who are Reportable Persons on the basis of the following determinations:

a) the Reporting Financial Institution must obtain a self-certification from the Account

Holder to establish whether it is a passive non-financial entity, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an active non-financial entity and is not a Financial Institution under § 1a, Item 47, Letter "b" of the Additional Provisions from a non-participating jurisdiction; if the reporting financial institution may not reasonably determine whether the Account Holder is an active non-financial entity, then the Account Holder must be treated as a passive non-financial entity;

b) for the purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to KyC Procedures;

c) for the purposes of determining whether a Controlling Person of a passive non-financial entity is a Reportable Person, a Reporting Financial Institution may rely on one of the following means:

aa) information collected and maintained pursuant to KyC Procedures in the case of an account with an aggregate account balance or value that does not exceed the BGN equivalence of USD 1 000 000;

bb) a self-certification from the Account Holder or such Controlling Person of the jurisdiction(s) in which the Controlling Person is resident for tax purposes;

d) (New - SG 63/17, in force from 04.08.2017) where it does not receive the declaration under letter "c", subletter “bb”, the financial institution providing the information shall apply the due diligence procedures under Art. 142f, para. 1, item 2 to determine whether the controlling persons are persons, for whom information is provided;

e) (New - SG 63/17, in force from 04.08.2017) where the financial institution does not find any indication under Art. 142f, para. 1, item 2 in its records, it shall not take any follow-up actions until there is a change in the circumstances leading to the occurrence of an indication related to the controlling bodies;

2. if any of the Controlling Persons of a passive non-financial entity is a Reportable Person, then the account must be treated as a Reportable Account.

(4) The Reporting Financial Institution shall apply the due diligence procedures described in the present Article within 6 months from the end of the calendar year, in which the account has ceased to meet the requirement of Art. 142l.

(5) (amend. - SG 63/17, in force from 04.08.2017) If there is a change of circumstances with respect to a preexisting entity account that causes the Reporting Financial Institution to know, or have reason to know, that the original self-certification or other account-related documentation is incorrect or unreliable, the Reporting Financial Institution shall determine again the account status under the order provided in para. 6-8, by the later of the following two dates:

1. the last day of the respective calendar year, or

2. ninety calendar days after the announcement or discovery of the change of circumstances.

(6) (New - SG 63/17, in force from 04.08.2017, amend. - SG 92/17, in force from 21.11.2017) In order to determine whether the entity is a data subject, the financial institution providing the information should receive a new declaration or clarifications and documents supporting the authenticity of the original declaration or documents, and should retain a copy thereof. Where the financial institution providing the information fails to obtain a declaration or to confirm the authenticity of the original declaration or documents, the account holder shall be deemed to be a person, for whom information is given to any jurisdiction for which there is indication that it is a resident for tax purposes, as well as to the jurisdiction referred to in the original declaration.

(7) In order to determine whether the entity is a financial institution, an active non-financial entity or a passive non-financial one, the financial institution providing the information should receive additional documents or a declaration so as to determine the statute of the account holder. Where the financial institution providing the information fails to obtain additional documents or a declaration, the account holder shall be treated as a passive non-financial entity.

(8) (New - SG 63/17, in force from 04.08.2017, amend. - SG 92/17, in force from 21.11.2017) In order to determine whether any of the controlling entities of a passive non-financial entity is a data subject, the financial institution providing the information should receive a new declaration or clarifications and documents supporting the authenticity of the original declaration or documents, and should retain a copy thereof. Where the financial institution providing the information fails to obtain a declaration or to confirm the authenticity of the original declaration or documents, it shall use the procedure under Art. 142e, para. 1, item 2 to determine whether the controlling bodies are persons, for whom information is provided.

Accounts held by non-reporting financial institutions

Art. 142n. (new - SG 94/15, in force from 01.01.2016) For the purposes of the FATCA Agreement the Reporting Financial Institution shall determine whether the pre-existing account of an entity is held by a non-participating financial institution, applying the following procedures:

1. the reporting financial institution shall review information maintained for regulatory or customer relationship purposes (including information collected pursuant to KyC Procedures) to determine whether the information indicates that the Account Holder is a financial institution;

2. the reporting financial institution shall verify the global identification number of an intermediary of a financial institution of the list published by the Internal Revenue Service of the United States of America or other available or publicly accessible information in order to the determine whether the account holder is a Bulgarian financial institution, a financial institution of a partner jurisdiction or a foreign financial institution, which is not considered as a non-participating financial institution; in such case no subsequent due diligence and provision of account related information is performed;

3. in all other cases the reporting financial institution shall receive a declaration from the financial institution in order to determine its status and whether it shall report the total amount of payments to the said financial institution as set out in Art. 142c, Para 3;

4. when the account holder is a non-participating financial institution, including a Bulgarian financial institution or a financial institution of a partner jurisdiction, considered by the Internal Revenue Service of the United States of America to be a non-participating financial institution, the reporting financial institution shall provide information of the total amount of payments to the account as set out in Art. 142c, Para 3.

Due diligence for new entity accounts

Art. 142o. (new - SG 94/15, in force from 01.01.2016) (1) The Reporting Financial Institution must determine whether a new entity account is held by one or more entities that are Reportable Persons, or by passive non-financial entities with one or more Controlling Persons who are Reportable Persons by applying the procedures referred to in Para 2 and 3.

(2) Determining whether the entity is a reportable person:

1. at opening a new entity account the reporting financial institution shall obtain a self-certification, which may be part of the account opening documentation, that allows it to determine the jurisdiction of which the Account Holder is a local person for tax purposes and confirm the reasonableness of such self-certification based on the information obtained in

connection with the opening of the account, including any documentation collected pursuant to KyC Procedures;

2. if an entity certifies that it is not a local person for tax purposes, the Reporting Financial Institution may rely on the address of the principal office of the Entity to determine where it is a local person for tax purposes;

3. if the self-certification indicates that the Account Holder is a local person for tax purposes in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such participating jurisdiction.

(3) Determining whether the entity is a passive non-financial entity with one or more controlling persons who are reportable persons:

1. the Reporting Financial Institution must determine whether the Account Holder (including an Entity that is a Reportable Person) is a passive non-financial entity with one or more Controlling Persons who are Reportable Persons on the basis of the following determinations:

a) the Reporting Financial Institution must receive a self-certification from the Account Holder to establish its status of a passive non-financial entity, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an active non-financial entity or a Financial Institution other than described in § 1a, Item 47, Letter “b” of the Additional Provisions from a non-participating jurisdiction; if the reporting financial institution may not reasonably determine whether the Account Holder is an active non-financial entity, then the Account Holder must be treated as a passive non-financial entity;

b) for purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to KyC Procedures;

c) for purposes of determining the residence of a Controlling Person of a passive non-financial entity, a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person;

2. If any of the Controlling Persons of a passive non-financial entity is a Reportable Person, then the account must be treated as a Reportable Account.

(4) For the purposes of the FATCA Agreement the Reporting Financial Institution shall determine whether the new account of an entity is held by a non-participating financial institution, applying the following procedures:

1. the reporting financial institution shall verify the global identification number of an intermediary of a financial institution of the list published by the Internal Revenue Service of the United States of America or other available or publicly accessible information in order to the determine whether the account holder is a Bulgarian financial institution, a financial institution of a partner jurisdiction or a foreign financial institution, which is not considered as a non-participating financial institution; in such case no subsequent due diligence and provision of account related information is performed;

2. in all other cases the reporting financial institution shall receive a declaration from the financial institution in order to determine its status and whether it shall report the total amount of payments to the said financial institution as set out in Art. 142c, Para 3;

3. when the account holder is a non-participating financial institution, including a Bulgarian financial institution or a financial institution of a partner jurisdiction, considered by the Internal Revenue Service of the United States of America to be a non-participating financial institution, the reporting financial institution shall provide information of the total amount of

payments to the account as set out in Art. 142c, Para 3.

(5) For the purposes of the FATCA Agreement the reporting financial institution may not perform due diligence and not provide information for new entity accounts, which are credit card or revolving credit accounts, provided that the reporting financial institution adopts policies and procedures, which limit the account balance to the BGN equivalence of USD 50 000.

(6) Para 5 shall apply to all or to a group of accounts.

(7) (New - SG 63/17, in force from 04.08.2017) Where there is a change in circumstances with respect to a new entity account, as a result of which the Reporting Financial Institution knows or has reason to know that the declaration or other documentation relating to the account is incorrect or unreliable, the Reporting Financial Institution shall re-define the statute of the account under Art. 142m, para. 5 – 8.

Subsection V.
Special Due Diligence Rules (New - SG 94/15, in force from 01.01.2016)

Special due diligence rules

Art. 142p. (new - SG 94/15, in force from 01.01.2016) (1) A Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if it knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

(2) (amend. and suppl. - SG 63/17, in force from 04.08.2017) A Reporting Financial Institution may presume that an individual beneficiary, other than the owner, of a Cash Value Insurance Contract or an Annuity Contract receiving a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting Financial Institution has actual knowledge, or reason to know, that the said individual is a Reportable Person. A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected contains indicia Art. 142f, Para 1, Item 2. Where the Reporting Financial Institution knows or has reason to know that the natural person is a data subject, it shall apply the due diligence procedures under Art. 142f or Art. 142k.

(3) A Reporting Financial Institution may not report a Group Cash Value Insurance Contract with member’s interest or a Group Annuity Contract until the date on which an amount is payable to the insured employee or beneficiary, if the following requirements have been met:

1. the Group Cash Value Insurance Contract with member’s interest or Group Annuity Contract is issued to an employer and covers twenty-five or more insured employees;

2. the insured employee is entitled to receive any contract value related to their interests and to name beneficiaries for the benefit payable upon the employee’s death;

3. the aggregate amount payable to any insured employee or beneficiary does not exceed the BGN equivalence of USD 1 000 000.

Account aggregation and currency translation rules

Art. 142q. (new - SG 94/15, in force from 01.01.2016) (1) The Reporting Financial Institution shall apply the following account aggregation rules and currency translation rules:

1. for purposes of determining the aggregate balance or value of Financial Accounts held by an individual, the Reporting Financial Institution is required to aggregate all Financial Accounts maintained by it, or by a Related Entity, but only to the extent that its information system permits linking of the Financial Accounts and aggregation;

2. for purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, the Reporting Financial Institution is required to take into account all

Financial Accounts that are maintained by it, or by a Related Entity, but only to the extent that its information system permits linking of the Financial Accounts and aggregation;

3. for purposes of determining the aggregate balance or value of Financial Accounts to determine whether a Financial Account is a High Value Account, a Reporting Financial Institution is also required, in the case of any Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts;

4. each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this Article;

5. the balance or value of financial accounts in BGN or other currency shall be recalculated in BGN and aggregated, the resulting amount being recalculated in USD; the calculations in the present paragraph shall be made in accordance with the latest published exchange rate of the Bulgarian National Bank for the preceding calendar year.

(2) (revoked - SG 63/17, in force from 04.08.2017)

(3) For the purposes of the FATCA Agreement, the Reporting Financial Institution may follow any alternative procedure provided for in Annex I of the FATCA Agreement, or any definition, applicable according to Art. 4, Para 7 of the FATCA Agreement, provided that this would not impede the purposes of the present Code and after notifying the executive director of the National Revenue Agency.

Subsection VI.
Collection of Information (New - SG 94/15, in force from 01.01.2016)

Opening of new accounts

Art. 142r. (new - SG 94/15, in force from 01.01.2016) (1) Upon account opening with self-certification of the account holder the reporting financial institution shall collect information enabling it to carry out the due diligence procedures and determine whether the account holder is a reportable person as follows:

1. with respect to individual financial accounts:

a) name;

b) residence address;

c) date and place of birth;

d) jurisdiction(s) of residence for tax purposes;

e) tax number with respect to each jurisdiction of which the person is local for tax purposes; and

f) all nationalities of the person;

g) duty to provide notification for change of circumstances;

h) liability for declaring incorrect information;

i) confirmation of notification that the information under Art. 142b, Para 1 may be subject to automatic exchange of financial information;

j) date and signature of the person;

2. with respect to entity financial accounts:

a) name;

b) address;

c) tax number with respect to each jurisdiction of which the person is local for tax purposes; and

d) jurisdiction(s) of which the person is local for tax purposes;

e) determining whether the entity is not an american person;

f) determining whether the entity is a financial institution and its status;

g) determining whether the entity is regularly traded at a place of trading of securities or is an entity related to such an entity;

h) determining whether the entity is a governmental entity, international organisation or a central bank;

i) determining whether the entity is an active or passive non-financial entity;

j) where the entity is a passive non-financial entity, the name, address, date and place of birth and the tax number of each controlling person and its functions;

k) duty to provide notification for change of circumstances;

l) liability for declaring incorrect information;

m) confirmation of notification that the information under Art. 142b, Para 1 may be subject to automatic exchange of financial information;

n) information of the person signing the declaration in the name of the entity;

o) date and signature.

(2) The reporting financial institution may use the self-certification under Para 1 also in applying due diligence procedures of pre-existing accounts.

(3) (New - SG 63/17, in force from 04.08.2017) Upon the opening of a new account for a natural person or an entity, the Reporting Financial Institution may use a declaration by that person received under the procedure of Art. 142k and 142o, unless it knows or has reason to know that the declaration is false or unreliable. In the event of change in circumstances, the Reporting Financial Institution shall require a new declaration from the person which relates to each of the accounts.

(4) (prev. Para. 3 - SG 63/17, in force from 04.08.2017) The executive director of the National Revenue Agency shall approve a form of the self-certification referred to in Para 1, which may be used by the reporting financial institutions.

(5) (prev. Para. 4 - SG 63/17, in force from 04.08.2017) The compliance with the requirements referred to in Para 1 and 2 does not free the financial institution from the duty to perform the obligations under the Act on the Measures against Money Laundering and the Act on the Measures against Funding of Terrorism.

Subsection VII.
Confidentiality of Information and Protection of Personal Data (New - SG 94/15, in force from 01.01.2016)

Confidentiality of Information

Art. 142s. (new - SG 94/15, in force from 01.01.2016) (1) All information exchanged with the competent authorities of the participating jurisdictions as set out in Art. 142c, Para 5 shall be deemed tax and insurance information in the sense of Art. 72.

(2) The information obtained from the competent authorities of the participating jurisdictions as set out in Art. 142c, Para 5 may be used solely for:

1. (suppl. - SG 63/17, in force from 04.08.2017) for the purpose of establishing tax duties and enforcement of the legislation on these taxes;

2. for the publishing of establishing and collecting mandatory insurance payments and other public debts under Art. 269a, Para 1;

3. in the course of administrative and judicial proceedings related to imposing sanctions for violation of the tax legislation;

4. for purposes other than those in Items 1 - 3 - where the competent authority of the participating reporting jurisdiction has so permitted and provided that the information in that participating jurisdiction may be used for similar purposes.

(3) Except from the cases under Para 2, Items 3 and 4 the information may not be disclosed to third parties.

(4) The executive director of the National Revenue Agency shall determine the conditions and order to access and use of the information by the authorities and employees of the Agency.

Persona Data Protection

Art. 142t. (new - SG 94/15, in force from 01.01.2016) (1) (Amend. – SG 17/19) For the purposes of the automatic exchange of financial information, registers within the meaning of Art. 4, item 6 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ, L 119/1 of 4 May 2016), hereinafter referred to as "Regulation (EU) 2016/679" shall be maintained - in their capacity as personal data administrators - by:

1. the executive director of the National Revenue Agency;

2. the reporting financial institutions.

(2) (Amend. – SG 17/19) The processing of personal data for the purposes of the automatic exchange of financial information shall be carried out by automatic means in compliance with the requirements for the personal data protection and the international agreements, to which the Republic of Bulgaria is a party.

(3) (Amend. – SG 17/19) The executive director of the National Revenue Agency and the reporting financial institutions shall undertake the necessary technical and organisation measures for data protection, and shall set deadlines for periodical review of the accuracy, adequacy and relevancy of the data with respect to the purposes of their collection.

(4) (Amend. – SG 17/19) The personal data processing in the course of automatic exchange of financial information shall be carried out by the executive director of the National Revenue Agency and the reporting financial institutions in compliance with the requirements for personal data protection.

(5) (Amend. – SG 17/19) Before reporting under Art. 142b, Para 1 to the executive director of the National Revenue Agency, the reporting financial institutions shall inform the affected individuals of the automated data processing and provide the information under Art. 13 of Regulation (EU) 2016/679.

(6) (Amend. – SG 17/19) In accordance with the requirements for personal data protection, any individual, of whom information is processed under Art. 142b, Para 1, shall have the right to access, removal, correction or restriction of processing of personal data related to him, as well as request from the executive director of the National Revenue Agency to notify the participating jurisdictions, to which his personal data was disclosed, of any deletion, correction or restriction of processing, except where it is impossible or requires unreasonable effort.

(7) (Amend. – SG 17/19) The personal data administrators under Para 1 shall refuse access to personal data processed for the purposes of automatic exchange of financial information in the cases of Art. 37a, Para. 1, item 5 of the Act on the Personal Data Protection.

(8) (Amend. – SG 17/19) The executive director of the National Revenue Agency shall report the data under Art. 142b, Para 1 of the participating jurisdictions in compliance with the requirements for the transfer of personal data to third countries or international organizations.

(9) (Amend. – SG 17/19) The Commission of Personal Data Protection shall conduct the protection of the persons upon processing of their personal data for the purposes of the automatic exchange of financial information in the course of the access to such data and the control for compliance with the requirements for personal data protection. Upon performing the control competences the personal data administrators under Para 1 shall render assistance to

the Commission of Personal Data Protection when exercising its powers.

(10) The executive director of the National Revenue Agency and the reporting financial institutions shall notify every reported individual under Art. 142, Para 1 of any breach of the safety in relation to his data, where the breach may negatively affect the protection of his personal data or his personal life.

Subsection VIII.
Rules of Effective Implementation (New - SG 94/15, in force from 01.01.2016)

Rules against circumvention of due diligence

Art. 142u. (new - SG 94/15, in force from 01.01.2016) (1) Reporting financial institutions and/or any other person shall not enter into transactions and/or apply practices that aim to circumvent the due diligence procedures and reporting of information under the present Section.

(2) Where a reporting financial institution and/or any other person enter into transactions and/or apply practices under Para 1 for the purposes of due diligence procedures and reporting of information under the present Code, such transaction and/or practices shall be disregarded.

(3) The reporting financial institutions and/or the account holder shall not undertake actions aiming to reduce the account balance or value towards the end of the respective calendar year, provided that such actions are performed with the only purpose of benefitting from the exceptions under Art. 142j, Para 1, Art. 142k, Para 2, Art. 142l, Para 1 and 2 and Art. 142o, Para 5. In case of such actions being undertaken, they shall be disregarded by the reporting financial institution.

Storage of information

Art. 142v. (new - SG 94/15, in force from 01.01.2016) (1) The reporting financial institution shall store the information referred to in Art. 142b, Para 1, the information of any due diligence undertaken, and any self-certification, documentary evidence or a document certifying the status of the account holder.

(2) The reporting financial institution shall store the information referred to in Para 1 for a period of at least 5 years after the end of the calendar year, in which the account was closed.

Review of the non-reporting financial institutions

Art. 142w. (new - SG 94/15, in force from 01.01.2016) Every three years, the executive director of the National Revenue Agency shall make an overview of the non-reporting financial institutions and of the excluded accounts in the list referred to in Art. 142d, Para 1, provided to the European Commission as set out in Art. 142d, Para 2.

Consequences of refusal to provide self-certification or documentary evidence

Art. 142x. (new - SG 94/15, in force from 01.01.2016) (1) The reporting financial institution shall not open a new account for an individual refusing to submit a self-certification and/or documentary evidence and thus preventing the reporting financial institution from performing its due diligence and reporting duties under the present Section.

(2) The reporting financial institution may close a financial account, where the account holder refuses to submit a self-certification and/or documentary evidence and thus prevents the reporting financial institution from performing its due diligence and reporting duties under the present Section.

(3) The reporting financial institution shall not create or modify its information system in a manner preventing the linkage of financial accounts of an account holder maintained by it or by a related entity.

Quality control of the reported information

Art. 142y. (new - SG 94/15, in force from 01.01.2016, suppl. - SG 63/17, in force from 04.08.2017) The executive director of the National Revenue Agency shall periodically analyse and control the rules under which the due diligence is carried out, the results thereof, the provision of the information, and the quality of the reported information and shall issue compulsory instructions to the reporting financial institutions.

Section IV.
Procedure for exchange of information with other countries

Competent body and conditions for the exchange of information

Art. 143. (1) The Minister of Finance or a person, authorized by him/her may exchange information with other countries, necessary for the application of the legislation in connection with the taxation, according to the concluded international agreements, at which the Republic of Bulgaria is a party.

(2) Besides the cases under para 1, the Minister of Finance or authorized by him/her person may exchange information, necessary for the application of the legislation in connection with the taxation, and when the following requirements are met:

1. at conditions of reciprocity;

2. the country, which requires information, shall guarantee, that the received information shall be considered confidential in the same way at which and the information, received regarding the interior legislation of this country, and that the provided information and documents shall be used only for the purposes of the taxation or in penal proceedings for tax crimes (including administrative and court proceedings), as well as that the information and the documents shall be provided only to persons, bodies and courts, which are competent to consider questions, related to the taxation or the prosecution of tax crimes;

3. the country which requires information, shall guarantee readiness to eliminate every possible double taxation at the taxes on the income, the profits and the properties, as in case of necessity this can be made at mutual agreement.

(3) The provisions under para 2 shall not be considered imposing obligation to:

1. be undertaken administrative measures, deviating from the legislation or the administrative practice;

2. to be provided information which may not be received according to the legislation and by the common administrative order;

3. be provided information which may disclose trade, economic, industrial, professional secret or trade process, or information, the disclosure of which shall contradict the public order.

(4) (new – SG 63/06, in force from 04.08.2006; amend. - SG 52/07, in force from 01.11.2007; amend - SG 109/13, in force from 01.01.2014, amend. - SG 63/17, in force from 04.08.2017, amend. and suppl. - SG 92/17, in force from 21.11.2017, amend. – SG 15/18, in force from 16.02.2018) Upon a received information exchange request under para 1 by another state, under the terms of reciprocity, the Minister of Finance or an empowered by him/her person may request the insurer to disclose an insurance secret within the meaning of Art. 149, para. 1 of the Insurance Code, and of the court to disclose a bank secret in the meaning of Art. 62 of the Credit Institutions Act, a secret in the sense of Art. 90, para 2 of the Markets of Financial Instruments Act and Art. 133 of the Public Offering of Securities Act or in the sense of another provision of the Bulgarian legislation for keeping the confidentiality of monetary funds, of financial assets and of other ownership, where from the stated facts in the information exchange request is clear that it is forwarded in accordance with the requirements for exchange of information as per the respective international treaty.

Section V.
Administrative cooperation procedure with Member States of the European Union in the sphere of taxes (New – SG 105/06, in force from 01.01.2007; title amend. - SG 82/12, in force from 01.01.2013)

Subject-matter (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143a. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) (amend. - SG 63/17, in force from 04.08.2017) This Section governs the rules for administrative cooperation through exchange of information, including by electronic means, with the Member States of the European Union, for which it may be foreseen to be relevant for establishing the tax obligations referred to in Art. 143b, as well as for the enforcement of the legislation on these taxes.

(2) This Section shall govern also the rules for cooperation with the European Commission on issues related to the coordination and evaluation of the administrative cooperation under Para 1.

(3) The rules under this Section shall not affect the application of the procedure on mutual assistance in criminal matters, and the fulfilment of any obligations in relation to wider administrative cooperation with the Member States of the European Union ensuing from international agreements to which the Republic of Bulgaria is a party.

Scope (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143b. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) Under this Section shall be carried out the administrative cooperation related to taxes, including the local taxes, levied by the Member States of the European Union.

(2) This provisions of this Section shall not apply to:

1. (amend. – SG 58/16) value added tax, customs duties or to excise duties;
2. compulsory social security contributions;
3. fees for certificates and other documents issued by state and local authorities;
4. dues of a contractual nature, including consideration for public utilities.

Competent authority (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143c. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) The competent authority to carry out the administrative cooperation with the competent authorities of the Member States of the European Union with respect to the taxes under Art. 143b shall be the Executive Director of the National Revenue Agency or officials authorised by him.

(2) The Executive Director of the National Revenue Agency shall determine in an order a unit within the structure of the National Revenue Agency to carry out the contacts with other Member States of the European Union in the field of administrative cooperation, the functions of a requested, respectively requesting authority on the territory of the Republic of Bulgaria and to contact the European Commission.

Types of administrative cooperation (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143d. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) The administrative cooperation under this Section shall be carried out

through:

1. exchange of information on request;
2. automatic exchange of information;
3. spontaneous exchange of information;
4. request for delivery;
5. presence and participation in administrative proceedings;
6. parallel inspections and audits.

(2) Exchange on request means the exchange of information based on a request made by the requesting authority of a Member State to the requested authority of another Member State in a specific case.

(3) (suppl. - SG 94/15, in force from 01.01.2016) Automatic exchange of information means the systematic communication of predefined information of local persons of that Member State to another Member State of the European Union, without prior request, at pre-established regular intervals.

(4) (amend. - SG 63/17, in force from 04.08.2017) Spontaneous exchange means the exchange, where the Member States of the European Union communicate at their initiative information to each other under Art. 143a, Para. 1.

Exchange of information on request from a local requesting authority (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143e. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) (amend. - SG 63/17, in force from 04.08.2017) The local requesting authority may request from a requested authority of another Member State of the European Union to communicate information under Art. 143a, Para. 1.

(2) (suppl. - SG 63/17, in force from 04.08.2017) The request referred to in Para 1 and all related documents shall be filed, where possible, electronically through the CCN network, using a standard form.

(3) The request referred to in Para 1 shall contain at least the following information:

1. the name, respectively the firm of the checked or audited person;
2. the purpose of requesting information.

(4) The request referred to in Para 1 may contain also:

1. the name, respectively the firm and address of every person considered to possess the requested information;
2. other data, which may facilitate the collection of information by the requested authority of another Member State of the European Union;
3. a reasoned request for conducting specific administrative proceedings;
4. a request for sending document originals - provided that the national law of the requested Member State of the European Union allows so.

(5) The request may be accompanied by reports, statements or other documents, copies thereof or certified copies sent electronically.

(6) The request and the enclosed documents shall be sent by the local requesting authority in a language agreed upon with the other Member State of the European Union. By exception, the request shall be accompanied by translation in the official language or one of the official languages of the requested Member State of the European Union, where a reasoned request for such translation has been made by the requested Member State of the European Union.

Exchange of information on request from a requesting authority from another Member State of the European Union (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143f. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) (amend. - SG 63/17, in force from 04.08.2017) On request from a requesting authority from another Member State of the European Union the local requested authority shall communicate information under Art. 143a, Para. 1.

(2) The local requested authority shall accept the request for information and the accompanying documents in any language agreed upon with the requesting authority from another Member State of the European Union. A translation of the request and the documents in Bulgarian may be requested by exception stating the reasons thereof.

(3) The local requested authority shall communicate the available information or carry out the administrative proceedings specified in this Code to obtain and communicate the information referred to in Para 1.

(4) The request for information may contain a reasoned request for carrying out certain administrative proceedings, as well as a request for filing document originals. The local requested authority shall immediately notify the requesting authority, where it deems the administrative proceedings unnecessary by stating the reasons thereof.

(5) The costs made by the local requested authority for carrying out the administrative cooperation under this Section shall not be reimbursed by the requesting Member State of the European Union unless they are remunerations for assessors or other experts.

(6) (New - SG 109/13, in force from 01.01.2014, suppl. - SG 92/17, in force from 21.11.2017, amend. – SG 15/18, in force from 16.02.2018) In case a request is received from a requesting authority from another Member State of the European Union, the competent authority may request the insurer to disclose an insurance secret within the meaning of Art. 149, para. 1 of the Insurance Code, and may require that the court discloses a bank secret within the meaning of Art. 62 of the Credit Institutions Act, a secret within the meaning of Art. 90, para 2 of the Markets in Financial Instruments Act and Art.133 of the Public Offering of Securities Act, or within the meaning of another provision of Bulgarian law concerning the confidentiality of cash funds, financial assets and other property, provided that the information stated in such request makes it clear that the restrictions under Art. 143p are not applicable.

Time limits (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143g. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) The local requested authority shall provide the information referred to in Art. 143b to the requesting authority of another Member State as quickly as possible. Where the authority is already in possession of that information, it shall be transmitted within two months of the date of receipt of the request, and in the remaining cases - no later than 6 months from the date of receipt of the request, unless stipulated otherwise.

(2) The requested authority shall confirm immediately and in any event no later than seven working days the receipt of a request to the requesting authority. The confirmation shall be carried out by electronic means, unless where impossible for technical reasons.

(3) Within one month of receipt of the request, the local requested authority shall notify the requesting authority of any deficiencies in the request and of the need for any additional background information. In such a case, the time limits provided for in Para 1 shall start the day after the deficiencies have been remedied or the additional information has been received.

(4) (amend. - SG 63/17, in force from 04.08.2017) Where the time limit under Para 1 is insufficient for collecting and provision of the requested information, the local requested authority shall notify the requesting authority within three months from receipt of the request

and shall indicate the reasons thereof and the time limit in which it shall provide the information.

(5) (amend. - SG 63/17, in force from 04.08.2017) Where the local requested authority is not in possession of the requested information and is unable to collect such information, or refuses to do so on the grounds provided for in Art. 143p, Para 1, it shall inform the requesting authority of the reasons thereof immediately and in any event within one month of receipt of the request.

Automatic exchange of information (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143h. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) The Executive Director of the National Revenue Agency shall communicate to the competent authority of any other Member State the available information regarding the following income of local residents in that other Member State:

1. income from employment;

2. remuneration from management and control fees;

3. insurance remunerations/premia, paid for occurrence of the insured event of life insurance contracts not covered by other European Union legal instruments on exchange of information;

4. pensions;

5. ownership of and income from sale or exchange of immovable property, including other real rights in such property;

6. income from rent or other types of lease of immovable property for consideration.

(2) (amend. - SG 94/15, in force from 01.01.2016) The Executive Director of the National Revenue Agency shall indicate to the competent authorities of the Member States of the European Union and the European Commission that it does not wish to receive information on the categories of income referred to in Para 1 under the administrative cooperation.

(3) The Executive Director of the National Revenue Agency shall not communicate information referred to in Para 1 to the competent authorities of the Member States of the European Union, which have indicated that they do not wish to receive information of certain types of income.

(4) The information referred to in Para 1 shall be sent in a standard electronic form by 30 June of the year following the tax year of its occurrence.

(5) (In force from 01.01.2016, revoked - SG 63/17, in force from 04.08.2017)

(6) The Executive Director of the National Revenue Agency shall notify the European Commission of agreements with other Member States of the European Union on tautomatic exchange of information for additional categories of income other than those referred to in Para 1.

(7) (New - SG 109/13, in force from 01.01.2014) The National Social Security Institute shall provide the National Revenue Agency with information on the pensions accrued and/or paid to persons who are resident in another Member State of the European Union. Such information shall be provided once a year by April 30 in the year following the one when the pensions have been accrued and/or paid, in a form approved by the Executive Director of the National Revenue Agency. The procedure and manner of provision of such information shall be specified in an agreement between the Governor of the National Social Security Institute and the Executive Director of the National Revenue Agency.

(8) (New - SG 109/13, in force from 01.01.2014) The Registry Agency shall provide the National Revenue Agency with the information under para 1, Item 5 regarding persons resident

in another Member State of the European Union. The information shall be provided by by April 30 in the following calendar year in a form approved by the Executive Director of the National Revenue Agency. The procedure and manner of provision of such information shall be set out in an agreement between the Executive Director of the Registry Agency and the Executive Director of the National Revenue Agency.

(9) (New - SG 109/13, in force from 01.01.2014) Apart from the cases referred to in Para 7 and para 8, the information on the income accrued/paid under para 1 shall be provided by the taxable pursuant to the procedure laid down in the Income Taxes on Natural Persons Act and the Corporate Income Taxation Act.

(10) The Executive Director of the National Revenue Agency shall exchange with the competent authorities of the Member States of the European Union and the European Commission information on issued, amended or renewed preliminary cross-border tax statements and preliminary pricing agreements.

(11) The information under para. 10 shall be exchanged within three months upon expiry of the six months during which preliminary cross-border tax submissions or preliminary pricing agreements were issued, amended or renewed, using a standard form. The information may be exchanged in any official or working language of the European Union, taking into account the language rules adopted by the European Commission.

(12) The information under para. 10 shall not be exchanged in cases where the preliminary cross-border tax statement only concerns the tax obligations of one or more natural persons.

(13) The information under para. 10 shall contain the following data:

1. identification data of the person, for whom a preliminary cross-border tax statement or a preliminary pricing agreement has been issued and - if possible, the group to which it belongs;

2. a summary of the content of the preliminary cross-border tax statement or the preliminary pricing agreement, including a general description of the business activity concerned or the transaction / series of transactions that does not result in the disclosure of a commercial, industrial or professional secret, of a commercial process or information, the disclosure of which would be contrary to public order;

3. the dates of issuance, amendment or renewal of the preliminary cross-border tax statement or the preliminary pricing agreement;

4. the start and end dates, from which or by which the preliminary cross-border tax statement or preliminary pricing agreement, if any, is applied;

5. the type of preliminary cross-border tax statement or the preliminary pricing agreement;

6. the value of the transaction / series of transactions, if stated in the preliminary cross-border tax statement or in the preliminary pricing agreement;

7. a description of the criteria used to determine the transfer pricing or the transfer price - with regard to preliminary pricing agreements;

8. indication of the method used to determine the transfer pricing or the transfer price - with regard to preliminary pricing agreements;

9. indication of other Member States, if any, likely to be affected by the preliminary cross-border tax opinion or by the preliminary pricing agreement;

10. identification data of persons from other Member States who may be affected by the preliminary cross-border tax opinion or by the preliminary pricing agreement, indicating the Member States, with which the persons concerned are related;

11. indication whether the information provided is based on the prior cross-border tax opinion or on the preliminary pricing agreement, or on the request under Art. 143q, para. 4.

(14) With the request for issuing a preliminary cross-border tax opinion, the entity shall submit the data under para. 13, items 1, 6, 9 and 10, as well as any other information and documents necessary for the issuance of the tax opinion.

(15) The data under para. 13, items 1, 2, 7 and 10 shall not be submitted to the European Commission.

(16) The full texts of the preliminary cross-border tax statement and the preliminary pricing agreements, as well as any additional information related thereeto, may be exchanged in accordance with Art. 143e and 143f.

Spontaneous information exchange (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143i. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) (amend. - SG 63/17, in force from 04.08.2017) The Executive director of the National Revenue Agency shall provide on his/her own initiative information under Art. 143a, Para. 1, where:

1. there is a ground to presume possible loss of revenue from a tax in the other Member State of the European Union;

2. tax liable person uses reduction or exemption from tax in the Republic of Bulgaria, which would lead to increase of the amount of the tax due or to occurrence of liability for taxes in the other Member State of the European Union;

3. the commercial relations between the tax liable person in the Republic of Bulgaria and the tax liable person in the other Member State of the European Union are carried out on the territory of one or more states in such a way as to lead to reduction or failure to pay of the tax due in the Republic of Bulgaria and/or in the other Member State;

4. there is a ground to be presumed that fictitious transfer of profit in the framework of a group of enterprises may lead to reduction or non-payment of taxes;

5. information, sent by the competent authority of the other Member State, has provided the opportunity of coming to know facts and circumstances of significance for ascertainment of liabilities for taxes in the other Member State;

6. the information may be useful for the competent authorities of other Member States of the European Union.

(2) The Executive director of the National Revenue Agency shall communicate the information referred to in Para 1 to the competent authority of the interested Member State of the European Union as soon as possible, when available, and no later than one month from the day of coming to know the information.

(3) The information referred to in Para 1 shall be sent in the form and according to the procedure referred to in Art. 143e, Para 2.

(4) Where under the spontaneous exchange the competent authority of another Member State has received information of taxes referred to in Art. 143b, the Executive director of the National Revenue Agency shall immediately confirm its receipt and no later than 7 days from the date of receipt. The confirmation shall be made in the form and according to the procedure referred to in Art. 143b, Para 2.

Presence and participation in administrative procedures (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143j. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) By agreement between the competent authorities of the Member States

of the European Union, officials authorised by the requesting authority may be both present in the offices where the administrative authorities of the requested Member State carry out their duties and during administrative proceedings carried out in the territory of the other Member State. In these cases, the officials shall be given copies of the documents in which information is contained under Art. 143a.

(2) The agreement referred to in Para 1 may provide that, where authorised officials of a Member State of the European Union are present during administrative proceedings, they may interview individuals and have access to any information related to carrying out administrative cooperation under this Section.

(3) Any refusal by the person to cooperate with the authorised officials of another Member State of the European Union shall be treated as a refusal for cooperation committed against tax officials under this Code.

(4) In carrying out their activities the authorised officials of another Member State of the European Union shall identify themselves with a document attesting their identity and their official capacity.

Parallel controls and audits (Title amend. - SG 82/12, in force from 01.01.2013)

Art. 143k. (new – SG 105/06, in force from 01.01.2007; amend. - SG 82/12, in force from 01.01.2013) (1) Where the tax duties of one or more taxable persons are of common interest to two or more Member States of the European Union, the competent authorities of the said states may agree to conduct parallel controls or audits within their competence with a view to exchanging the information thus obtained.

(2) The Executive Director of the National Revenue Agency may extend a written proposal to the competent authorities of the other Member States of the European Union to conduct parallel control or audits, giving reasons for its choice and indicating the time limit and the persons to be controlled.

(3) The parallel controls and audits shall be supervised and coordinated by authorised representatives appointed by the Executive Director of the National Revenue Agency, respectively by the competent authority of each Member State of the European Union concerned.

(4) Where a competent authority of another Member State of the European Union proposes parallel controls or audits, the Executive Director of the National Revenue Agency shall confirm its agreement or communicate its reasoned refusal to the authority that proposed the measure.

Request of notification made by a local requesting authority

Art. 143l. (new - SG 82/12, in force from 01.01.2013) (1) The local requesting authority may communicate to the requested authority of another Member State of the European Union a request for notification of acts and documents issued by the revenue authorities concerning the application of legislation on taxes referred to in Art. 143b.

(2) The request shall be communicated in the form and according to the procedure referred to in Art. 143e, Para 2.

(3) The request referred to in Para 1 shall indicate the subject of the act or document to be notified and shall specify the name and address of the addressee, together with any other information which may facilitate identification of the addressee.

(4) The request referred to in Para 1 shall be made to another Member State of the European Union when it is impossible to notify on the territory of the State, or where such

notification would give rise to disproportionate difficulties.

(5) A person within the territory of another Member State of the European Union may be notified any act or document also by registered mail with acknowledgment of receipt or electronically.

Request of notification made by a requesting authority of another Member State of the European Union

Art. 143m. (new - SG 82/12, in force from 01.01.2013) (1) At the request of notification of the requesting authority of another Member State of the European Union, the revenue authorities shall, in accordance with the procedure specified in this Code, notify any acts and documents which emanate from the administrative authorities of another Member State of the European Union and concern the application of its legislation on taxes referred to in Art. 143b.

(2) The local requested authority shall inform the requesting authority of the other Member State of the European Union immediately of the date of notification of the act or document referred to in Para 1 to the addressee.

Feedback

Art. 143n. (new - SG 82/12, in force from 01.01.2013) (1) (Amend. - SG 63/17, in force from 04.08.2017) Where the provides information pursuant to Art. 143f or 143i, it may request the competent authority of another Member State of the European Union to send feedback on the results of the use of the information received.

(2) At the request of a competent authority of another Member State of the European Union of feedback on exchange on request or spontaneous exchange the Executive Director of the National Revenue Agency shall send the information as soon as possible and no later than three months after the outcome of the use of the requested information is known. The feedback shall be sent without prejudice to the rules on tax-insurance secrecy.

(3) On the automatic exchange of information the Executive Director of the National Revenue Agency shall send feedback to the Member States of the European Union concerned once a year, in accordance with practical arrangements agreed upon bilaterally. The information shall be sent in the form and according to the procedure referred to in Art. 143e, Para 2.

Secrecy and disclosure of information. Evaluation

Art. 143o. (new - SG 82/12, in force from 01.01.2013) (1) Information communicated by a competent authority of a Member State of the European Union containing identity data of persons and subjects according to Art. 72, Para 1 shall be deemed tax and insurance information in the sense of this Code.

(2) The information referred to in Para 1 may be used for:

1. (suppl. - SG 63/17, in force from 04.08.2017) for the purpose of establishing tax obligations under Art. 143b and the application of legislation in the field of these taxes;

2. for the purpose of establishing and collecting compulsory insurance contributions and other public duties under Art. 269a, Para 1;

3. in the course of judicial and administrative proceedings that may involve penalties for infringements of tax law;

4. for purposes other than those referred to in Para 1 – 3 – where the competent authority of the Member State of the European Union that communicated the information has

so permitted and provided that the information may be used for such purposes in the said Member State.

(3) With the permission of the competent authority that has communicated the information it may be shared to a third Member State of the European Union for the purposes referred to in Para 2. The permission from the competent authority of the Member State of the European Union that has communicated the information shall be deemed given, if it fails to oppose the forwarding within 10 working days from the receipt of the request.

(4) The Executive Director of the National Revenue Agency give permission that the information communicated by him to the competent authority of a Member State of the European Union be shared with the competent authority of a third Member State. He may oppose such a sharing of information with the third Member State within 10 working days of receipt of the communication from the Member State of the European Union wishing to share the information.

(5) The information referred to in Para 1 may be used as evidence under the conditions and order of this Code.

(6) (suppl. - SG 63/17, in force from 04.08.2017) Persons duly accredited by the Security Accreditation Authority of the European Commission may have access to the information referred to in Para 1 only in so far as it is necessary for the care, maintenance and development of the CCN network and of the Member States' secure central registry for preliminary cross-border tax statements and preliminary pricing agreements.

(7) The Executive Director of the National Revenue Agency shall provide to the European Commission the information necessary for assessment of the efficiency of the administrative cooperation in cases of fighting tax fraud and escaping taxation, the annual evaluation of the efficiency of the automatic exchange of information, as well as information of achieved practical results. The annual assessment of the efficiency of the automatic exchange of information shall be delivered under the conditions and in the form adopted by the European Commission.

(8) (Amend. – SG 17/19) The exchange of information under this Section shall be carried out in compliance with the requirements for protection of personal data.

Limits for exchange of information

Art. 143p. (new - SG 82/12, in force from 01.01.2013) (1) The local requested authority shall not be obliged to provide information under this Section, when:

1. there is information that competent authority of the other Member State of the European Union has not exhausted the usual sources of information which it could have used for obtaining the information in its own State;

2. the information discloses commercial, industrial or professional secret or a commercial process, or its disclosure would be contrary to public order;

3. its disclosure or collection contradicts the Bulgarian legislation;

4. the competent authority of the other Member State of the European Union may not communicate such information under reciprocity conditions.

(2) The refusal of the local requested authority shall be reasoned and shall indicate the grounds for refusal referred to in Para 1.

(3) Para 1 shall not be used by the local requested authority as grounds for refusal to communicate the information only because the information is stored by a bank, another financial institution, a representative or a person acting as a representative or an agent, or because it is related to the membership in a given company.

(4) (amend. - SG 63/17, in force from 04.08.2017) Upon request for information the

local requested authority shall not refuse its communication on the grounds referred to in Para 1, Items 2, 3 and 4 because the requested authority lacks interest in such information.

Cooperation

Art. 143q. (new - SG 82/12, in force from 01.01.2013) (1) Where an international agreement with a third State provides for a wider cooperation in the filed of exchange of information, it may not be refused in respect of a Member State of the European Union which has requested to establish such cooperation.

(2) (Amend. - SG 63/17, in force from 04.08.2017) In the event where a third country receives information that may be considered relevant for the establishing of tax obligations, referred to in Art. 143b, and for the application of the legislation in the field of these taxes in a Member State of the European Union, this information may be provided under the terms of this section with the permission of the source State of the information.

(3) Where information received from a Member State of the European Union may, by way of administrative cooperation, be useful to a third country, the information may be provided to the third country under the following conditions:

1. where there is agreement of the competent authority of the source State of information;

2. where the third country has undertaken to assist in the gathering of evidence of transactions of an unusual or illegal nature that contradict or would lead to a breach of tax legislation.

(4) (New - SG 63/17, in force from 04.08.2017) Bilateral or multilateral preliminary pricing agreements with third countries shall be excluded from the scope of the automatic exchange of information under Art. 143h, Para. 10, when an international treaty, under which the preliminary pricing agreement has been agreed, does not allow its disclosure to a third party. In this case, only the information referred to in Art. 143h, Para. 13 contained in the request for the issuance of the bilateral or multilateral preliminary pricing agreement shall be exchanged under the automatic exchange procedure.

(5) (New - SG 63/17, in force from 04.08.2017) Agreements under Para. 4 shall be exchanged under the order of Art. 143i, in the event, where the international treaty, on the basis of which the preliminary pricing agreement has been agreed, permits its disclosure, and the competent authority of the third country has given permission to disclose the information.

Section VI.
Special rules for the automatic country-by-country reporting exchange (New - SG 105/06, in force from 01.01.2007, title amend. - SG 63/17, in force from 04.08.2017)

Section VI.
Information exchange procedure with Member States of the European Union concerning income from savings (New – SG 105/06, in force from 01.01.2007)

Subject

Art. 143r. (New - SG 105/06, in force from 01.01.2007, Prev. Para. 143l - SG 82/2012, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) This Section shall regulate the order for implementation of administrative cooperation through automatic exchange of country-by-country reports, containing information on the distribution of revenues, profits, assets and taxes of undertakings belonging to a multinational enterprise groups (MNE Groups).

(2) The automatic exchange of information under this Section shall be the systematic provision of predefined information to a Member State of the European Union or to other jurisdictions, with which the Republic of Bulgaria has a special international agreement in force, without a formal request, at a fixed interval.

Competent body and scope of automatic reporting exchange country-by-country

Art. 143s. (new – SG 105/06, in force from 01.01.2007; prev. text of Art. 143m - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) The Executive Director of the National Revenue Agency shall exchange the reports submitted by the Reporting entity, country-by-country, with the competent authorities of the Member States of the European Union or of other jurisdictions, with which the Republic of Bulgaria has a special international agreement in force.

(2) The country-by-country reports shall be made available to a Member State or to another jurisdiction, in which a Constituent Entity of the MNE Group is resident for tax purposes, or has a permanent establishment.

(3) The automatic exchange of country-by-country reports under Para. 1 shall be carried out in respect of the MNE Groups which, according to their consolidated financial statements, have a total income in excess of BGN 1 466 872 500 for the tax year preceding the reporting tax year.

(4) The information shall be provided within 15 months from the end of the tax year of the MNE Groups, to which the country-by-country report refers.

(5) Automatic country-by-country reporting exchange shall be carried out once a year by electronic means via the CCN network or by other approved means. The information shall be provided in any official or working language of the European Union, taking into account the language rules adopted by the European Commission.

Report Country-by-Country

Art. 143t. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143n - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017 (1) The country-by-country report shall be provided annually to the Executive Director of the National Revenue Agency by the Reporting entity within 12 months from the end of the reporting tax year for the MNE Groups.

(2) The country-by-country report shall contain the following information on the MNE Groups:

1. summary information on the amount of income, pre-tax profit (loss), income / corporate tax paid, accrued income / corporate tax, registered capital, accumulated profits, number of employees and tangible assets other than cash or cash equivalents - for each Member State or other jurisdiction, in which the MNE Groups operate;

2. data for each Constituent Entity of the MNE Group, indicating the Member State of the European Union or another jurisdiction, of which it is a resident for tax purposes, the country / jurisdiction, under whose legislation it was created, where it is different from the state / jurisdiction, of which it is a resident for tax purposes, and the nature of the principal business or activities.

(3) (Amend. - SG 92/17, in force from 21.11.2017) The country-by-country report and notifications under Art. 143x shall be submitted electronically in order and in a format approved by an order of the Executive Director of the National Revenue Agency, which shall be published on the website of the National Revenue Agency.

Reporting entity

Art. 143u. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143o - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) (Amend. – SG, 64/19, in force from 13.08.2019) The country-by-country report under Art. 143t shall be provided by an Ultimate Parent Entity of the MNE Group which is resident for tax purposes of the Republic of Bulgaria.

(2) The Ultimate Parent Entity of a MNE Group which is resident for tax purposes of the Republic of Bulgaria shall be a Constituent Entity which meets the following criteria:

1. according to the accounting legislation, it is obliged to prepare a consolidated financial report;

(2) there is no other Constituent Entity in this MNE Group which directly or indirectly exercises control in said Constituent Entity.

(3) Where the Ultimate Parent Entity of the MNE Group is not resident for tax purposes of the Republic of Bulgaria and one or more of the conditions under Art. 143v, Para.1, the MNE Groups may file a country-by-country report through a Surrogate Parent Entity which is resident for tax purposes of the Republic of Bulgaria.

(4) Where the MNE Group does not submit through a Surrogate Parent Entity under para. 3, the country-by-country report shall be submitted by a Constituent Entity under Art. 143v, para. 1.

(5) (Repealed – SG, 64/19, in force from 13.08.2019)

(6) Amend. - SG, 64/19, in force from 13.08.2019) a country-by-country report shall be provided to the Executive Director of the National Revenue Agency by an undertaking under Para.1, 3 or 4, where the Group's revenue under the consolidated financial report exceeds BGN 1 466 872 500 for the tax year preceding the reporting tax year.

Country-by-country Reporting by Constituent Entity of the MNE Group

Art. 143v. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143p - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) The country-by-country report shall be filed by a Constituent Entity which is resident for tax purposes of the Republic of Bulgaria and is different from the Ultimate Parent Entity, where one of the following conditions is met:

1. the Ultimate Parent Entity of the MNE Group is not obliged to file a country-by-country report in the jurisdiction to which it is resident for tax purposes;

2. the jurisdiction, in which the Ultimate Parent Entity is resident for tax purposes, has an effective international treaty, to which the Republic of Bulgaria is a party, but within the time limit for submission of country-by-country report under Art. 143t, para. 1 for the respective reporting tax year, no special international treaty has entered into force;

3. there is a systematic failure by the jurisdiction to which the Ultimate Parent Entity is resident for tax purposes, for which the Executive Director of the National Revenue Agency has notified the Constituent Entity resident for tax purposes of the Republic of Bulgaria.

(2) Constituent Entity under para. 1 shall require the Ultimate Parent Entity to provide him with all the necessary information for submitting the country-by-country report with the content under Art. 143t, para. 2. In the event where the Constituent Entity has not received all the information required to submit a MNE Group report, it shall submit a country-by-country report based on the information at its disposal, informing the Executive Director of the National Revenue Agency that the Ultimate Parent Entity has refused to provide the necessary

information.

(3) The Executive Director of the National Revenue Agency shall notify the Member States of the refusal of the Ultimate Parent Entity to submit the information under para. 2.

(4) Constituent Entity under para. 1 shall not submit a country-by-country report, even although one or more of the conditions under para. 1 were met, if the MNE Group provides the report for the respective reporting tax year through a Surrogate Parent Entity under Art. 143u, para. 3 or through a Surrogate Parent Entity in the Member State, of which it is resident for tax purposes.

(5) Constituent Entity under para. 1 shall not provide a country-by-country report, where the report is filed through a Surrogate Parent Entity resident for tax purposes of a jurisdiction outside the European Union and the following conditions are met:

1. the jurisdiction in which the parent's subsidiary is resident for tax purposes requires the submission of country-by-country reports containing the information under Art. 143f, para. 2;

2. the jurisdiction, to which the Surrogate Parent Entity is resident for tax purposes, has a special international agreement, to which the Republic of Bulgaria is party within the country-by-country reporting period for the respective reporting tax year;

3. the jurisdiction to which the Surrogate Parent Entity is resident for tax purposes, has not notified the Executive Director of the National Revenue Agency of systemic failure on the part of the jurisdiction or the Surrogate Parent Entity;

4. the jurisdiction to which the Surrogate Parent Entity is resident for tax purposes has been notified no later than the last day of the reporting tax year of the MNE Group by a Constituent Entity which is its resident for tax purposes that the latter is a Surrogate Parent Entity;

5. the Executive Director of the National Revenue Agency has been notified in accordance with Art. 143x, para. 2.

(6) (New - SG 92/17, in force from 21.11.2017) Constituent Entity under para. 1 shall not provide a country-by-country report, where the group's sum of revenue in the consolidated financial statements for the tax year preceding the reporting tax year calculated in the local currency of the jurisdiction, in which the Ultimate Parent Entity is a resident for tax purposes, does not exceed the threshold, defined in that jurisdiction for country-by-country reporting, although its equivalent in Bulgarian levs may exceed the amount of BGN 1 466 872 500.

(7) (New - SG 92/17, in force from 21.11.2017) Paragraph 6 shall apply where the jurisdiction in which the Ultimate Parent Entity is a resident for tax purposes has set a threshold which approximately corresponds to the equivalent of EUR 750 000 000 calculated in the local currency of that jurisdiction as of January 2015.

Filing Report for multiple Constituent Entities

Art. 143w. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143q - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) Where one MNE Group has several Constituent Entities residents for tax purposes of the Republic of Bulgaria and / or of another Member State, and one of the conditions under Art. 143v, para. 1 is present, the MNE Group may designate one of these Constituent Entities to file the country-by-country report.

(2) Where the designated Constituent Entity is a resident for tax purposes of the Republic of Bulgaria, it shall notify the Executive Director of the National Revenue Agency that by filing the report, the respective obligation of all constituent entities residents for tax purposes of the Republic of Bulgaria or another Member State has been met.

(3) Constituent Entity resident for tax purposes of the Republic of Bulgaria shall not provide a country-by-country report to the Executive Director of the National Revenue Agency, where the report is filed in another Member State by a Constituent Entity designated by the MNE Group.

(4) Constituent Entity resident for tax purposes of the Republic of Bulgaria may not be designated as a Reporting entity for the MNE Group under para. 1, where it cannot get all the necessary information for country-by-country reporting.

(5) Notwithstanding para. 4, where a Constituent Entity is designated to fiel a a country-by-country report but the Ultimate Parent Entity has refused to provide the necessary information, Art. 143v, para. 2 and 3 shall apply.

Obligation to notify

Art. 143x. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143r - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) Constituent Entity of a MNE Group resident for tax purposes of the Republic of Bulgaria shall notify the Executive Director of the National Revenue Agency whether it is an Ultimate Parent Entity, a Surrogate Parent Entity or a Constituent Entity under Art. 143v, para. 1 no later than the last day of the reporting tax year of the MNE Group.

(2) Constituent Entity resident for tax purposes of the Republic of Bulgaria which is not an Ultimate Parent Entity, a Surrogate Parent Entity or a Constituent Entity under Art. 143v, para. 1 shall notify the Executive Director of the National Revenue Agency of the undertaking providing the information and the Member State, including the Republic of Bulgaria, and the jurisdiction respectively, of which it is resident for tax purposes no later than the last day of the reporting tax year of the MNE Group.

(3) In the cases under Art. 143w, para. 1, the notification under para. 1 shall be filed by the Constituent Entity resident for tax purposes of the Republic of Bulgaria and designated by the MNE Group to submit the country-by-country report. The other Constituent Entities of this MNE Group residents for tax purposes of the Republic of Bulgaria shall file a notification under para. 2.

(4) Notification under para. 2 shall also submit Constituent Entities which do not file reports in the cases under Art. 143v, para. 4 and 5.

Using the Information from the Country-By-Country Reports

Art. 143y. (New - SG 105/06, in force from 01.01.2007, prev. Art. 143s - SG 82/12, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) The information under Art. 143s, para. 1 shall be used to assess transfer-pricing risk or base erosion and profit shifting, to reduce the tax base and the transfer of profits, including assessing the risk of non-compliance with the applicable rules for determining the market prices between undertakings in the MNE Group, as well as for economic and statistical analysis.

(2) Revenue authorities may not determine market prices on the basis of the information received under the provisions of this section. The limitation under sentence one shall not prevent revenue authorities, in the course of tax-insurance control, from requiring additional information on the conditions under which the market prices between the members of the MNE Groups are determined and, as a result, to establish or modify tax obligations of a Constituent Entity.

(3) As regards the disclosure of information, Art. 143o, para. 1-4 shall apply respectively.

(4) The annual assessment of the effectiveness of the automatic exchange of country-by-country reports under Art. 143s and information on the achieved practical results shall be provided to the European Commission in the form and under the conditions set out in Art. 143o, para. 7.

Section VII.
Specific rules regarding the automatic exchange of information on cross-border tax schemes (New - SG 102/19, in force from 01.07.2020)

Subject matter, scope and competent authority

Art. 143z. (New - SG 102/19, in force from 01.07.2020) (1) This Section regulates the procedure for administrative cooperation through automatic exchange of information on cross-border tax schemes.

(2) The automatic exchange of information under this Section shall mean the systematic provision of predefined information to the Member States of the European Union, without request, at a specified interval.

(3) The Executive Director of the National Revenue Agency shall exchange with the competent authorities of the Member States information on cross-border tax schemes received pursuant to Art. 143aa and Art. 143bb. The information shall include the data under Art. 143cc, Para. 1 and 2.

(4) The automatic exchange of information and the provision of information by the taxable persons under this Section shall apply to the taxes provided for in Art. 143b.

(5) The information under Para. 3 shall be exchanged within one month from the end of the quarter during which it was submitted, using a standard form. The information may be exchanged in any official language of the European Union, in accordance with the language rules adopted by the European Commission.

Information subject to provision on cross-border tax schemes

Art. 143za. (New - SG 102/19, in force from 01.07.2020) (1) For the purposes of the automatic exchange of information, information shall be provided on cross-border tax schemes with a potential risk of tax avoidance falling in at least one of the categories envisaged in Para. 4.

(2) A cross-border tax scheme shall mean a scheme which affects more than one Member State or a Member State and a third country where at least one of the following conditions is fulfilled:

1. not all participants in the scheme are residents for tax purposes in the same jurisdiction;

2. one or more of the participants in the scheme is simultaneously resident for tax purposes in more than one jurisdiction;

3. one or more participants in the scheme carries on business in another jurisdiction through a permanent establishment or a fixed base and the scheme covers part or all of the business activity at the permanent establishment or the fixed base;

4. one or more of the participants in the scheme carries on business in another jurisdiction without being resident for tax purposes or creating a permanent establishment or a fixed base in that jurisdiction;

5. the scheme may have an effect on the automatic exchange of information or the determination of the beneficial owner.

(3) The cross-border tax scheme may include an arrangement, agreement, provision, consent, statement, scheme, plan, transaction or series of such. The tax scheme may consist of several parts or several stages of implementation.

(4) Cross-border tax schemes with the potential risk of tax avoidance shall be the

following categories:

1. a scheme whereby the taxpayer or another participant in it undertakes to respect a confidentiality condition which may require that it not be disclosed to other consultants or tax authorities the way, in which the scheme can provide a tax advantage;

2. a scheme whereby the consultant is entitled to receive remuneration in any form, and this remuneration is determined depending on:

a) the amount of tax advantage deriving from the scheme, or

b) whether a tax advantage has been obtained as a result of the scheme; this also includes a stipulation that the consultant reimburses part or all of the remuneration when the expected tax advantage resulting from the scheme has not been partially or fully achieved;

3. a scheme that has substantially standardized documentation and/or structure and is accessible to more than one taxable person without having to be substantially modified for implementation purposes;

4. a scheme whereby a participant therein undertakes deliberate action to acquire a company that incurs tax losses, to terminate its principal activity and use the losses to reduce its tax liabilities, including by transferring those losses to another jurisdiction, or by accelerating the use of these losses;

5. a scheme which provides for an outcome equivalent to the re-qualification, transformation or conversion of income into property, capital, donation or other type of income, which are taxed at a lower rate or are tax-exempt;

6. a scheme involving successive transactions in which funds are transferred for the purpose of returning them back through the participation of one or more intermediate entities which have no other principal economic function, or the use of transactions which mutually offset or cancel, or have similar result;

7. a scheme involving cross-border payments constituting expenditure recognized for tax purposes between two or more related undertakings, where at least one of the following conditions is fulfilled:

a) the recipient is not resident for tax purposes in any tax jurisdiction;

b) the recipient is a resident for tax purposes in a jurisdiction which:

aa) does not impose any corporate tax or imposes corporate tax at the rate of zero or almost zero, or

bb) is included in a list of third jurisdictions that have been evaluated jointly by the Member States or within the Organization for Economic Co-operation and Development as non-cooperative jurisdictions;

c) the payment is fully exempt from taxation in the jurisdiction, in which the recipient is resident for tax purposes;

d) the payment is subject to a preferential tax regime in the jurisdiction, in which the recipient is resident for tax purposes;

8. a scheme which provides for the deduction of depreciation expense for the same asset in more than one jurisdiction;

9. a scheme seeking to avoid double taxation in respect of the same element of income or property in more than one jurisdiction;

10. a scheme involving the transfer of assets and there is a material difference in the sums to be considered as consideration due for the assets in the jurisdictions concerned;

11. a scheme which may lead to a reduction or circumvention of the obligation to provide information as per Chapter Sixteen, Section IIIa, similar provisions in the legislation of other Member States or jurisdictions, or agreements for automatic exchange of financial accounts information, or which makes use of the absence of such legislation or agreements, including through:

a) the use of an account, product or investment which is not or is claimed not to be a financial account, but which has characteristics substantially similar to those of a financial account;

b) the transfer of financial accounts or assets to jurisdictions or the use of jurisdictions that are not obliged to exchange financial account information automatically with the state, to which the taxable person is resident for tax purposes;

c) the re-qualification of income or capital into products or payments not subject to the automatic exchange of financial accounts information;

d) the transfer or conversion of a financial institution or financial account, or of assets contained therein, into a financial institution or into a financial account, or assets for which information is not provided by the automatic exchange of financial accounts information;

e) the use of legal entities, arrangements or structures that circumvent or are deemed to circumvent the provision of information for one or more of the account holders or controlling persons pursuant to the automatic exchange of financial accounts information;

f) circumventing or taking advantage of weaknesses in the due diligence procedures applied by financial institutions to comply with their obligations to provide financial accounts information, including the use of jurisdictions with inappropriate or ineffective enforcement regimes in the field of anti-money laundering measures or with insufficient transparency requirements towards legal entities or legal arrangements;

12. a scheme involving a chain of non-transparent legal or real property with the use of persons, legal arrangements or structures:

a) which do not carry on any substantial economic activity that is performed with the necessary staff, equipment, assets and premises, and

b) which are incorporated, managed, controlled, established or are resident for tax purposes in a jurisdiction other than the jurisdiction in which residents for tax purposes are one or more of the beneficial owners of assets owned by such persons, legal arrangements or structures, and

c) whose beneficial owners cannot be established within the meaning of the Anti-Money Laundering Act or of a similar provision of a Member State's legislation;

13. a scheme involving the use of unilateral rules on relaxed regimes for transfer pricing purposes;

14. a scheme involving the transfer or provision of intangible assets difficult to evaluate for transfer pricing purposes;

15. a scheme involving an intragroup cross-border transfer of functions and/or risks, and/or assets, if the estimated annual profit before interest and taxes of the transferor or transferors in the three years after the transfer equals less than 50 per cent of the projected annual profit before interest and taxes of the same transferor or transferors, if no transfer has been made.

(5) Although the cross-border tax scheme falls into one of the categories under Para. 4, items 1-6 and item 7, letter "b", sub-letter "aa", letters "c" and "d", information shall be provided only when it can be established that the main benefit or one of the main benefits, which, in the light of all the relevant facts and circumstances, a taxable person may reasonably expect to derive from a cross-border tax scheme, is to obtain a tax advantage.

(6) The existence of any of the conditions under Para. 4, item 7, letter "b", sub-letter "aa", letters "c" and "d" cannot in itself be a reason to conclude that the main benefit or one of the main benefits is to obtain a tax advantage.

Provision of information on cross-border tax schemes by a consultant

Art. 143aa. (New - SG 102/19, in force from 01.07.2020) (1) Information on cross-border tax schemes shall be provided to the Executive Director of the National Revenue Agency by a provider of tax advice on a cross-border tax scheme when the latter:

1. is a resident for tax purposes of the Republic of Bulgaria, or

2. has a permanent establishment or established headquarters in the Republic of Bulgaria, through which the services related to the scheme are provided, or

3. is established or regulated in accordance with the legislation of the Republic of Bulgaria, or

4. is registered as a member of a professional organization related to legal, tax or other consultancy services in the Republic of Bulgaria.

(2) A consultant shall mean any person who prepares, offers on the market, organizes or manages the implementation of, or submits for implementation, a cross-border tax scheme.

(3) A consultant shall also be any person who, in the light of the relevant facts and circumstances and on the basis of the available information and expertise necessary for the provision of such services, knows - or may reasonably be assumed to know - that he has undertaken an obligation to provide directly, or through other persons, help, assistance or consultation in relation to the preparation, marketing, organization, management or provision for implementation of a cross-border tax scheme under Art. 143za. The person may present evidence that he did not know and it can reasonably be assumed that he did not know that he had participated in the taxable cross-border tax scheme, relying on all relevant facts and circumstances, the information available and his expertise and experience.

(4) Where a consultant has an obligation to provide information on the same tax scheme in two or more Member States, the information shall be provided only to the competent authority of one Member State, which is to be determined in the following order:

1. the Member State, in which the consultant is resident for tax purposes;

2. the Member State, in which the consultant has a permanent establishment or established headquarters, through which the services related to the scheme are provided;

3. the Member State in which the consultant is established or whose law governs it;

4. the Member State, in which the consultant is registered as a member of a professional organisation related to legal, tax or other advisory services.

(5) In the cases under Para. 4, a consultant shall provide information to the Executive Director of the National Revenue Agency when, within the order of Member States under Para. 4, the Republic of Bulgaria is at the forefront.

(6) The consultant shall provide information on a cross-border tax scheme, of which he knows, owns or is under his control, within 30 calendar days from the earliest of the following dates:

1. the day following the day on which the tax scheme is submitted for implementation;

2. the day following the day on which the tax scheme is ready to the extent which permits its implementation;

3. the date, on which the first step in the implementation of the tax scheme was completed.

(7) Except in the order of Para. 6, a consultant under Para. 3 shall provide information on a cross-border tax scheme within 30 calendar days counted from the day following the day on which he provided directly, or through other persons, help, assistance or consultation with regard to the preparation, marketing, organization, management or making available for implementation of the tax scheme.

(8) Following the initial provision of information under Para. 6, a consultant on a tax scheme with typing content shall provide, every three months, up-to-date information on the scheme, which became known to him after the previous submission of information.

(9) Where there is more than one consultant about a cross-border tax scheme, the obligation to provide information shall be for all consultants, although the obligation may arise in different Member States.

(10) A consultant shall be released from the obligation to provide information on a cross-border tax scheme where:

1. he has evidence that another consultant has provided the same information about the tax scheme;

2. he has evidence that he has provided the information in another Member State under Para. 4;

3. he is obliged by law to keep this information confidential, unless the taxable person has consented to its disclosure.

(11) Although another consultant has provided information on a cross-border tax scheme to the Executive Director of the National Revenue Agency or a competent authority of another Member State, the consultant shall not be exempt under Para. 10, item 1 of his obligation to provide information when the scheme consists of separate parts or stages and each consultant develops, markets, organizes, manages, provides for implementation, and accordingly provides help, assistance or consultation in connection with these activities, for the individual part or stage of the scheme.

(12) In the cases of Para. 10, item 3, the consultant shall be obliged to notify the other consultants under the tax scheme immediately or not later than 14 days from the date, on which the obligation to provide information arises for him, or - if he is not aware of such other consultants – to notify the taxable person, for their obligation to provide information under Para. 6, 7 and / or 8, respectively under Art. 143bb. The term under Para. 6 shall run from the date of notification.

(13) Notwithstanding Para. 10, item 3 and Para. 12, the consultant shall be obliged to inform the Executive Director of the National Revenue Agency of the other tax scheme consultants or the taxable person, who all should provide the information, even if the obligation for them to provide information may arise in another Member State.

Provision of information by a taxable person

Art. 143bb. (New - SG 102/19, in force from 01.07.2020) (1) Information about a cross-border tax scheme shall be provided by a taxable person in one of the following cases:

1. when there is no consultant under the scheme, including when the scheme is created by an employee of the taxable person;

2. when the consultant under the scheme is released from the obligation to provide information under Art. 143aa, Para. 10, item 3 or a similar provision in the legislation of another Member State, notified to the taxable person;

3. when the scheme consultant:

a) is not a resident for tax purposes of a Member State;

b) has no permanent establishment or a fixed headquarters in a Member State, through which the services in connection with the cross-border tax scheme are provided;

c) is not established or regulated under the legislation of a Member State;

d) is not registered as a member of a professional association related to legal, taxation or other consultancy services in a Member State.

(2) A taxpayer for the purposes of this Section shall be any person:

1. to whom a cross-border tax scheme is made available, or

2. who is ready to implement a cross-border tax scheme, or

3. which has implemented the first step in implementing a cross-border tax scheme.

(3) A taxpayer shall provide information to the Executive Director of the National Revenue Agency when said person:

1. is a resident for tax purposes in the Republic of Bulgaria, or

2. has a permanent establishment or a fixed headquarters in the Republic of Bulgaria, which benefit from the tax scheme, or

3. receives income or profits in the Republic of Bulgaria, although he is not a resident for tax purposes and has no permanent establishment or a fixed headquarters in the Republic of Bulgaria or in another Member State, or

4. pursues activities in the Republic of Bulgaria, although he is not a resident for tax purposes and has no permanent establishment or a fixed headquarters in the Republic of Bulgaria or in another Member State.

(4) Where a taxpayer becomes obliged to submit information on a cross-border tax scheme to the competent authorities of more than one Member State, that information shall be submitted only to the competent authority of the State, which is to be determined in the following order:

1. the Member State, in which he is resident for tax purposes;

2. the Member State, in which he has a permanent establishment or a fixed headquarters benefitting from the scheme;

3. the Member State, in which he receives income or makes a profit, even though he is not a resident for tax purposes and has no permanent establishment or a fixed headquarters in any Member State;

4. the Member State, in which he pursues his business, even though he is not a resident for tax purposes and has no permanent establishment or a fixed headquarter in any Member State.

(5) In the cases of Para. 4, the taxpayer shall provide information to the Executive Director of the National Revenue Agency when, in the sequence of Member States under Para. 4, the Republic of Bulgaria is in the first position.

(6) When for a taxpayer arises the obligation to submit information about a cross-border tax scheme, he shall submit the information within 30 calendar days from the earliest of the following dates:

1. the day following the day on which the tax scheme is available for implementation;

2. the day following the day on which the tax scheme is ready to the extent that permits its implementation;

3. the date on which the first step in the implementation of the tax scheme is made.

(7) Where the obligation to provide information arises for more than one taxable person, including where the obligation has arisen in different Member States, information on the cross-border tax scheme shall be provided to the relevant competent authority by the person who is the first of those listed in items 1 and 2:

1. the taxpayer who has agreed with the consultant under the respective scheme;

2. the taxpayer managing the implementation of the scheme.

(8) The taxpayer shall not provide information on a cross-border tax scheme when he has evidence that:

1. he has provided the information in another Member State in accordance with Para. 4, or

2. another taxpayer has provided the same information about the tax scheme according to the rule of Para. 7.

Content of the information subject to provision on cross-border tax schemes.

Unique number

Art. 143cc. (New - SG 102/19, in force from 01.07.2020) (1) The information to be provided to the Executive Director of the National Revenue Agency under Art. 143aa or Art. 143bb shall include the following particulars where applicable:

1. the identity of the consultant (s) and the taxpayer(s), including:

a) name;

b) date and place of birth (for natural persons);

c) the country or jurisdiction, in which he is resident for tax purposes;

d) a tax identification number;

e) the entities which are associated enterprises of the taxable person, where appropriate;

2. a description of the characteristics of the scheme under Art. 143za, Para. 4, for which it must be made available;

3. a unique tax scheme number, where the provision of information regarding the scheme is not initial;

4. a summary of the tax scheme, including an indication of the name by which it is known, and a general description of the economic activities or arrangements concerned, without revealing any commercial, industrial or professional secret or trade process, or information the disclosure of which would be contrary to public order;

5. the date on which the first step in the implementation of the tax scheme was or is to be carried out;

6. the national provisions on which the tax scheme is based;

7. value of the tax scheme;

8. an indication of the Member States likely to be affected by the tax scheme;

9. the identity of any other person in a Member State who is likely to be affected by the tax scheme, indicating the Member States to which that person is affiliated.

(2) For tax schemes with typified content, in the cases under Art. 143aa, Para. 8, the data under Para. 1, items 1, 3, 5, 8 and 9 shall be provided.

(3) The information under Para. 1 and 2 shall be submitted electronically, in an order and format approved with an order of the Executive Director of the National Revenue Agency, which order is to be published on the website of the National Revenue Agency.

(4) When initially providing information on a cross-border tax scheme, a unique number shall be issued to identify the scheme in all Member States. Any consultant or taxpayer who made the initial submission of information about the tax scheme shall notify any other consultant or taxpayer under the scheme about the unique number issued.

(5) Each information provided by a consultant or taxpayer shall be issued with a unique disclosure number, as the disclosure is part of a scheme. The number serves to identify the specific provision of information in all Member States.

(6) The unique numbers under Para. 4 and 5, as well as the corresponding unique numbers issued in another Member State, shall be cited as evidence under Art. 143aa and Art. 143bb that information on the scheme has been provided by a consultant or a taxpayer.

(7) The taxpayer shall indicate in the annual tax return under Art. 92 of the Corporate Income Taxation Act, respectively under Art. 50 of the Income Taxes on Natural Persons Act, whether they apply a cross-border tax scheme and the unique number of the scheme. The information shall be indicated in the declaration for each year during which the cross-border tax scheme has a tax effect on the person.

Other provisions

Art. 143dd. (New - SG 102/19, in force from 01.07.2020) (1) Any failure on the part of the revenue authorities to take action in relation to information on a cross-border tax scheme shall not constitute recognition of the validity of this scheme or its tax treatment.

(2) The Executive Director of the National Revenue Agency shall organize the control activity of the Agency in connection with the fulfillment of the obligations to provide information on cross-border tax schemes in the order of this Section.

(3) With respect to confidentiality, disclosure and use of information about a cross-border tax scheme, Art. 143o shall apply.

(4) The annual evaluation of the effectiveness of the automatic exchange of information on cross-border tax schemes and information on the achieved practical results shall be provided to the European Commission in the format and under the conditions specified in Art. 143o, Para. 7.

Division three.
APPEAL

Chapter seventeen.
GENERAL PROVISIONS

Applicability

Art. 144. (1) By the order of appeal of an audit act shall be appealed and the other acts, issued by the bodies of receivables, as far as in this code has not been provided otherwise.

(2) The provisions of this chapter shall be applied in the proceedings of appeal, provided also and in the other divisions of this code, unless it has not been provided otherwise.

(3) When the body of receivables or the public executor does not fulfil his/her obligations in the established terms, the liable person shall be entitled to file a complaint for slowness to the higher administrative body. The higher body shall pronounce within three days term and shall give obligatory instructions to the body of receivables.

(4) (New, SG, 105/20, effective from 01.01.2021) When the proceedings have been carried out by revenue authorities or public executors, determined under Art. 12, Para. 6, sentence one, competent to rule on appeal shall be the respective deciding body, determined in accordance with the competent to the person territorial Directorate under Art. 8.

Content and applications to the complaint at administrative appeal

Art. 145. (1) The complaint shall contain:

1. the name (the firm or the name) of the appellant, respectively of the representative, if it is filed by representative, and the address for correspondence;
2. indicating of the act or the action, against which it is filed;
3. all the evidences, which the appellant wants to be collected;
4. in what the request consist of;
5. signature of the sender.

(2) To the complaint shall be applied:

1. power of attorney, when it is filed by a representative;
2. the written evidences.

Sending the file at administrative appeal

Art. 146. Within 7 days term after the receiving of the complaint the body, through which it has been filed, shall be obliged to assemble the file and to send it to the competent for its decision body.

Actions at overdue or irregular complaint

Art. 147. (1) When the complaint has been overdue, it shall be left without consideration by the competent to consider it body by a decision.

(2) If the filed complaint has not been signed, has not been indicated the act or the action, against which it is filed, or has not been applied a power of attorney when the complaint is filed by a representative, the decision-making body shall notify the appellant to eliminate the irregularities within 7 days term after receiving the announcement. When the defects of the complaint are not eliminated in term, the proceedings shall be terminated by a decision of the competent to consider it body.

(3) (amend. – SG 30, in force from 12.07.2006, amend. - SG, 64/19, in force from 13.08.2019) The decision under para 1 and 2 may be appealed within 7 days term after its handing in, before the administrative court, in whose judicial region is the permanent address, or the central office of the claimer at the moment of performing the first action of the tax-security control by the revenue bodies . The court shall pronounce by a ruling in 30 days term.

Announcing the decision

Art. 148. The decision of the administrative body at the complaint shall be handed in to the appellant in 7 days term after its issue.

Content and application of the complaint to the court

Art. 149. (1) The complaint to the court shall meet the requirement under Art. 145, para 1.

(2) To the complaint shall be applied:

1. a power of attorney, when it is filed by a representative;
2. copy of the complaint for the body of receivables;
3. written evidences;
4. documents for paid state charges, when are due such ones.

Sending the complaint at court appeal

Art. 150. (1) Within 7 days term after the receiving of the complaint the body, through which it has been filed, shall be obliged to assemble the file and to send it to the competent to consider it court.

(2) If in the term under para 1 the file shall not be sent to the court, the appellant may send a copy of the complaint directly to the court. The court shall require the file ex officio.

Check for admissibility of the complaint

Art. 151. (1) When the complaint is overdue, the court shall lift it without consideration.

(2) If are not met the requirements under Art. 149, para 1 and 2, the court shall notify

the appellant to eliminate the irregularities within 7 days term after receiving the announcement. When the defects of the complaint are not eliminated in term, the proceedings shall be terminated.

(3) The act of the court under para 1 and 2 may be appealed before the Supreme Administrative Court. The court shall pronounce at the complaint by a ruling.

Chapter eighteen.
APPEAL OF AN AUDIT ACT BY ADMINISTRATIVE ORDER

Appeal by administrative order

Art. 152. (1) The audit act may be appealed as a whole or in separate parts of it in 14 days term after its handing in.

(2) (amend. - SG 94/12, in force from 01.01.2013) Decision-making body shall be the respective director of directorate "Appeal and tax-insurance case-law" at the central management of the National Revenue Agency.

(3) The complaint shall be filed through the territorial directorate.

(4) In the complaint may be indicated explicitly the evidences for which is proposed to come to an agreement by the order of this chapter.

(5) In the term under Art. 146 the body of receivables, who has issued the appealed act, may point in writing before the decision-making body and the appellant the evidences, for which he/she proposes to come to an agreement by the order of this chapter, independently whether with the complaint has been made a proposal under para 4.

Stopping of the execution

Art. 153. (1) The appeal of the audit act by administrative order shall not its execution.

(2) The execution of the audit act may be stopped at request of the appellant. Request for stopping the execution may be done only for the part of the audit act which has not been appealed.

(3) The request shall be filed to the body, competent to consider the complaint, as to it shall be applied the evidences for the made security in the extent of the principal and the interest up to the date of the filing of the request, and in the cases when it has not been imposed a security, the request shall contain a proposal for security in the same extent.

(4) The decision-making body shall stop the execution of the audit act, if the submitted security is in cash, unconditional and irrevocable bank guarantee or state securities and is in the extent under para 3.

(5) In the rest cases the decision-making body shall made an assessment according to the submitted, respectively proposed security and may stop the execution, obliging the competent public executor in a definite term to impose security measures over the property proposed as a security. The stopping of the execution shall have an effect from the date of imposing the security measures by the public executor.

(6) The decision-making body shall pronounce at the request for stopping of the execution by a decision within 7 days after its filing.

(7) (amend. – SG 30, in force from 12.07.2006) The refusal to be stopped the execution may be appealed before the administrative court, competent to consider the complaint on its merits, in 7 days term after receiving the decision under para 6, respectively in 7 days term after the expiration of the term for pronouncement of the decision-making body at the request. The court shall pronounce at the complaint against the refusal for stopping of the

execution by a ruling.

Agreement regarding the evidences

Art. 154. (1) In the term for issuing a decision at the complaint against the audit act may be come to a written agreement between the body of receivables, issued the appealed act, and the audited subject regarding the evidences which shall be considered indisputable.

(2) The agreement under para 1 shall be confirmed in written by a resolution of the decision-making body at the complaint. He/she may not pronounce at it before the expiration of 14 days term after the beginning of the term for pronouncement at the complaint, by which has been made the proposal to come to an agreement.

(3) For the evidences, for which has been come to an agreement, shall not be admitted new evidences for their disproval or confirmation in the proceedings at the administrative and the court appeal.

Powers of the decision-making body

Art. 155. (1) (amend. – SG 14/11, in force from 15.02.2011) The decision-making body shall consider the complaint on its merits and shall pronounce by a motivated decision in 60 days term from expiration of the term under Art. 146, respectively from removing the irregularities under Art. 145 or from confirmation of the agreement under Art. 154. When the complaint has been filed through a licensed post operator, upon written request of the appellant shall be issued a certificate for the date of its receiving at the respective directorate.

(2) (suppl. - SG 63/17, in force from 04.08.2017) The decision-making body may confirm, change or repeal in whole or partially the audit act in the appealed part. Where the limitation period has expired in the course of the audit proceedings and an objection has been upheld regarding expired statute of limitations, the determining authority shall rule on the grounds and amount of the obligation, stating explicitly that the audit act is not enforceable.

(3) The decision-making body may collect new evidences. If the new evidences are not submitted by the appellant, a copy of them shall be handed in to him/her together with the decision.

(4) The audit act shall be repealed in whole or partially and the file shall be returned to the body, issued the order for assignment of the audit, with obligatory instructions for issuing a new audit act in the cases of:

1. incompleteness of the evidences, when the decision-making body may not collect them in the course of the proceedings of the appeal, or

2. admitted significant breaches of the procedural rules at the implementation of the audit, which may not be eliminated in the procedure of the appeal.

(5) Shall not be allowed a second return of the file for a new audit.

(6) In the cases under para 4 the procedure of issuing of the new act shall begin from the unlawful action, which has served as a ground for the repealing of the act.

(7) When to the expiration of the term for pronouncing at the complaint before the same decision-making body have been filed complaints and against audit acts for the responsibility of other persons for obligations, established by the appealed audit act, the decision-making body may join the files for common consideration and decision.

(8) By the decision the audit act may not be amended to the prejudice of the appellant.

(9) Regarding to the decision shall be applied respectively Art. 133, para 3.

Chapter nineteen.
COURT APPEAL OF THE AUDIT ACT

Appeal before the court

Art. 156. (1) (amend. – SG 30, in force from 12.07.2006, amend. - SG 77/18, in force from 18.09.2018) The audit act in the part which is not repealed by the decision of Art. 155, may be appealed trough the decision-making body in 14 days term after the receiving of the decision. The case shall be heard by the administrative court in whose jurisdiction the applicant's permanent address or registered office is located at the time of the performance of the first action on the implementation of the tax-insurance control by the revenue authorities.

(2) The audit act may not be appealed by court order in the part, in which it has not been appealed by administrative order.

(3) The audit act may not be appealed by court order in the part, in which the complaint has been completely considered favourably by the decision.

(4) The non-pronouncement of the decision-making body in the term under Art. 155, para 1 shall be considered a confirmation of the audit act in the appealed part.

(5) (amend. - SG 94/15, in force from 01.01.2016, amend. – SG, 64/19, in force from 13.08.2019) In the cases under para 4 the complaint against the audit act may be filed in 30 days term after the expiration of the term for pronouncement through the decision-making body before the Administrative Court, in whose judicial area is the permanent address or headquarters of the complainant at the time of the first action of exercising tax and social security control by the revenue authorities.

(6) The decision-making body may not pronounce a decision after the expiration of the term for sending the file in the court.

(7) The term for the pronouncement at the complaint may be prolonged at mutual written agreement between the appellant and the decision-making body for a term up to 3 months, in which shall be indicated the term of the prolongation. At non-pronouncement in this term shall be applied the provision of para 5 and 6.

Stopping of the execution by the court

Art. 157. (1) The appeal of the audit act before the court shall not stop its execution.

(2) (amend. – SG 30, in force from 12.07.2006) The execution may be stopped by the administrative court upon request by the appellant. A request for stopping the execution may be done only for the part of the audit act, which has been appealed before the court.

(3) (amend. – SG 63/06, in force from 04.08.2006) To the request shall be applied the evidences for the made security in extent of the principal and the interest, and when has not been imposed a security, the request shall contain a proposal for security in the same extent. In these cases shall be applied respectively the provisions of Art. 153, para 3 – 5.

(4) The court shall pronounce in 14 days term after the filing of the request for stopping, by a ruling, which shall be a subject to appeal before the Supreme Administrative Court.

Specific rules for evidences in the court proceedings

Art. 158. (1) (amend. – SG 105/06) Evidence by witness shall be allowed in the cases of Art. 57, para 2.

(2) The court shall follow ex officio for the observation of Art. 154, para 3.

Consideration of the complaint against the audit act

Art. 159. (1) The court shall consider the complaint with the participation of the parties. The prosecutor may enter in the proceedings, when he/she finds it necessary, in protection of state or social interest.

(2) At the hearing of the complaint shall be summoned the decision-making body and the appellant.

(3) When in the same court are instituted cases upon complaints against audit acts for the responsibility of other persons for obligations, established by the appealed audit act, the court may on its own initiative or at request of some of the parties joint them in one procedure for common consideration and decision.

Decision of the case

Art. 160. (1) The court shall decide the case on its merits, as it may repeal in whole or partly the audit act, change it in the appealed part or reject the complaint.

(2) The court shall assess the lawfulness and the groundless of the audit act, assessing whether it is issued by a competent body in the respective form, whether the procedural and material-legal provisions of its issuing are met.

(3) When the character of the act does not allow the decision of the case on its merits, the court shall reject and return the file to the competent body of receivables with obligatory instructions about the interpretation and the application of the law.

(4) (suppl. - SG 63/17, in force from 04.08.2017) Para 3 shall not be applied for the audit acts. Where the limitation period has expired in the course of the audit proceedings and an objection has been upheld regarding expired statute of limitations, the court shall rule on the grounds and amount of the obligation, stating explicitly that the audit act is not enforceable.

(5) (New, SG, 105/20, effective from 01.01.2021) Upon declaring the revision act null and void, the court shall apply Art. 173, Para. 2 of the Administrative Procedure Code.

(6) (Former Para. 5 - SG, 105/20, effective from 01.01.2021) By the court decision may not be changed the act to the prejudice of the appellant.

(7) (amend. – SG 30, in force from 12.07.2006, but with regard of replacement of the words "the Sofia-city court" with "the Administrative court – city of Sofia" – from 01.03.2007, suppl. - SG 77/18, in force from 18.09.2018, former Para. 6 - SG, 105/20, effective from 01.01.2021) The decision of the administrative court shall be a subject to cassation appeal by the order of the Administrative-procedure code. The decision of the administrative court in cases, which are subject to appeal against public receivables established by the auditing act total up to BGN 750, which do not include accrued interest for late payment when the audit act was issued to natural persons, and a total of up to BGN 4 000, which do not include accrued interest for late payment, when the audit act is issued to legal entities, is final.

(8) (amend. – SG 30, in force from 12.07.2006 former Para. 7 - SG, 105/20, effective from 01.01.2021) A repeal of an entered into force court decision may be required by the order of the Administrative-procedure code.

Costs and state fees (title suppl. SG 77/18, in force from 18.09.2018)

Art. 161. (1) (amend. - SG 94/15, in force from 01.01.2016) To the appellant shall be awarded the costs for the case and the remuneration for one lawyer for every instance proportionate to the rejected part of the complaint. To the administration instead of remuneration for a lawyer shall be awarded remuneration for a legal adviser on every instance

in the size of the minimum remuneration for one lawyer.

(2) At disproportional remuneration for lawyer, regardless of the real legal and factual complexity of the case, the court may award a lower extent of the costs in those part of them, but not smaller than the minimum determined extent regarding Art. 36 of the Attorney Act.

(3) In the case when before the court are submitted evidence which may be submitted in the administrative proceedings, the party which has submitted them shall pay fully the costs for the case regardless of its decision, unless in the cases under Art. 155, para 3 and 4.

(4) (new - SG 77/18, in force from 18.09.2018) The state fee for cassation appeal is determined by the order of the Administrative-Procedure Code on an identifiable material interest in the amount of the public receivable established by the audit act.

Division four.
COLLECTION OF THE PUBLIC TAKINGS

Chapter twenty .
GENERAL PROVISIONS

Public and private takings

Art. 162. (1) The state and municipal takings shall be public and private.

(2) Pubic shall be the state and the municipal takings:

1. (amend. – SG 58/16) for taxes, including excises, as well as custom duties, obligatory insurance contributions and other contributions for the budget;

2. for other contribution, established at ground and extent by law;

3. for state and municipal fees, established at ground by law;

4. for unlawful made insurance costs;

5. for the pecuniary equivalence of properties, confiscated in favour of the state, fines and property sanctions, confiscations and deprivation of funds in favour of the state;

6. (suppl. – SG 86/06, in force from 01.01.2007, suppl. – SG 85/17) upon entered into force verdicts, decisions and rulings of the courts for public takings in favour of the state or the municipalities, as well as decisions of the European Commission for reimbursement of unlawfully granted sate aid, including compensations due to them, fines and pecuniary sanctions;

7. upon entered into force penal provisions;

8. (new – SG 12/09, in force from 01.05.2009, amend. – SG 96/19, in force from 01.01.2020) for undue for amounts unduly paid and overpaid, as well as for unduly received or misappropriated funds for projects financed by European Union funds, including related national co-financing thereto, arising from an administrative act, including financial corrections, overpaid advance payments, overdue percentage restrictions, exceeded budget line items, cross-financing, as well as the fines and the other pecuniary sanctions stipulated in the national legislation and in the law of the European Union.

9. (prev. text of Item 08, amend. – SG 12/09, in force 01.05.2009) interests of the takings under para 1 - 8.

(3) The public takings shall be established and collected in levs.

(4) Private shall be the state and the municipal takings out of these ones under para 2.

(5) (new - SG 109/07, in force from 01.01.2008) Public takings shall be the ones of the budget of the European Union with regards to decisions of the European Commission, the Council of the European, the Court of Justice of the European Communities and of the European Central Bank, imposing monetary obligations, which are subject to execution on the

ground of Art. 256 of the Treaty establishing the European Community.

(6) (new – SG 15/10) Public receivables shall be deemed also the receivables of the Member States of the European Union arising from decisions for confiscation or seizure of money as regards the monetary equivalence of the confiscated or seized property, as well as decisions imposing financial sanctions, taken in Member States of the European Union, when recognized and enforceable in the Republic of Bulgaria.

(7) (New – SG, 105/2016, in force from 30.12.2016) Public receivables shall be receivables for financial administrative sanctions and/or fines, including fees and charges, imposed by the competent bodies or confirmed by the administrative or judicial bodies of EU Member States, or – where applicable – by courts for labor cases of EU Member States in relation to failure to observe Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ L 18/1 of 21 January 1997) of Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (OJ L 159/11 of 28 May 2014).

Order for collection

Art. 163. (1) The public takings shall be collected by the order of this code, unless by an Act has been provided for otherwise.

(2) The private state and municipal takings shall be collected by the common order.

(3) (amend. – SG 12/09, in force from 01.05.2009) The public takings shall be collected by the public executors at the National Revenue Agency, unless by an Act has been provided otherwise.

(4) (new - SG 86/17) In cases where public claims are assigned to be collected by a bailiff, their collection shall be carried out under the procedure of the Civil Procedure Code.

Specific cases at insolvency

Art. 164. (1) The public takings may be collected and through a participation in the proceedings or trough joining to an open insolvency proceedings of the debtor.

(2) (amend. – SG 12/09, in force from 01.05.2009) A copy of the act for establishing of public taking shall be submitted to the National Revenue Agency in 7 days term after its handing in.

(3) (amend. – SG 12/09, in force from 01.05.2009) The public takings shall be claimed by the National Revenue Agency before the insolvency court, unless by an Act has been provided for otherwise.

(4) In case the taking is established by an entered into force act, the trustee in bankruptcy shall immediately enter it in the list of the accepted by him/her takings, in the way it has been lodged. This taking may not be discussed by the order of part four of the Commerce Act or by appeal of the ruling of the insolvency court for approval of the list with the accepted by the trustee in bankruptcy takings.

(5) In case the taking is established, but the act is not entered into force, it shall be entered under condition in the list of the accepted by the trustee in bankruptcy takings and shall be satisfied by the order of Art. 725, para 1 of the Commerce Act, unless by an Act has been provided otherwise.

Executive ground

Art. 165. The collection of the state and municipal public takings shall be implemented on the ground of an entered into force act for establishment of the respective public taking, issued by the competent body, unless by an Act has been provided otherwise.

Establishment

Art. 166. (1) The establishment of the public takings shall be implemented by the order and by the body, determined by the respective law.

(2) (amend. – SG 30, in force from 12.07.2006) If the respective law does not provide for an order for establishment of the public taking, it shall be established at ground and extent by an act for public taking, which shall be issued by the order for issuing an administrative act, provided for by the Administrative-procedure code. If the respective law does not provide for the body for issuing the act, he/she shall be appointed by the mayor of the municipality, respectively by the head of the respective administration.

(3) (amend. – SG 30, in force from 12.07.2006) The act for a public municipal taking shall be appealed by an administrative order before the mayor of the municipality, and for a public state taking – before the head of the respective administration by the order of the Administrative-procedure code. The head of the administration may authorize bodies, higher of the body issued the act, which shall consider on their merits and shall pronounce at the complaints against the acts for public takings. The order for the authorization shall be promulgated in the "State Gazette".

Public executor

Art. 167. (1) The public executor shall be a body of the enforcement and shall implement the actions of securing and enforcement of the public takings by the order of this code.

(2) (revoked – SG 12/09, in force from 01.05.2009)

Methods of redemption

Art. 168. The public taking shall be redeemed:

1. when is paid;
2. trough a deduction;
3. at prescription;
4. at remission;
5. at death of the individual – after exhaustion of his/her property, unless the heirs or other persons are liable for the public obligation;
6. after the distribution of the revenues from cashing the asset of a corporate body announced insolvent, unless other persons are liable for the public obligation;
7. at deregistration of a corporate body after termination by liquidation proceedings, unless other persons are liable for the public obligation.

Sequence of the redemptions

Art. 169. (1) The public takings shall be redeemed in the following sequence: principal, interests, expenses.

(2) The rescheduled and postponed public takings shall be redeemed in sequence: principal, interests, expenses.

(3) At the presence of several public takings, which the debtor may not redeem simultaneously to the beginning of their public collection, he/she may declare which one of them he/she shall redeem before the respective competent body. If he/she has not declared this, they shall be redeemed proportionately.

(3a) (new - SG 94/15, in force from 01.01.2016) Before applying for public collection the debts of a certain type, established by the municipalities, shall be redeemed in the order of their arising, and if they relate to the same year, the person may state, which one he wishes to redeem.

(3b). (New, SG, 105/20, effective from 01.05.2021) An amount, received on the account of the public contractor for repayment of public receivables, submitted for collection to the National Revenue Agency until the beginning of their compulsory collection, the obligation shall be repaid, the term for payment of which expires at the earliest on the date of payment. If the time limit for the payment of two or more public debts expires on the same date, they shall be repaid proportionately.

(4) (amend. - SG 94/12, in force from 01.01.2013; amended by a Constitutional Court Decision No 2 of 2014 – SG 14/14; amend. – SG 18/14, in force from 04.03.2014) As regards to public liabilities established by the National Revenue Agency, prior to commencement of enforcement of duties debtors shall state the type of liabilities they wish to repay in a manner and order set out by an order of the Minister of Finance:

1. tax liabilities and other liabilities to the central budget;

2. obligations for health insurance contributions to the budget of the National Health Insurance Fund;

3. compulsory social security contributions to social security funds, administered by the National Social Security Institute;

4. obligations for contributions for additional compulsory pension insurance.

(5) (new – SG 18/14, in force from 04.03.2014) In the cases under para 4 the amount received shall repay the obligation of the respective type, the time period for which shall expire at the earlier of the date of payment, unless the law provides otherwise. If the time period for payment of two or more public liabilities of the same kind expires on the same date, they shall be redeemed pro rata.

(6) (new – SG 98/13, in force from 01.12.2013; prev. text of para 5 – SG 18/14, in force from 04.03.2014, amend. – SG, 105/20, in force from 01.05.2021) In case of application of Para. 3b and 5 clearance of interest shall begin after repayment of all principal amounts of the debts.

(7) (new - SG 94/12, in force from 01.01.2013; prev. par. 5 – SG 98/13, in force from 01.12.2013; prev. text of para 6 – SG 18/14, in force from 04.03.2014) Paras 4 and 5 shall not apply to debts arising from an act that has not entered into force unless before initiation of the enforcement proceedings the persons file a statement with the competent territorial directorate that he wishes to clear the debt arising from the said act or that the clearance takes place through a set-off.

(8) (amend. – SG 108/07, в in force from 19.12.2007; prev. text of Para 05 - SG 94/12, in force from 01.01.2013; prev. par. 6 – SG 98/13, in force from 01.12.2013; prev. text of para 7 – SG 18/14, in force from 04.03.2014; suppl. - SG 94/15, in force from 01.01.2016, amend. – SG, 105/20, in force from 01.05.2021) After the executive case para 3, 3a, 3b, 4, 5 and 6 has been initiated, paras 3, 3a, 4 and 5 shall not be applied, provided that the public revenue are being redeemed in the following sequence: expenses, principal, interest.

(9) (new – SG 18/14, in force from 04.03.2014) The order under para 4 shall be

published on the web sites of the Ministry of Finance and of the National Revenue Agency.

Edition to SG, 94/4 Dec 2015

Sequence of the redemptions

Art. 169. (1) The public takings shall be redeemed in the following sequence: principal, interests, expenses.

(2) The rescheduled and postponed public takings shall be redeemed in sequence: principal, interests, expenses.

(3) At the presence of several public takings, which the debtor may not redeem simultaneously to the beginning of their public collection, he/she may declare which one of them he/she shall redeem before the respective competent body. If he/she has not declared this, they shall be redeemed proportionately.

(3a) (new - SG 94/15, in force from 01.01.2016) Before applying for public collection the debts of a certain type, established by the municipalities, shall be redeemed in the order of their arising, and if they relate to the same year, the person may state, which one he wishes to redeem.

(4) (amend. - SG 94/12, in force from 01.01.2013; amended by a Constitutional Court Decision No 2 of 2014 – SG 14/14; amend. – SG 18/14, in force from 04.03.2014) As regards to public liabilities established by the National Revenue Agency, prior to commencement of enforcement of duties debtors shall state the type of liabilities they wish to repay in a manner and order set out by an order of the Minister of Finance:

1. tax liabilities and other liabilities to the central budget;

2. obligations for health insurance contributions to the budget of the National Health Insurance Fund;

3. compulsory social security contributions to social security funds, administered by the National Social Security Institute;

4. obligations for contributions for additional compulsory pension insurance.

(5) (new – SG 18/14, in force from 04.03.2014) In the cases under para 4 the amount received shall repay the obligation of the respective type, the time period for which shall expire at the earlier of the date of payment, unless the law provides otherwise. If the time period for payment of two or more public liabilities of the same kind expires on the same date, they shall be redeemed pro rata.

(6) (new – SG 98/13, in force from 01.12.2013; prev. text of para 5 – SG 18/14, in force from 04.03.2014) In case of application of para 5 clearance of interest shall begin after repayment of all principal amounts of the debts.

(7) (new - SG 94/12, in force from 01.01.2013; prev. par. 5 – SG 98/13, in force from 01.12.2013; prev. text of para 6 – SG 18/14, in force from 04.03.2014) Paras 4 and 5 shall not apply to debts arising from an act that has not entered into force unless before initiation of the enforcement proceedings the persons files a statement with the competent territorial directorate that he wishes to clear the debt arising from the said act or that the clearance takes place through a set-off.

*(8) (amend. – SG 108/07, **в** in force from 19.12.2007; prev. text of Para 05 - SG 94/12, in force from 01.01.2013; prev. par. 6 – SG 98/13, in force from 01.12.2013; prev. text of para 7 – SG 18/14, in force from 04.03.2014; suppl. - SG 94/15, in force from 01.01.2016) After the executive case para 3 and 4 has been initiated, paras 3, 3a, 4 and 5 shall not be applied, provided that the public revenue are being redeemed in the following sequence: expenses, principal, interest.*

(9) (new – SG 18/14, in force from 04.03.2014) The order under para 4 shall be

published on the web sites of the Ministry of Finance and of the National Revenue Agency.

Deduction till the beginning of the proceedings for enforcement and securing

Art. 170. Regardless of the cases under Art. 128 – 130 till the institution of proceedings for enforcement of the public taking, the competent for the establishment of the public takings body shall implement deduction by the order of Art. 166, para 2, when are present the grounds for its redemption with due taking of the debtor for overdue sums or sums subject to restoration from public takings, and under acts issued by the same body competent to determine them. The debtor shall be notified for the made deduction.

(2) (amend. – SG 30, in force from 12.07.2006) Under the condition under para 1 a deduction may be required and by the debtor. The refusal for deduction may be appealed by the debtor by the order of the Administrative-procedure code. The refusal shall be appealed before the bodies under Art. 166, para 3 in 7 days term after its announcement.

(3) A deduction may be done with redeemed by prescription public obligation, when the taking of the debtor has become due, before his/her obligation has been redeemed by prescription.

Prescription

Art. 171. (1) The public takings shall be redeemed with the expiration of 5 years prescription term, regarding 1 January of the year, which follows the year, during which should been paid the public obligation, unless by an Act has been provided for a shorter term.

(2) (suppl. - SG 94/15, in force from 01.01.2016, amend. and suppl. – SG, 64/19, in force from 13.08.2019, amend. – SG,105/20, in force form 01.01.2021) With the expiration of 10 years prescription term, regarding 1 January of the year which follows the year during which should have been paid the public obligation, shall be redeemed all the public takings regardless of the stopping or the termination of the prescription, except for the cases when:

1. the obligation is deferred or rescheduled;
2. the claim has been filed in bankruptcy proceedings;
3. criminal proceedings have been instituted, the outcome of which depends on the establishment or collection of the public debt;
4. the execution is suspended at the request of the debtor;
5. an appeal has been lodged for the settlement of a dispute under Chapter Sixteen, Section IIa.

Stopping and termination of the prescription

Art. 172. (1) The prescription shall be stopped:

1. when proceedings for establishment of the public taking have begun – till the issue of the act, but not for more than one year;
2. when the execution of the act, by which the taking has been established, has been stopped – for the term of the stopping;
3. when has been given a permission for rescheduling or postponing of the payment – for the term of the rescheduling or postponing;
4. when the act, by which has been determined the obligation, has been appealed;
5. by imposing of securing measures;
6. when penal proceedings have been instituted, on the decision of which depends the establishment or the collection of the public taking.

(2) The prescription shall be terminated with the issue of the act for establishment of the public taking or with the undertaking of actions of enforcement. If the act for establishing shall be repealed, the prescription shall be considered terminated.

(3) From the termination of the prescription shall begin a new prescription.

Writing off the takings

Art. 173. (1) (prev. text of Art. 173 - SG 94/15, in force from 01.01.2016) The taking shall be written off, when they are redeemed by prescription, as well as in the cases, provided for by a law.

(2) (new - SG 94/15, in force from 01.01.2016) The takings shall be written off ex officio upon expiry of the term referred to in Art. 171, Para 2.

Voluntary payment after expiration of the terms

Art. 174. Shall not be a subject to return, the voluntary paid public obligations, fulfilled after the expiration of the prescription term, including the written off ones by the order of Art. 173.

Interests

Art. 175. (1) For the unpaid in the terms, established by the law, public takings, shall be due an interest in extent, provided for by the respected law.

(2) An interest shall be due and:

1. for incorrectly restored or deducted public takings, including each payments, received on the ground of request for restoration regarding the tax and the insurance legislation;

2. (amend. - SG 94/12, in force from 01.01.2013) on the unpaid advance contribution in the term provided for by the law - from the date on which the advance contribution has fallen due to the date of payment of the advance contribution and no later than 31 December of the year for which the advance contribution is due;

3. (repealed – SG, 105/20, in force from 01.01.2021)

(3) Interests on interests and interests on fines shall not be owed.

Third liable persons

Art. 176. (1) When under the law the public taking shall be collected and paid by a third person, different from the debtor, the rules under this code regarding the debtor, shall be applied and regarding the third person.

(2) When the third liable person under para 1 has not collected or has not paid the public obligation, he/she shall be joint responsible for it.

Enforcement by public executors of the National Revenue Agency

Art. 177. (revoked – SG 12/09, in force from 01.05.2009)

Chapter twenty one.
EXECUTION

Voluntary execution

Art. 178. (1) The public obligations shall be executed voluntary through a payment in cash or non-cash at the respective account. The public obligations, established or collected by the National Revenue Agency, except for the obligations under the Local Taxes and Fees Act shall be paid non-cash.

(2) The National Revenue Agency shall bear the cost under the non-cash payment, when:

1. (amend. SG 95/06, in force from 01.01.2007) the account party is an individual, which is not a sole entrepreneur, for taxes under the Income Taxes on Natural Persons Act, or

2. they are made in the offices of the banks, which serve the National Revenue Agency, opened in the respective territorial directorate.

(3) (amend. - SG 108/07, in force from 19.12.2007; amend. - SG 94/15, in force from 01.01.2016) The penal provisions shall be sent by the respective administrative sanction body to the public executor in 7 days term after the expiration of the term for voluntary payment.

(4) The numbers of the accounts for payment in non-cash way shall be indicated by the bodies, who have established the obligations, in the acts and announcements issued by them. The accounts shall be announced and through their notification in a suitable way in the banks and the post branches.

(5) (amend. – SG 99/11, in force from 01.01.2012) The non-cash payment shall be made from a POS terminal by a payment card or through a bank by a payment order (paying-in slip) for payment to the budget under a sample, confirmed by the Minister of Finance or by a person authorized by him/her, coordinated with Bulgarian National Bank.

(6) (new – SG 99/11, in force from 01.01.2012, suppl. - SG 63/17, in force from 04.08.2017) The non-cash payment shall be deemed to be made in due time, when the payment has been ordered not later than on the last due day of voluntary payment of a public liability and the due amount appears in the respective account on the next work day latest. Where the payment is made with a payment card via a POS terminal, including virtually, by the order of Art. 4, para. 3 of the Restriction on Cash Payments Act, it shall be considered that the payment was received on the day of the authorization of the payment order.

(7) (prev. par. 6 – SG 99/11, in force from 01.01.2012) The non-cash payment through a licensed post operator shall be made by a postal order for payment to the budget under a sample, confirmed by the Minister of Finance or an official authorized by him, coordinated with the respective licensed post operator.

(8) (prev. par. 7 – SG 99/11, in force from 01.01.2012) The payment in cash may be done and to authorized persons. The order for the collection and the reporting of the sums shall be determined by an order of the head of the respective administration or organization.

Rules for collecting and distribution of the obligatory insurance contributions

Art. 179. (1) (revoked - SG 94/12, in force from 01.01.2013, effect restored by Constitutional Court Decision No 2 of 2014; amend. – SG 18/14, in force from 04.03.2014) The amounts deposited pursuant to Art. 169, para 4 to accounts of the National Revenue Agency for the budget of the National Health Insurance Fund and for social security funds, administered by the National Health Insurance Fund shall be transferred to the account of the National Health Insurance Fund or respectively to the account of the National Social security Institute on a daily basis.

(2) (amend. - SG 61/15, in force from 15.08.2015) The National Revenue Agency shall remit the contributions for additional obligatory pension insurance in 30 days term after their receiving from the specialized account to the account of the respective pension fund, indicated

by the pension-insurance company, which manages it. In the aforesaid deadline shall also be transferred the increased contributions for persons under Art. 4b, para 1 and Art. 4c para 1 of the Code of Social Insurance to teh account of the National Social Security Institute.

(3) (In force from 29.12.2005; amend. - SG 61/15, in force from 15.08.2015) The order for payment and distribution of the obligatory insurance contribution shall be regulated by an ordinance, adopted by the Council of Ministers.

Execution of the public obligations by third persons

Art. 180. (1) A person who executes someone else's obligation, established by an entered into force act and unfulfilled in the terms for voluntary execution, shall assume the rights of the public creditor regarding the made securities and the order of the taking in the insolvency proceedings or in the executive proceedings against the debtor by the order of the Civil procedure code or of this code, when:

1. the execution has been done with explicit written consent of the liable person with valid date, or

2. the person who has fulfilled the obligation is a creditor of the liable person, if the public creditor on the ground of his/her securities of privileges is a creditor with right of preferential satisfaction, or

3. the person who has fulfilled the obligation is obliged together with the liable person for the execution of the public obligation, or

4. the person who has fulfilled the obligation is a buyer of a real estate and pays to the extent of the purchasing price the public taking in favour of the public creditor for estates, for which has been imposed an injunction which secures the public taking or

5. the person who has fulfilled the obligation is an heir, who has accepted the inheritance with inventory, and has fulfilled by his/her funds the public obligation of the testator.

(2) The person who has fulfilled the obligation shall assume the rights under para 1 to the extent of his/her claim against the liable person.

Entering of the securities and issuing of a writ of execution

Art. 181. (1) (amend. – SG 12/09, in force from 01.05.2009) The person who has fulfilled the obligation under Art. 180 may enter the securities on the ground of a certificate for made execution, issued by the executive director of the National Revenue Agency, or by a person authorized by him.

(2) (amend. – SG 59/07, in force from 01.03.2008) The person who has fulfilled the obligation may undertake compulsory execution following the provisions of the Civil Procedure Code on the grounds of the act certifying public taking and a certificate under para 1 in the cases of Art. 180, para 1, item 1, as well as when the person who has fulfilled the obligation has assumed as a co-debtor the public obligation with an explicit written consent of the liable person with valid date.

(3) If the public obligation has been fulfilled only partly and the public creditor and the person who has fulfilled the obligation are in competition in the insolvency proceedings or the executive proceedings by the order of the Civil procedure code or of this code, their takings shall be satisfied proportionally.

Actions for voluntary execution (Title amend. - SG 94/15, in force from 01.01.2016)

Art. 182. (1) (amend. – SG 12/09, in force from 01.05.2009; revoked - SG 94/15, in force from 01.01.2016)

(2) (amend. - SG 94/15, in force from 01.01.2016) If the obligation shall not be fulfilled in the term established by the law before being undertaken actions for its forcible collection, the body who has established the taking, respectively a body of the National Revenue Agency may:

1. notify the debtor in writing, on the phone, by a visit at place, by means of an electronic notification at an electronic address indicated by him and/or in any other manner for the consequences and the possible actions of the collection of the taking, in case he/she does not fulfil voluntary the determined obligations;

2. if the obligation is bigger than 5000 leva and has not been provided a security in extent of the principal and the interests, to notify all the bodies, which under the normative acts, issue licenses or permissions for implementing of definite activities for which is required the certification of the public obligations.

(3) (amend. and suppl. - SG 94/15, in force from 01.01.2016) In the cases when the obligation has been implemented in term for voluntary execution, the body that has established the taking may also:

1. put in a visible place in the respective administration an announcement for the debtors who have not paid their obligations in term;

2. spread through a bulletin or through the mass media lists of the debtors with unsettled public obligations, including their amount when the whole obligation exceeds 5000 leva.

(4) In opinion of the respective body the actions under para 2 may be undertaken together or separately regarding the extent of the obligation or the behaviour of the debtor till its final redemption.

(5) In case the public obligation does not exist or is in considerably lower extent from the announced one, the respective body shall make a rebuttal by the order of para 3.

(6) (revoked - SG 94/15, in force from 01.01.2016)

Chapter twenty two.
POSTPONEMENT AND DEFERRING

Section I.
Postponement and deferring of public obligations

Conditions for postponement and deferring

Art. 183. (1) At a request of the debtor, filed to the competent body, may be allowed the payment of the due sums to be fulfilled completely to a definite final date (postponement) or to be made partially (deferring) regarding an approved redemption plan.

(2) The postponement or the deferring shall be admitted at the presence of the following conditions:

1. the obligation, for which is request postponement or deferring, may not be redeemed completely by the present to the date of the filing of the request pecuniary funds and the current pecuniary receipts for a period of three months after this date, reduced by the necessary current pecuniary payments for a period of three months from the same date and guaranteeing the continuance of the economic activity, as to the present pecuniary funds shall be added the sums, which shall been receipt at:

a) cashing the assets at their balance-sheet value to the date of the filing of the

request, except for these without which shall be impossible the realization of the implemented economic activity;

b) collecting the due to the date of the filing of the request takings of the debtor from third persons;

2. (revoked – SG 14/11, in force from 15.02.2011)

3. the coefficients for profitability, effectiveness and financial autonomy for the previous two years of the year in which has been filed the request, and for the period for which is requested postponement or deferring, on the ground of the evidences for future development, are determined by methods and are in the limits of values, established by the ordinance under para 9.

4. the minimum amount of the provided security covers the amount of the principal and the interests of the obligation for the period of effect of the permission.

(3) For the period of the postponement or the deferring the debtor shall owe interest in extent of the basic rate of interest, if he/she does not fulfil his/her obligation regarding the redemption plan. For the period of deferring of the obligatory insurance contributions shall be owed an interest regarding Art. 113 of the Code of social insurance.

(4) At non-fulfilment at the due date, respectively of two contributions regarding the redemption plan, the due sums shall become immediately due, together with the legal interest from the date of the given permission. In this case Art. 169, para 2 shall not be applied.

(5) Postponement or deferring shall not be allowed:

1. regarding a corporate body or a sole entrepreneur, for which has been taken a decision for termination by liquidation, has been opened insolvency proceedings or proceedings for recovery of the enterprise;

2. after being determined the way for sale under Art. 238;

3. (amend. - SG 82/12, in force from 01.01.2013) for the obligations under the Value Added Tax Act and the Excise and Tax Warehouse Act, except for the obligations upon entered into force audit act;

4. (suppl. – SG 14/11, in force from 15.02.2011) regarding the liable persons under Art. 18 for the deducted sums and the ones which have not been paid within the fixed term, except for the obligations which have entered into force.

(6) The provision of para 5 shall not be applied in the cases under Art. 188 and 189.

(7) (suppl. – SG 14/11, in force from 15.02.2011) Shall not be allowed postponement or deferring of obligatory insurance contributions, except for the cases under Art. 186 and audit reports which have entered into force.

(8) To the request under para 1 shall be applied evidences for:

1. the financial - economic statute of the debtor, as well as perspective programme for development – for the sole entrepreneur, corporate body or a body equated to it;

2. the family and property statute of the debtor under a sample, confirmed by the Minister of Finance – for the individuals;

3. all other public obligations, including the interests on them, as well as for all the obligations to private creditors and the interests on them;

4. (amend. – SG 14/11, in force from 15.02.2011) the circumstances under para 2, item 3.

(9) (In force from 29.12.2005) The limits of the coefficients for profitability, effectiveness and financial autonomy, the requirements for the submitted evidences, the specific cases, the methods and the ways for determining of the coefficients and the net cash flow shall be determined by an ordinance of the Council of Ministers.

(10) Regardless the cases under para 2 postponement or deferring shall be admitted in specific cases, determined by the ordinance under para 9, when the competent body

establishes, that the pecuniary funds and the current receipts of the debtor are not necessary for redemption of the public obligations, but the difficulties are temporary and at postponement or deferring the obligation after receiving a permission by the order of the State Aid Act the debtor shall succeed to pay off his/her debt and to pay the current public obligations.

(11) (amend. - SG 63/06, in force from 04.08.2006; amend. - SG 36/08; amend. – SG 12/09, in force from 01.05.2009; amend. - SG 12/15, amend. – SG 58/17, in force from 18.07.2017) Proposal for postponement or deferring of public takings of the registered farmers and tobacco-growers may be filed and through the Minister of Agriculture, Foods and Forestry to the respective Minister under Art. 184, para 1.

Permission for postponement or deferring

Art. 184. (1) The permission for postponement or deferring shall be issued by:

1. the territorial director – for the obligations for taxes, except for excise an obligatory insurance contributions totally in extent to 100 000 leva and under condition that the postponement or the deferring is requested up to one year from the date of the issuing of the permission; the permission for deferring takings for obligatory insurance contributions to 10 000 leva shall be issued after receiving written consent by the head of the competent territorial department of the National Social Security Institute, and for deferring takings from 10 001 to 100 000 leva – by the manager of the National Social Security Institute;

2. the executive director of the National Revenue Agency – for obligations for taxes, except for excise or obligatory insurance contributions totally in extent from 100 001 to 300 000 leva, or if is requested postponement or deferring for two years term from the date of the issuing of the permission; the permission for deferring the takings for obligatory insurance contributions shall be issued after receiving of written consent by the Supervisory committee of the National Social Security Institute;

3. the Minister of the Finance – for obligations for taxes and obligatory insurance contributions totally in extent over 300 000 leva or if is requested postponement or deferring for more than two years from the date of the issuing of the permission; the permission for deferring the takings for obligatory insurance contributions shall be issued after receiving of written consent by the Supervisory committee of the National Social Security Institute.

(2) (amend. - SG 94/15, in force from 01.01.2016) Out of the cases under para 1 a permission for postponement or deferring shall be issued by the head of the respective administration, which body has been established the obligation – for obligations to 300 000 leva and under the condition, that postponement or deferring is requested up to two years from the date of the issuing of the permission. In the rest cases the permission shall be issued by the Minister of Finance.

(3) In the cases when the competent body of the National Social Security Institute refuses to give consent for deferring obligations for obligatory insurance contributions, the permission for deferring shall be issued, if the Managing Council of the National Revenue Agency takes decision for that.

(4) When competent for the postponement or the deferring is the Minister of Finance, respectively the executive director of the National Revenue Agency, the application and the evidences to it shall be filed through the territorial director – for obligations for taxes and for obligatory insurance contributions, and for other public takings – through the body, who has established the obligation, who shall present a grounded statement within 30 days term.

Issuing of the permission

Art. 185. (1) At made request for postponement or deferring the competent body shall pronounce, taking into account:

1. the submitted evidences;

2. the consent of the National Social Security Institute;

3. (new – SG 14/11, in force from 15.02.2011) positive decision by the European Commission for compatibility of the aid with the Common market, where such is required according to the State Aid Act.

(2) Permission shall not be issued and when the submitted evidences under Art. 183, para 8 contain data which do not reflect the actual facts and circumstances or do not correspond to the market prices and conditions. Permission shall be issued only for this part of the obligation, which may not be redeemed under the condition of Art. 183, para 2, item 1.

(3) The term of the permission shall be determined, as to be accepted the redemption of the obligation to be made by payments in extent not less than 50 percent from the net cash flow, without to be taken into account the principal and the interests of the postponed or deferred obligation, determined for every year separately on the ground of the evidences for future development and in a way, established by the ordinance under Art. 183, para 9.

(4) (suppl. – SG 14/11, in force from 15.02.2011) The permission for postponement or deferring shall be issued within 3 months term, and in the cases under Art. 184, para 1, item 3 – within 4 months term after the receiving of the request with the necessary evidences and the consent of the National Social Security Institute , as well as a positive decision by the European Commission, where such is required according to the State Aid Act. The permission shall be announced to the debtor within 7 days term after its issuing. Till the pronouncement of the competent body the execution of the obligation shall be stopped, if securing measures have been imposed.

(5) The refusal for issuing permission for postponement or deferring shall be made by a motivated decision, which shall be announced in 7 days term after its issuing to the debtor. In the decision shall be indicated in what terms and before who may be appealed.

(6) The non-pronouncement in term at the request for issuing permission for postponement or deferring shall be considered an implicit refusal.

Postponement and deferring without interests

Art. 186. (1) At natural disasters (fires, earthquakes, hailstorms, accidents and other similar to them) or large production failures, at which have been caused considerable material damages to the debtor, at his/her request the bodies under Art. 184, para 1 may permit postponement or deferring of the obligation.

(2) In the cases under para 1 from the day of the appearing of the disaster, respectively the failure, to the expiration of the term of action of the postponement or deferring shall not be owed interests on the postponed or deferred obligations. In the cases of large production failures, when the risk is covered by insurances, for the period shall be owed the basic rate interest.

(3) (amend. – SG 86/06, in force from 01.01.2007) When the postponement or the deferring presents a state support according to the State Aid Act, the postponement or the deferring shall be permitted, after a decision for admissibility by the European Commission.

(4) To the application shall be applied evidences for the occurred circumstances under para 1, determined by the ordinance under Art. 183, para 9, and when this is impossible, the body shall collect the necessary evidences.

(5) The postponement or the deferring shall be permitted as to be applied Art. 183 – 185.

Appeal of the refusal

Art. 187. (1) The refusal may be appealed in 14 days term after its handing in, through the body who has issued it, before:

1. (amend. – SG 30, in force from 12.07.2006, amend. - SG 77/18, in force from 18.09.2018) the administrative court at the permanent address or registered office of the debtor;

2. the Supreme Administrative Court in the cases, when the refusal has been issued by a Minister or head of administration, directly subordinate of the Council of Ministers;

3. (amend. – SG 30, in force from 12.07.2006) the administrative court at the location of the body under Art. 184, para 2 out of the cases under item 2.

(2) The implicit refusal may be appealed in 14 days term after the expiration of the term under Art. 185, para 4, sentence first.

(3) The body whose refusal has been appealed may reconsider the question in 7 days term after the receiving of the complaint and issue the requested permission for postponement or deferring.

(4) At the consideration of the complaint shall be summoned the body whose refusal is appealed, and the appellant.

(5) (amend. – SG 30, in force from 12.07.2006) The court shall reject the complaint and shall oblige the respective body to issue the requested permission for postponement or deferring. The decision of the court may be appealed by the order of the Administrative-procedure code.

Section I.
Deferral and Rescheduling of Liabilities Established by the National Revenue Agency

Terms of Deferral and Rescheduling

Art. 187a. (New - SG 109/13, in force from 01.01.2014) (1) Upon request by the debtor, the competent body may authorise deferral or rescheduling of public liabilities in compliance with an approved payment schedule. Interest as provided for in the relevant Act shall be charged for the time period of deferral or rescheduling.

(2) Deferral or rescheduling shall be allowed where the following conditions are met:

1. the liability in respect of which deferral or rescheduling is requested relates to taxes and/or compulsory social security contributions, except for local taxes and excise duties;

2. the liability in respect of which deferral or rescheduling is requested cannot be paid in full out of the cash available on the date of filing the request;

3. the debtor also has other liabilities, the failure to pay whereof could lead to severe economic consequences, such as termination or prolonged suspension of its operational activities, cancellation of commercial contracts or default on commercial contracts, default on liabilities under employment contracts, etc.;

4. the amount of security covers the amount of the principal and the interest on the liability in respect of which deferral or rescheduling is requested;

5. where the cash and current proceeds of the debto are insufficient to pay the liability and after the debtor's business is assessed, it can be reasonably assumed that the difficulties are of a temporary nature and a rescheduling of the liability would enable the debtor to pay the outstanding liabilities as well as its current public liabilities.

(3) Where the debtor fails to pay its current liabilities related to taxes and mandatory

social security contributions in the period of deferral or rescheduling, or where the debtor fails to pay the relevant instalment on the relevant maturity date as provided for in the payment schedule, the amounts due shall become immediately exigible.

(4) No deferral or rescheduling shall be allowed:

1. in respect of a legal entity or a sole proprietor in respect whereof a resolution of winding-up through liquidation has been passed, or insolvency proceedings or a an enterprise rehabilitation procedure have been initiated;

2. after the method of sale under Art. 238 is determined;

3. in respect of liabilities under the Value Added Tax Act, except for liabilities under an effective tax assessment act;

4. in respect of liable persons under Art. 18, for the amounts deducted and unpaid in due time, except for liabilities under an effective tax assessment act.

(5) The following shall be attached to the request under Para 1:

1. (amend. and suppl. – SG, 105/20, in force from 01.01.2021) bank statements and other payment service providers, evidencing the cash flows of the company, and an estimate of the expected income and expenses for the period for which deferral or rescheduling is requested;

2. evidence of the amounts due under the contracts related to the core business of the debtor;

3. evidence of the circumstances under para 3, Item 3.

(6) (Amend. – SG, 105/20, in force from 01.01.2021) Where deferral or rescheduling has been authorised, the debtor shall be obliged to make all payments in relation to their activities only by transfer or deposit to a payment account.

(7) No deferral of liabilities related to compulsory social security contributions shall be authorized, except for liabilities under an effective tax assessment act.

(8) (Amend. – SG, 105/20, in force from 01.01.2021) Where the requirement under Para. 6 have not been met, the amounts due in respect whereof deferral or rescheduling authorisation has been granted shall become immediately exigible.

Deferral or Rescheduling Authorisation

Art. 187b. (New - SG 109/13, in force from 01.01.2014) (1) A deferral or rescheduling authorisation shall be issued by:

1. a revenue authority or public enforcement agent determined by the territorial director - regarding liabilities related to taxes and compulsory social security contributions, except for local taxes and excise duties, amounting to a total of up to BGN 300,000, provided that the period of deferral or rescheduling is up to two years of the authorisation issue date;

2. the territorial director - regarding liabilities related to taxes and mandatory social security contributions, except for local taxes and excise duties, amounting to a total of BGN 300,001 to BGN 3,000,000, provided that the period of deferral or rescheduling is up to three years of the authorisation issue date;

3. the Executive Director of the National Revenue Agency - regarding liabilities related to taxes and compulsory social security contributions, except for local taxes and excise duties, amounting to a total of more than BGN 3,000,000, provided that the period of deferral or rescheduling is up to three years of the authorisation issue date.

(2) Where the authority competent to authorise the deferral or rescheduling is the Executive Director of the National Revenue Agency, the request and the evidence enclosed therewith shall be submitted through the relevant territorial director.

Issuance of Authorisation

Art. 187c. (New - SG 109/13, in force from 01.01.2014) (1) Where a request for deferral or rescheduling has been submitted, the competent authority shall rule after assessing whether the requirements under Art. 187a, Para. 2 are present and takes into account the following:

1. the evidence presented;

2. the debtor's ability to pay their current liabilities and the obligations in respect of which deferral or rescheduling is requested;

3. the availability of sufficient guarantees of debt collection.

(2) Deferral or rescheduling authorisations shall be issued within one month, or, in the cases referred to in Art. 187b, para 1, Item 3, within two months of receipt of the request with the required evidence attached. Theese authorisations shall be communicated to debtors within 7 days from issuance thereof.

(3) Refusals to authorise deferral or rescheduling shall not be subject to appeal.

(4) Where no resolution is delivered in respect of a request for a deferral or rescheduling authorisation, this shall be deemed as tacit denial.

Section II.
Specific cases

Joining public obligations

Art. 188. (1) (amend. – SG 86/06, in force from 01.01.2007) In especially important cases, determined by the ordinance under Art. 183, para 9, the body under Art. 184, para 1, item 1 and 2 may propose to the Minister of Finance the joining of all the public obligations of the debtor and their reduction, postponement or deferring after preliminary pronouncement of the European Commission for the admissibility and the compatibility of the proposal with the principals of the free competition.

(2) The Minister of the Finance after receiving the consent of the respective body under Art. 184, para 1 regarding the deferring of the obligations for obligatory insurance contributions shall enter the question for decision from the Council of Ministers.

(3) The Council of Ministers shall be entitled to reduce, postpone and/or defer the joint public obligation under para 1, as well as the interests henceforth. In this case the creditors of the public takings shall be satisfied proportionally in the way and in the terms, determined by the Council of Ministers.

(4) (amend. – SG 86/06, in force from 01.01.2007) Shall not be allowed reduction, deferring or postponement of the joint public obligation under para 1 at an entered into force decision of the European Commission for inadmissibility of the state support.

(5) The decision of the Council of Ministers which does not permit deferring and/or postponement of the joint public obligation shall not be a subject to appeal.

Deferring and postponement in stabilization and insolvency proceedings (title amend. – SG 63/06, in force from 04.08.2006, amend. – SG, 105/2016)

Art. 189. (1) (amend. - SG,105/2016) A redevelopment plan, plan in the stabilization of a trader procedure, or out-of-court agreement in the insolvency proceedings may not provide for a reduction, postponement and/or deferring of the public obligations without preliminary consent of the Minister of Finance, who shall take into account the statement of the respective

bodies under Art. 184, para 1 for deferring obligations for obligatory insurance contributions. Shall not be allowed transformation of public obligations into shares in the capital of the company debtor.

(2) (amend. – SG, 105/2016) The Minister of Finance shall not give consent under para 1, if regarding the reduction, the deferring or the postponement of the public obligations the strengthening plan, the stabilization procedure plan, or the out-of-court agreement contain more unfavorable conditions than these for the obligations to the other creditors.

(3) Shall not be admitted reduction of the principal at public state and municipal obligations.

(4) The reduction of the interest-bearing obligations at public takings shall be admitted only if shall be assumed the obligation the redemption of the principal to be done in the terms fixed by the Minister of Finance.

(5) At non-fulfilment of the conditions under para 1 – 4 the court shall not admit the redevelopment plan for consideration from the meeting of the creditors. At non-fulfilment of the redevelopment plan or the out-of-court agreement the court shall re-open the insolvency proceedings at request by the Minister of the Finance or a person authorized by him/her, as in that case shall not be applied the requirement the public obligations to present not less than 15 percent of the total amount of the takings according to Art. 709, para 1 of the Commerce Act.

(6) For the made reduction, postponement or deferring shall be notified the body who has established the taking.

Prohibition of cession of public takings

Art. 190. (1) Prohibited shall be the cession of public takings.

(2) Prohibited shall be the cession of takings of the liable persons under Art. 128, para 1 and of other takings from overpaid public obligations.

Chapter twenty three.
COMPETITION

Competition between public and executive proceedings by the order of the Civil procedure code

Art. 191. (1) The property over which, before the institution of the executive proceedings by the order of the Civil procedure code, have been imposed measures for securing public takings, or against which has been started an enforcement for collection of public takings, shall be realized by the public executor under the conditions and by the order of this division.

(2) (new – SG 101/10) In those cases where coercive enforcement has been initiated against the property under para 1 is not completed within 12 months from imposing of the measures to ensure public revenue or respectively within 6 months from initiation of enforcement for collection of public revenue, any other creditor shall be entitled to initiate enforcement proceedings against the same property following the procedure set out in the Code of Civil Procedure, provided that paras 3 through 5 are observed.

(3) (amend. – SG 12/09, in force from 01.05.2009; prev. text of para 2 – SG 101/10) When against the property of the debtor have been started actions of enforcement by the order of the Civil procedure code, the state shall be considered always a joining creditor for the due by the debtor public takings the extent of which has been announced by the bailiff till the fulfilment of the distribution. For this purpose the bailiff shall send an announcement to the

National Revenue Agency for every instituted by him/her execution and for every distribution.

(4) (amend. – SG 12/09, in force from 01.05.2009; prev. text of para 3, amend. – SG 101/10) No later than within 14 days term after receiving of the announcement under para 3 the National Revenue Agency shall issue a certificate, which contains information about the amount of the public takings of the debtor, for the imposed over his/her property measures for their securing, if there are such ones, as well as for the property, against which has been started an enforcement.

(5) (amend. – SG 12/09, in force from 01.05.2009; prev. text of para 4, amend. – SG 101/10) The bailiff shall not be entitled to continue the proceedings before the receiving the certificate under para 4. Regardless of whether the certificate was received before expiration of 30 days from sending the notification under Para 3, the bailiff may continue the proceedings.

(6) (new - SG 31/11, in force from 01.01.2011) Para 2 shall not apply in those cases where preliminary security measures have been imposed.

(7) (new - SG 31/11, in force from 01.01.2011) The terms fixed in para 2 shall not apply in the following cases:

1. where the implementation of the act or the enforcement proceedings is at stay – till the reason for this stay is eliminated;

2. (suppl. - SG 109/13, in force from 01.01.2014) if a permission for postponement or rescheduling of public takings has been granted – for the period of postponement or rescheduling or till enforcement commences in the cases of Art. 183, para. 4 and Art 187a, paras 3 and 8;

3. (revoked - SG 94/15, in force from 01.01.2016)

4. in case of appeal of the sale as per Art. 256 – till the ruling of the administrative or judicial authority enters into force.

Actions after the termination of the executive proceedings

Art. 192. (amend. – SG 12/09, in force from 01.05.2009) In the cases under Art. 191, para 1, if after the cashing of the property of the debtor and the redemption of the obligations and the expenses upon the execution, are left pecuniary funds, the National Revenue Agency shall transfer them at the account of the bailiff.

Enforcement at insolvency

Art. 193. (1) The property, over which before the opening of the insolvency proceedings, have been already imposed measures for securing public takings or against which has been instituted enforcement for collection of public takings, shall be realized by the public executor under the conditions and by the order of this code.

(2) When the received by the realization of the property under para 1 funds do not cover completely the taking and the accumulated interest and the expenses upon the public execution, the state or the municipality shall be satisfied for the rest by the general order.

(3) When the received by the realization of the property under para 1 funds exceed the taking and the accumulated interest and the expenses upon the execution, the public executor shall transfer the rest at the insolvency account.

(4) (new – SG 101/10) If within 6 months from initiation of insolvency proceedings of the debtor the public executor has not finished the realization of the property under para 1, it shall be transferred to the assignee and shall be realized in the insolvency proceedings.

Joining of secured creditors

Art. 194. (1) A creditor, in whose favour has been constituted pledge or mortgage or who has exercise his/her right of retention by the general order over the property, against which have been started executive actions or have been imposed securities under this code, shall be consider joining creditor in the proceedings before the public executor.

(2) The public executor shall notify the secured creditor for the started by him/her executive proceedings.

(3) (amend. – SG 12/09, in force from 01.05.2009, amend. – SG, 105/2016, in force from 30.12.2016) The secured creditor shall be satisfied before the other creditors from the property which secures his/her taking. The due sum to the creditor – with the exception of a creditor with registered pledge shall be kept at the account of the National Revenue Agency and shall be given to him after he/she submits a writ of execution, or shall be entered into the bankruptcy estate, under the condition that the taking has been accepted and the list is finally approved by the court. The public executor shall distribute and transfer the due sum to the creditor with registered pledge on the basis of the produced certificate form the Central register for special pledge for a registered pledge and a declaration with notary certification of the signature for the current size of his receivables.

(4) If the security is being repealed, the sum under para 3 shall be distributed between the rest of the creditors or shall stay in the bankruptcy estate.

(5) If the collected sum is insufficient for the satisfaction of all the creditors, the public executor shall implement a distribution, as first of all he/she shall determine sums for paying the takings which are used with right or preferential satisfaction. The rest shall be distributed between the other takings proportionally.

Chapter twenty four.
SECURITIES

Section I.
Securing of public takings

Public takings, subject to securing

Art. 195. (1) Subject to securing shall be the established and due public obligations.

(2) Securing shall be made, when without it shall be impossible or shall be hampered the collection of the public obligation, including when it is deferred or postponed.

(3) The securing shall be imposed by a ruling of the public executor:

1. at request by the body, who has issued the act for establishment of the public taking;

2. when has not been imposed a security or the imposed security is not sufficient, after receiving the execution ground.

(4) The debtor shall not be notified for the requested security.

(5) (amend. – SG 12/09, in force from 01.05.2009; amend. – SG 14/11, in force from 15.02.2011) In the cases of notification by the order of Art. 77, para 1 and Art. 78, para 1, when from the tax-insurance account of the person, from his/her commercial and accountancy documentation or from other present data may be done the conclusion that the person owes taxes or obligatory insurance contributions, the public executor may impose securing measures over his/her property on the ground of a motivated request by the body of receivables.

(6) The securities shall be implemented at the balance-sheet value of the assets, and

when there are no such ones – in the following sequence:

1. at the tax assessment;

2. at the insurance value;

3. at the acquisition value of properties – property of individuals.

(7) The securities shall correspond to the takings of the state or the municipalities, established or subject to establishment by the order of para 5.

(8) The securities under para 5 shall be imposed by a ruling of the public executor.

Content of the ruling

Art. 196. (1) The ruling shall be issued in written form and shall contain:

1. the name and the position of the body who is issuing it;

2. the name of the act, the number and the date of its issuing;

3. the factual and legal grounds for its issuing;

4. the name, the identification number, the address for correspondence and the permanent address, respectively the corporate seat and the managing address of the debtor;

5. the amount of the public obligation and the interests;

6. the kind of the securing measure and the property over which it is imposed;

7. prohibition for disposition with the property, on which has been imposed the securing measure;

8. before which body and in what term may be appealed the ruling;

9. the date of issuing and the signature of the body, who has issued it, with indication of his/her position.

(2) A copy of the ruling shall be sent to the debtor and to the third persons, affected by the actions.

Appeal

Art. 197. (1) (amend. – SG 12/09, in force from 01.05.2009) The ruling for imposing securing measures may be appealed in 7 days term after its handing in before the director of the competent territorial directorate, who shall pronounce by motivated decision within 14 days term, and in the cases of imposing preliminary securing measures under Art. 121 - within 7 days term, after the receiving of the complaint.

(2) (amend. - SG 30, in force from 12.07.2006; amend. – SG 12/09, in force from 01.05.2009, amend. - SG 77/18, in force from 18.09.2018) The decision under para 1 may be appealed before the administrative court at the permanent address or registered office of the appellant, in 7 days term after its handing in to the appellant and to the public creditor. The non-pronouncement of the decision-making body in the terms under para 1 shall be consider a confirmation of the ruling, which may be appealed in 14 days term after the expiration of the term for pronouncement.

(3) The court shall repeal the securing measure, if the debtor provides a security in cash, unconditional and irrevocable bank guarantee or state securities, if it does not exist an executive ground or if are not met the requirements for imposing preliminary securing measures under Art. 121, para 1 and Art. 195, para 5.

(4) (amend. - SG 30, in force from 12.07.2006) The decision of the administrative court shall not be a subject to appeal.

(5) Third persons may appeal the securing measure, imposed by the public executor, only when he/she has imposed it over properties, which on the day of the distraint or the interdict are in possession of these persons. The complaint shall not be considered, if it is

established that the property is being a property of the debtor at the imposing of the distraint or the interdict.

(6) The execution of the ruling, by which is imposed the security, may not be stopped because of its appeal.

Section II.
Securing measures

Types of securing measures

Art. 198. (1) The security shall be implemented:

1. by imposing an interdict on the real estate or a ship;
2. by distraint on movable properties and takings of the debtor;
3. by distraint on the accounts of the debtor;
4. by distraint on the commodities in turnover of the debtor.

(2) The public executor may impose several types of securities in total sum to the amount of the taking.

(3) Distraint and interdict for public takings may not be imposed on the properties under Art. 213.

Substitution of security measures

Art. 199. (1) (Amend. – SG, 105/20, in force form 01.01.2021) The public executor or the court may upon a request of the debtor, admit the substitution of security with another equivalent security.

(2) (Amend. – SG, 105/20, in force form 01.01.2021) The debtor may always substitute the imposed security with cash, irrevocable and unconditional bank guarantee or state securities. The money guarantee shall be made at the account of the public executor.

(3) (Repealed - SG, 105/20, in force form 01.01.2021).

(4) (Amend. – SG, 105/20, in force form 01.01.2021) In the cases under para 1, 1 and 2, the distraint and the interdict shall be repealed.

(5) The refusal of the public executor to substitute the imposed security, including the security measures under Art. 121, para 1 and Art. 195, para 5, shall be a subject to appeal by the order of Art. 197.

Imposing a distraint

Art. 200. The imposing of distraint shall be implemented by the public executor by a decree for security.

Distraint on movable properties

Art. 201. (1) At distraint on a movable property the public executor shall made a description, an assessment and submission of the property for keeping to the debtor or to a third person or shall confiscate and keep the properties, as over the property may be put a distraint sign (sticker).

(2) The description, the assessment and the submission of the property for keeping or its confiscation and keeping shall be implemented by the order of this code.

(3) In the cases when the distraint is imposed on a motor vehicle, an announcement

for the imposed distraint shall be sent to the bodies of the Ministry of Interior. Shall not be admitted a change of the registration before the removal of the distraint.

(4) In the cases when the distraint is imposed on a civil aviation mean, an announcement for the imposed distraint shall be sent to the Civil aviation administration for entering in the register of the civil aviation means. The transfer of the right of ownership, the establishment and the transfer of real rights and the establishment of real encumbrances over an aviation mean, made after the receiving of the announcement for imposed distraint, shall not have effect towards the public executor.

(5) (amend. - SG 94/15, in force from 01.01.2016) In the cases, when the distraint is imposed on an agricultural or forestry machinery, which is subject to registration by the order of Art. 11 of the Act on Registration and Control of Agricultural and Forestry Machinery, an announcement for the imposed distraint shall be sent to the corresponding regional directorate “Agriculture”, in which register is subject to registration the distraint agricultural or forestry machinery. The transfer of right of ownership, the establishment and the transfer of real rights and the establishment of real encumbrances over the agricultural or the forestry machinery, made after the receiving of the announcement for imposed distraint, shall not have effect towards the public executor.

Distraint on takings of the debtor

Art. 202. (1) (amend. – SG 63/06, in force from 04.08.2006) The distraint on takings of the debtor from banks shall be made through handing in a distraint notification to the banks, as the distraint shall be considered imposed from the hour on the day of handing in the distraint notification to the bank. Shall be subject to distraint all the types of bank accounts, deposits, as well as deposited properties in safes, including the content of cash-box and sums, submitted for confidential managing by the debtor.

(2) (Suppl. – SG, 105/20, in force from 01.01.2021) The distraint on liquid or due taking, which the debtor has toward a third person, shall be imposed through a distraint notification, which shall be sent to the debtor, to the third liable person and to the banks and other payment services provided, in which the third liable person has accounts.

(3) The distraint shall be considered imposed towards the third liable person and the banks from the day and the hour of receiving the distraint notification.

(4) The imposing of distraint on takings upon writs of execution shall be made through a description and confiscation by the public executor, which shall submit them for keeping in a bank. For the confiscation and the submission of the writs of execution in a band shall be compile a record.

(5) If the distraint taking is secured by pledge, it shall be ordered to the person who keeps the pledged property, to not transfer it to the debtor and to transfer it to the public executor.

(6) If the distraint taking is secured by a mortgage, the distraint shall be indicated in the respective book in the entries office.

(7) (New – SG, 105/20, in force form 01.01.2021) The attachment of the debtor's receivables on a payment account, opened with a payment service provider, other than a bank shall be effected by serving a seizure notice on the payment service provider, the attachment being deemed imposed from the day, on which the seizure notice is served on the provider of payment services.

Electronic distraint on takings in a bank account

Art. 202a. (new - SG 94/15, in force from 01.01.2016) (1) Electronic distraint on a debtor's taking in a bank account shall be imposed by a public executor under the conditions and the order of Art. 450a of the Code of Civil Procedure.

(2) For collection of public takings the state and the municipalities shall be exempt from payment of fees and other costs to access the Single Environment for Electronic Distraint Exchange under Art. 450a of the Code of Civil Procedure.

Distraint on securities and shares

Art. 203. (1) The imposing of distraint on available securities shall be made through a description and confiscation by the public executor, who shall submit them for safekeeping in a bank. For the confiscation and the submission of the available securities in a bank shall be compiled a record.

(2) At the imposing of distraint on available registered shares or bonds, the public executor shall notify the company for that. The distraint shall have effect for the company from the receiving of the distraint notification.

(3) (Amend. and suppl. – 83/19, in force from 22.10.2019, amend. - SG 102/19, in force from 01.01.2020) The distraint on book-entry securities shall be imposed by sending a distraint notification to the central register of securities, all the while simultaneously notifying the company thereof. The central register of securities shall immediately notify the relevant Central Depositary of securities where those are registered and the respective regulated market of the imposed distraint.

(4) The distraint on state securities shall be imposed through sending distraint notification to the person who keeps a register of state securities.

(5) The distraint under para 3 and 4 shall have effect from the moment of the handing in of the distraint notification.

(6) (Amend. – 83/19, in force from 22.10.2019) The central register of securities and, where applicable, the relevant Central Depositary of securities, and the person, who keeps the register of state securities, shall be obliged within 3 days term after the receiving of the distraint notification to announce to the public executor what type of securities owns the debtor, whether are imposed other distraints and upon what claims.

(7) From the receiving of the distraint notification the book-entry securities shall be at the public executor's disposition.

(8) (amend. - SG 94/15, in force from 01.01.2016) The distraint on a share of a trade company shall be imposed through sending of distraint notification to the Registry Agency. The distraint shall be entered by the order for entering of a pledge on shares of trade companies and shall be effective as from its entry. The Registry Agency shall notify the company of the registered distraint.

(9) The distraint on securities shall be spread over all of the property rights upon the security.

Distraint on pecuniary funds

Art. 204. The imposing of distraint under Art. 215, para 2 on pecuniary funds of a debtor in national or foreign currency shall be made through its description, confiscation and deposit at the account of the public executor. At re-calculation of the rate of the foreign exchange shall be applied the rate of the bank, through which is implemented the operation of deposing the currency.

Interdict

Art. 205. (1) (amend. - SG 108/07, in force from 19.12.2007; amend. – SG 14/11, in force from 15.02.2011; amend. - SG 94/15, in force from 01.01.2016) The imposing of interdict on a real estate shall be made through entering of the decree at the order of the respective judge for entering by the order of entries. For the made entry the judge for entering shall send a notification to the debtor. Registered pledge, entered after the injunction, may not be opposed to the public taking.

(2) (amend. - SG 94/15, in force from 01.01.2016) The imposition of interdict on a ship shall be effected by entry of the decree into the corresponding ship registers at the Executive Agency "Sea administration". For executed entries the Executive Agency "Sea Administration" shall notify the debtor. The transfer of the right of ownership, the establishment and the transfer of real rights and the establishment of real encumbrances on the ship, made after the receiving of the decree for the interdict, shall not have effect towards the public creditor.

Effects of the distraint and the interdict

Art. 206. (1) (amend. – SG 59/07, in force from 01.03.2008) As much as by this code has not been provided for otherwise, the distraint and the interdict, imposed for securing the taking, shall make the effects provided for by Art. 451, 452 and 453, Art. 459, para 1, Art. 508, 509, 512, 513 and 514 of the Civil procedure code. The body, who has imposed the security, may lodge a claim against the third liable person for the sums or the properties which he/she refuses to submit voluntarily.

(2) From the date of receiving the distraint notification, the third liable person may not transfer the due by him/her sums or properties to the debtor, as towards them he/she shall have the obligation as a guard. The execution after the receiving of the distraint notification shall be invalid towards the state. The third liable person shall be joint responsible for the taking with the debtor to the amount of his/her obligation.

(3) (amend. – SG 14/11, in force from 15.02.2011) The Registry Agency shall refuse entering changes ensued from the transfer of shares after the distraint. The managing bodies of joint stock companies shall refuse entering the transfer of registered shares by the debtor after the distraint.

(4) The transfer of shares, including registered, after the distraint notification shall not have effect regarding the public creditor.

Distraint on commodities in turnover

Art. 207. (1) The distraint on commodities in turnover shall be made by description. The commodities in turnover shall be given for responsible keeping to the debtor and to the materially responsible people who shall dispose with them.

(2) Together with the imposing of distraint on the commodities in turnover may be imposed and distraint on the accounts of the debtor under Art. 202.

(3) The sale of the commodities in turnover and the purchase of the necessary staples and materials, as well as the payment of the expenses for the production and the turnover may be made only with the preliminary written consent of the public executor who has imposed the security, at conditions determined by him/her.

Cancellation of the security

Art. 208. (1) The cancellation of the security shall be made by the public executor ex officio or at request by the debtor in 14 days term after its receiving after the redemption of the

public obligation, as well as in the cases under Art. 225, para 1, item 2 and 5. At substantial disproportion of the imposed securing measures with the amount of the public taking the cancellation of the security shall be made by the public executor ex officio.

(2) The refusal for cancellation of the security may be appealed by the order of Art. 197 within 7 days term after its announcement. The implicit refusal for cancellation of the security may be appealed within 14 days term after the expiration of the term for pronouncement under para 1.

(3) The decision-making body, respectively the court, shall cancel the security, when it is established that are met the requirements under para 1, sentence first or that are present the conditions under Art. 199, para 2. The debtor may request again a cancellation of the security when are present grounds for that.

Chapter twenty five.
ENFORCEMENT

Section I.
General provisions

Executive grounds

Art. 209. (1) The enforcement of public takings shall be admitted on the base of the provided for by the respective law act for establishment of the taking.

(2) The enforcement shall be undertaken on the ground of:

1. an audit act, independently whether it is appealed;

2. a declaration, filed by the liable person, with calculated by him/her obligations for taxes or obligatory insurance contributions;

3. the acts under Art. 106 and 107, independently whether they are appealed;

4. (amend. - SG 60/15) a decision, issued by the custom bodies, independently whether it is appealed;

5. an entered into force penal provision;

6. (suppl. – SG 86/06, in force from 01.01.2007; suppl. - SG 109/07, in force from 01.01.2008) entered intro force decisions, sentences and rulings of the courts, as well as decisions of the European Commission, the Council of the European Union, the Court of Justice of the European Communities and of the European Central Bank;

7. (amend. – SG 106/13, in force from 01.01.2014) an order for collection of sums, issued by the bodies of the National Social Security Institute, regardless whether it was appealed against;

8. an order under Art. 211, para 3, independently whether it is appealed.

Parties in the enforcement proceedings

Art. 210. (1) Parties in the enforcement proceedings shall be:

1. the public creditor;

2. the debtors or their heirs and legal successors, as well as the third persons, responsible for the payment of the obligation of the debtor;

3. the third persons with self-dependent rights on the subjects of the executions;

4. the secured creditors.

(2) The security and the enforcement of public takings shall be implemented by the public executor.

(3) In the enforcement proceedings the parties may use expert witnesses, assessors, guards and translators.

Joint responsibility

Art. 211. (1) Who pays to the debtor takings or transfers to him/her properties, despite the imposed by the respective order distraint, shall be joint responsible with him/her for the paid or transferred one to the amount of the obligation with the interest after the payment.

(2) When the payment under para 1 has been made by a corporate body or a non-personified company, together with the company joint responsible shall be the manager or the members of the managing body, or the managing partner, who have admitted the payment.

(3) In the cases under para 1 and para 2 shall be issued an order for execution by the public executor, who may apply the provided for by this code securing measures and executive actions.

Obligation for providing information

Art. 212. (1) All the persons, state or municipal bodies, which dispose with information for incomes, property or assets of the debtor, shall be obliged at written request by the public executor, to submit the information or the data, which they are disposed of, within 7 days term after its receiving.

(2) The persons and the bodies under para 1 shall be obliged to declare the rateable in cash obligations toward the debtor and his/her property, which is in them or is on their disposal.

(3) (amend. – SG 59/06, in force from the date of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union) By the order of para 1 the banks, the financial institutions, the insurance companies and the co-operations shall be obliged to submit information for the concluded contracts for confidential management or the provided bank safes, as well as for the other concluded by them transactions with the debtor, related to his/her movable or immovable property or partnerships.

Section II.
Subject of the execution

Property, subject to enforcement

Art. 213. (1) The enforcement shall be directed over the whole property of the debtor, except for:

1. the properties for everyday use of the debtor and his/her family, the necessary food, fuel, work cattle and subjects for exercising of professional occupation or activity under a list, approved by the Council of Ministers;

2. the only house of the debtor; if the living space is more than 30 sq m. for the debtor and for every member of his/her family separately, the rest shall be sold, if under these conditions the house may be divided in real;

3. the sums at accounts in banks in amount to 250 leva for every member of the family;

4. the agricultural lands – up to one forth from the owned ones, but not less than 0,3 ha, which are cultivated directly by the debtor or by a member of his/her family, as well as the necessary for their cultivating stock;

5. (amend. - SG 34/20, in force from 09.04.2020) the salary, the compensation at salary, any other labor remuneration, the pension or the scholarship – in total amount up to the minimum wage monthly.

(2) Shall not be admitted enforcement and over:

1. the compensation at the social insurance, including for unemployment;

2. the social aids, provided by the state or the municipal budget;

3. (suppl. – SG 41/09, in force from 01.07.2009) the sums from donation by individuals and corporate bodies, received from persons with durable harms with reduced work ability or determined type and level of harm more than 50 % and other categories persons in unequal social status.

4. the takings for maintenance, determined by the court.

Opportunity of choice by the debtor

Art. 214. (1) The debtor may, after announcing his/her whole property, to propose the execution to be directed over another movable or immovable property or to be implemented only through some of the wanted by the public executor methods.

(2) The proposal of the debtor shall not be accepted, if the proposed way of execution shall not satisfy fully the public creditor.

(3) The public executor shall pronounce at the proposal of the debtor within 7 days term after its receiving. The refusal of the public executor to accept the proposed by the debtor method for execution may be appealed by the order of Art. 197.

Section III.
Methods

Methods for enforcement

Art. 215. (1) The enforcement of the takings by the order of this code shall be implemented through:

1. (suppl. – SG, 105/20, in force form 01.01.2021) an execution over takings and pecuniary funds in the banks and other payment service providers;

2. an execution over pecuniary funds and takings of the debtor;

3. an execution over movable and immovable properties and securities.

(2) For movable properties and pecuniary funds of the debtor in the sense of para 1 shall be considered, till the proof of the opposite, and these ones, found in him/her, in his/her house or in other owned or rented by him/her rooms, motor vehicles, safe boxes or safes.

(3) The public executor may use each of the methods under para 1 together or separately.

Voidance of actions and transactions

Art. 216. (1) (Suppl. – SG, 105/20, in force from 01.01.2021) Invalid regarding the state, respectively the municipalities, shall be the concluded after the date of declaration or establishing of the public obligation, respectively after the handing in of the order for assigning an audit, if as result of the audit are established public obligations:

1. voluntary transactions with property rights of the debtor;

2. value transactions with property rights of the debtor, at which the given one considerably exceeds by value the received one;

3. non-monetary contributions of property rights of the debtor;

4. transactions or actions with intention to be harmed the public creditors;

5. redemption of pecuniary obligations through transfer of ownership, if the return would result an increase of the sum which the public creditors would receive at distribution of the cashed property of the debtor;

6. transactions, made to the prejudice of the public creditors, at which a party is related to the debtor person.

(2) The voidance under para 1 shall be announced upon claim of the respective public creditor or the public executor by the order of the Civil procedure code.

(3) Out of the cases under para 1 the rights of the creditor under Art. 134 and 135 of the Obligations and Contracts Act may be exercised by the respective public creditor or the public executor. In these case the knowledge of the person, which the debtor has conduct negotiations with, for the harm under Art. 135, para 1 of the Obligations and Contracts Act shall be presumed till the proof of the opposite, if the third person and the debtor are related persons.

(4) (New – SG, 105/20, in force from 01.01.2021) Pursuant to this Code, enforcement shall be carried out on property, subject to measures, imposed pursuant to Part Four of the Civil Procedure Code to secure a claim with legal grounds under Para. 1 or 3, respected by an effective judicial decision.

Joining of creditors

Art. 217. (1) In the proceedings under this division may join public creditors, as well as creditors, which taking is secured by mortgage, pledge or registered pledge, as well as those ones, who have exercised right of retention.

(2) (Amend. - SG 63/17, in force from 04.08.2017) The joining shall be admitted by an order of the public executor till the preparation of the distribution of the collected sums.

(3) The joined creditor shall have the same rights in the executive proceedings, whichever have and the initial creditor.

(4) The implemented till the joining executive actions shall use and the joined creditor.

(5) (revoked – SG 12/09, in force from 01.05.2009)

Opposition of securities

Art. 218. The pledge creditor or the creditor, who has exercised a right of retention, may oppose his/her taking to the public creditor on the ground of written evidences with valid date.

Competition between public takings

Art. 219. (1) When the proceedings are for collection of heterogeneous public takings and the property of the debtor is not enough for their redemption regardless of the applied methods or of the order, by which are collected these takings, the payments till their expiration shall be distributed in the following order:

1. for the tax and the custom obligations and the obligations for obligatory insurance contributions – proportionally;

2. (amend. - SG 94/15, in force from 01.01.2016) for other public obligations, which enter directly in the state and/or the local budget – proportionally;

3. for other public takings – proportionally.

(2) At dispute between public creditors the subject shall be decided by the Minister of Finance or by an authorized by him/her person, whose decision shall not be a subject to appeal.

Section IV.
Actions

Institution of an executive case

Art. 220. (1) (amend. – SG 12/09, in force from 01.05.2009; amend. - SG 94/15, in force from 01.01.2016) When the public taking is not paid in term, the execution proceedings shall be started on the basis of an electronic application to the public executor by the public claimant.

(2) The public executor, if necessary, may forward the executive case for the implementation of executive actions to another public executor. In this case the public executor shall indicate the action and the term for its accomplishment. After implementing the respective action, the public executor shall return the case.

Starting the proceedings

Art. 221. (1) (amend. - SG 94/15, in force from 01.01.2016) When the obligation has not been fulfilled in time, the public executor shall proceed to execution, as he/she shall be obliged to send to the debtor a notification by which is giving him/her 7 days term for voluntary execution.

(2) The notification shall indicate the executive ground, the number of the executive case and the creditor and shall contain a remainder to the debtor that if in the given to him/her term he/she does not fulfil his/her obligation, it shall be proceeded to an enforcement.

(3) Where are present several separate executive grounds for different public obligations, it shall be instituted one executive case, ensuring accountancy for the redemption of each of the obligations.

(4) In the cases, when are not imposed securing measures, the enforcement over the takings of the debtor and over his/her movable or immovable properties shall start with the imposing of distraint, respectively with the entry of interdict, by a decree of the public executor.

(5) The distraint and the interdict under para 4 shall be imposed by the notification and shall have the effect, provided for by this code.

(6) (amend. - SG 94/15, in force from 01.01.2016) In the cases when the measures under Art. 182, para 2, item 2 and para 4 are not undertaken by the respective body, if the obligation is in amount over 5000 leva and has not been provided security in the amount of the principal and the interests, the public executor may notify all the bodies, which by the virtue of normative acts issue licenses or permissions for implementing definite activities, for which is required certification of obligations toward the state.

(7) (revoked - SG 94/15, in force from 01.01.2016)

(8) (amend. – SG 12/09, in force from 01.05.2009) Shall not be started an enforcement on taking, for which the expenses at description, assessment, keeping and sale are disproportionate with the expected incomes. The disproportion of the expenses with the expected incomes shall be established by a decree of the public executor. The decree may be appealed in 7 days term, before the director of the competent territorial directorate, whose decision shall be final.

Stopping, postponement and reopening

Art. 222. (1) By an order of the public executor the enforcement shall be stopped, without calculating interests for the term of the stopping:

1. upon placing the debtor under interdict – till the appointment of guard or trustee;

2. (amend. - SG 46/07, in force from 01.01.2008) in case of calling up to trainee assembly – till its finishing;

3. at decease of the debtor – till the acceptance of the inheritance;

4. (new – SG, 105/20, in force from 01.01.2021) in case of death of the legal representative of a natural person - debtor - until establishment of guardianship or trusteeship or appointment of a representative under Art. 11;

5. (new – SG, 105/20, in force from 01.01.2021) in case of death of the only representative of the legal person - debtor - until the entry of a new representative or appointment of a representative under Art. 11;

6. (former item 4 - SG, 105/20, in force from 01.01.2021) in other cases, provided by an Act.

(2) (New – SG, 105/20, in force from 01.01.2021) Outside the cases under Para. 1, items 4 and 5, in the absence of a legal representative / representing of the debtor, the enforcement shall be suspended by an order of the public executor, and interest shall be accrued for the period of suspension - until the establishment of guardianship or trusteeship / entry of a new representative or appointment of a representative under Art. 11.

(3) (Former Para. 2, suppl. - SG, 105/20, in force from 01.01.2021) The stopping under para 1, item 1 and 2 and Para. 2 shall be done on the ground of written evidences, certifying the indicated circumstances.

(4) (Former Para. 3, suppl. - SG, 105/20, in force from 01.01.2021) In the cases under para 1, item 3 after the expiration of a six month term after the opening of the inheritance and if the inheritance has not been accepted, at request of the public executor the Regional court shall fix a term for acceptance or refusal from inheritance under the conditions and by the order of Art. 51 of the Inheritance Act. In this case the term for stopping shall be prolonged with the term, given by the court. At request by the heirs the body of receivables shall issue a certificate for the due by the legator taxes and obligatory insurance contributions and the calculated interests on them.

(5) (Former Para. 4, suppl. - SG, 105/20, in force from 01.01.2021) In the cases under para 1, item 3 the proceedings at the enforcement shall be reopened from the day of the acceptance of the inheritance.

(6) (Former Para. 5, suppl. - SG, 105/20, in force from 01.01.2021) The implemented till the stopping actions shall keep their force. After the stopping the public executor may not implement new executive actions, but may implement actions of securing the taking.

(7) (Former Para. 6, suppl. - SG, 105/20, in force from 01.01.2021) The reopening of the executive proceedings shall be implemented by an order of the public executor after dropping out the circumstances because of which has been ordered the stopping.

(8) (Former Para. 7, suppl. - SG, 105/20, in force from 01.01.2021) The public executor may postpone the fixed executive action, as in this case in the record shall be indicated the circumstances because of which the action shall be postponed, and shall be indicated another date for its implementation. If the date may not be fixed in the record, the body shall notify for this the participants in the proceedings.

Stopping in special cases

Art. 222a. (new - SG 94/15 in force from 01.01.2016) (1) By an order of the public executor the public enforcement shall be stopped, with incurring of interest for the period of stopping, where following the determination of the method of sale until the date of the auction with open bidding, respectively the expiry of the term for making the bids in case of auction with closed bidding, the debtors pays 20 percent of the takings and undertakes in writing to pay to the enforcement body 20 percent thereof each month. The deposit of the sums shall be deemed completed where it is reflected in the respective account.

(2) Where the debtor fails to make any of the payments referred to in Para 1, the public executor shall resume the proceedings, the debtor no longer being allowed to request another stay.

(3) Para 1 shall not apply in cases of sale of pledged to mortgaged property and in respect of legal persons or sole entrepreneurs, of which a decision was taken for termination with liquidation or were opened insolvency proceedings.

Deduction

Art. 223. (1) When in the course of the enforcement appeared grounds for deduction, at request of the debtor or by decision of the public executor the proceeding shall be stopped till the termination of the actions under the deduction, but not more than for 3 months, unless is assigned an audit. The public executor, before whom the debtor has submitted written evidences certifying grounds for deduction, shall send the request together with the evidences to the respective competent body for implementing the deduction. If as a result of the deduction the obligation shall be redeemed fully or partially, the executive proceedings shall be prolonged for the rest of the taking.

(2) The deduction under para 1 may be made till the date of the implementing of the public auction. If with the deduction the public taking is redeemed fully, including the expenses at the organisation of the auction, it shall be revoked and the executive proceedings shall be terminated.

(3) The refusal of the public executor to stop the proceedings and to terminate the file for implementing a deduction may be appealed by the order of this code, provided for protection against enforcement. In this case the complaint shall stop the actions of the enforcement till its final decision.

Enforcement proceedings at insolvency of the debtor

Art. 224. (1) In the cases when are imposed securities by the order of Art. 195, para 5 - 8, the public executor shall start the proceedings for compulsory collection of public takings against a debtor, for which is opened an insolvency proceedings, after the establishment of these takings by the order provided for by this code.

(2) When the insolvency proceedings are opened without the debtor is declared bankrupt, the public executor may not put on public auction a property which is subject to the imposed by the order of Art. 195, para 5 - 8 securities, before the term for proposal of recovery plan has been expired.

(3) The provision of para 2 shall not be applied in the cases when the debtor is declared bankrupt.

(4) (amend. – SG 12/09, in force from 01.05.2009) At the presence of a proposed recovery plan or a proposal for concluding of out-of-court agreement, which meet the requirements under Art. 189 and when the lodged public takings are included in the list of the accepted by the assignee in bankruptcy and approved by the court at the insolvency takings, the executive director of the National Revenue Agency or an official authorized by him may stop the enforcement.

(5) (amend. – SG 12/09, in force from 01.05.2009) At established non-fulfilment of the certified recovery plan, respectively of the out-of-court agreement, regarding the satisfaction of the public takings, the executive director of the National Revenue Agency or an official authorized by him shall reopen the stopped proceedings for compulsory collection.

(6) In the cases under para 5 the provisions of Art. 706, para 1 and 3 of the Commerce Act shall not be applied regarding the public takings.

(7) At reopened by the order under para 5 proceedings for compulsory collection of public takings the public executor shall realise the sale of the property of the debtor, which is subject to the imposed under Art. 195, para 5 - 8 securities.

Termination of the proceedings

Art. 225. (1) The proceedings at the enforcement of the public takings shall be terminated by an order of the public executor:

1. (amend. – SG 12/09, in force from 01.05.2009) when the obligation and the made expenses till the date of the implementation of an auction with open bidding, respectively till the expiration of filing the proposals at an auction with negotiated bidding, shall be redeemed in whole;

2. when the act, by which is established the public taking, shall be declared void, invalidated or repealed by the established order;

3. when the deceased debtor has not heirs or all the heirs have been refused from the inheritance;

4. when the public executor has assessed that the taking can not be collected, after being tried all executive methods;

5. when the act for establishment of the obligation shall be amended by a decision of a higher body or by the court and upon undertaken enforcement has been collected a sum, equal or exceeding the sum of the obligation regarding the amendment; in this case the public executor shall order the return of the overpaid sum to the extent, fixed in the decision for amendment, after which the proceeding shall be terminated;

6. upon written request of the public creditor;

7. in other cases, provided by a law.

(2) In the cases under para 1 the public executor shall lift ex officio the imposed distraints and interdicts.

(3) The order under para 1 shall be issued within 7 days term after:

1. the receiving of the payment and its reflection in the respective account – in the cases under para 1, item 1;

2. the notification of the public executor with applied certified copy from the decision for declaring the voidance, the invalidity, the repeal or the amendment of the act;

3. the receiving of an official reference for the lack of heirs or a notification, accompanied by a certificate for heirs and a document for made refusal by all of the heirs;

4. the appearance of the conditions and the prerequisites under para 1, item 4;

5. the receiving of written request by the public creditor.

Acts, issued by the public executor

Art. 226. (1) Implementing his/her powers, the public executor shall issue decrees and orders.

(2) For every undertaken or implemented action by the public executor shall be compiled a record, in which shall be indicated the date and the place of its compilation, the

undertaken actions, the made requests, the received sums and the made expenses.

(3) To the executive case shall be applied all the records for the undertaken by the body under para 1 actions, as well as for the issued decrees and orders, the other documents which certify the execution, and extracts from tax-insurance account.

Co-operation at the execution

Art. 227. (1) At implementing his/her powers, the public executor may request by the competent bodies to be opened and searched properties, flats, offices, storehouses and other premises of the debtor or places where his/her properties are.

(2) When necessary the public executor may request and co-operation by the police bodies in the scope of their powers, determined by a law, by the mayor of the municipality or by the district governor to ensure an access to flats, offices, storehouses and other premises of the debtor or to places where his/her properties are, as well and in the cases of implementing of description, transmission of properties, entry into possession and other executive actions.

Execution on receivables of the debtor from banks and from other payment service providers (title amend. – SG 63/06, in force from 04.08.2006, suppl. – SG, 105/20, in force from 01.01.2021)

Art. 228. (1) (Suppl. – SG, 105/20, in force form 01.01.2021) The transmission of the due by the debtor sum at the account of the public executor who has imposed the distraint, shall be made by the bank, or from the payment service provider, immediately after receiving the order.

(2) (Amend. - SG, 105/20, in force form 01.01.2021) The bank, or the payment service provider shall be obliged within 7 days term after the receiving of the order to notify the public executor, who has imposed the distraint, for the cases for its non-fulfilment.

(3) (Amend. - SG, 105/20, in force form 01.01.2021) When the execution is directed on receivable in an account in a foreign currency, the bank, or the payment service provider shall buy up the currency at its own rate for the day, on which has been received the order, and shall transfer the equivalence in leva at the account of the public executor, who has ordered the execution.

Permission for urgent payments

Art. 229. (1) The public executor by an order to the bank may permit a definite part from the received or receiving at the account of the debtor sums to be left on his/her temporary disposal for urgent payments in connection with his/her activity.

(2) The assessment by the body under para 1 shall be made on the base of a written application by the debtor with applied to it evidences.

(3) The permission under para 1 shall be given under the condition that:

1. the sums are due under contracts, related to the main activity of the debtor;

2. the delay or the non-payment of these sums may cause serious economic consequences for the debtor – termination or stopping for continuous time of his/her main activity, cancellation of commercial contracts or falling into delay under commercial contracts, non-fulfilment of obligations under labour contracts and other similar ones;

3. (new - SG 98/13, in force from 01.12.2013) the amounts are for public receivables.

(4) When the body under para 1 gives a permission, he/she shall indicate in it the payment for which it refers, and the term in which may be implemented.

(5) The bank shall be obliged to make the payments according to the conditions of the permission and shall bear a joint responsibility with the debtor for the sum, non-corresponding to the permission. The liability shall be realised by the order of Art. 211, para 3.

(6) The permission under para 1 may be amended or repealed only by the body who has issued it.

Enforcement by third persons which are not banks

Art. 230. (1) The enforcement of takings shall be directed over takings of the debtor from a third person, if the taking is liquid and executable.

(2) The taking shall be liquid and executable, when it is recognized before the public executor or when is established by an entered into force court decision, with notary certified document or with a security, issued by a third person.

(3) Independently whether the taking is executable or liquid, if the third person pays, the taking shall be considered such one, and if he/she pays to the debtor, he/she shall oblige him/herself toward the public executor in the same extent.

(4) The third liable person shall be obliged to enter the due sum at the account of the public executor or to give him/her the properties of the debtor within three days term after the receiving of the order for execution. If the obligation of the third liable person is for periodical payment, he/she shall enter the sums within three days term after the date of payment for each contribution.

Execution on social parts (shares)

Art. 231. (1) When the execution is directed on a social part of a general partner, the public executor, finding that the conditions under Art. 96, para 1 of the Commerce Act are met, shall hand in to the company and to the rest general partners an announcement for termination of the company. After expiration of 6 months the public executor or the public creditor shall lodge a claim before the Administrative court at the seat of the company for its termination.

(2) The court shall reject the claim, if is established that the taking is not satisfied. When finding that the claim is grounded, the court shall terminate the company and this shall be entered ex officio in the Commercial register, after which shall be implemented liquidation by an appointed by the court liquidator.

(3) When the execution is directed on a social part of a limited partner, the public executor shall hand in to the company an announcement for termination of the participation of the debtor in the company, which shall have the effect of a statement for resignation of a partner. After expiration of 3 months the public executor or the public creditor shall lodge a claim before the Administrative court at the seat of the company for its termination.

(4) The court shall reject the claim, if is established that the company has paid up at an account of the public executor the share due to the partner from the property, determined regarding Art. 125, para 3 of the Commerce Act, or that the taking has not been satisfied. When finding that the claim is grounded, the court shall terminate the company and this shall be entered ex officio in the Commercial register, after which shall be implemented liquidation by an appointed by the court liquidator.

Execution on securities, takings upon writs of execution and pecuniary funds

Art. 232. (1) The execution on cash securities shall be made by subrogating by a decree of the public executor in the rights of the debtor against the persons which are obliged

upon the security, or through their sale.

(2) The cash securities shall be sold by the public executor regarding the rules of pubic sale of real estate under this code separately and/or in groups. The public executor shall transfer every security in the due for it way and shall give it to the buyer after the entry into force of the decree for assignment. When the security is transferred by endorsement, the order of the endorsements shall not be interrupted.

(3) The non-cash securities shall be sold through a bank by the established for them order, as the public executor shall act on his/her own behalf and on the account of the debtor.

(4) In the cases under para 2 and 3 with the sum of the sale of the securities shall be satisfied the public taking.

(5) The enforcement on national or foreign currency shall be made through an order of the public executor for its confiscation for satisfaction of the public taking.

(6) The takings upon writs of execution shall be executed, by subrogating by a decree of the public executor in the rights of the debtor. The takings shall be executed applying the provision of Art. 230.

Execution on properties

Art. 233. (1) If the taking has not been secured or the property has not been destrained in the announcement for imposing of the distraint or the interdict, the execution shall be made through an inventory. The public executor shall fix the time for implementing the inventory.

(2) The inventory shall contain:

1. the executive ground;
2. the place where it is implemented;
3. a description in details of the property;
4. the assessment of the property;
5. the objections of the debtor and the declared by third persons rights over the described property;
6. the signatures of the public executor, of the liable person and of the third persons, when they have declared rights over the described property.

(3) The inventory of a real estate shall be made only if the public executor makes sure than the property is in ownership of the debtor on the day of imposing the interdict. The check shall be made on the base of reference by the entry office. When there are not certain data for the ownership, it shall be taken into account the possession at the date of imposing the interdict.

(4) In the inventory shall be indicated the location of the real estate, its frontiers, the entered interdicts and mortgages, the due taxes and other circumstances, related to the real estate.

(5) When is impossible the assessment of the property in the moment of the inventory, shall be entered a temporary assessment on the base of data of the debtor for its sale price, price information with which the body under para 1 disposes, and other data about the property.

Keeping of the property

Art. 234. (1) The destrained property shall be left for keeping by the debtor.

(2) If the public executor assesses that the property shall not be left in the debtor, it shall be given to a guard or shall be left for safe-keeping in a determined by the public executor place.

(3) The guard shall be appointed by the public executor, who shall determine also and his/her remuneration. The guard shall be appointed with a view to the person, the character of the property and the place where it situated or where shall be kept the property, which shall be given for keeping against a signature.

(4) The guard shall be obliged to keep the property with the due care, to give account for the incomes from it and for the expenses at its keeping. At non-fulfilment of the obligations the public executor may appoint another guard.

(5) The real estate shall be left in possession of the debtor till the accomplishment of the sale. From the receiving of the announcement for entry of the interdict, the debtor shall be obliged to manage it with the due care. The public executor may appoint against remuneration a manager of the estate, if the debtor puts obstacles of the inspection or does not manage well the estate.

(6) (new - SG 94/15, in force from 01.01.2016) Where the seizure grounds are no longer valid and the debtor fails to collect the seized articles within three months of the notification, the same shall be considered abandoned for the benefit of the state. In such cases the public executor shall issue a decree.

Assessment

Art. 235. (1) (amend. – SG 12/09, in force from 01.05.2009; amend. and suppl. - SG 94/15, in force from 01.01.2016) The distrained property shall be assessed by its market valued by the public executor. When necessary for the assessment may be involved an assessor, listed in the register of the Chamber of the Independent Assessors in Bulgaria. Where no expert from the corresponding filed is available in the register or such expert cannot or refuses to make the assessment, another person of the profession or filed can be invited.

(2) (suppl. - SG 94/15, in force from 01.01.2016) The conclusion of the assessor shall be implemented in written form and shall be submitted to the public executor, who shall determine grounded a final assessment, which shall not be lower than the one determined by the expert, announcing it to the debtor and the creditor.

(3) The assessment of the real estates may not be less than the tax assessment, and the assessment of the motor vehicles may not be less than the insurance assessment.

(4) (new - SG 94/15, in force from 01.01.2016) Para 3 shall not apply to new sales under Art. 250, Para 4 or Art. 254, Para 10.

(5) (new - SG 94/15, in force from 01.01.2016) The final assessment shall not be subject to appeal.

Control assessment

Art. 236. (revoked - SG 94/15, in force from 01.01.2016)

Disproportion of the expenses with the incomes

Art. 237. (1) Shall not be started an enforcement on rights and properties, for which the expenses at inventory, assessment, self-keeping and sale are disproportionate with the expected incomes.

(2) When only for some of the properties and rights the expenses at the enforcement are expected to exceed the incomes from the sale, the execution shall be directed on the rest of the property of the debtor.

Chapter twenty six.
PUBLIC SALE

Section I.
General provisions

Ways of the sale

Art. 238. (1) The sale of movable properties shall be made through public sale at permanently definite places or through auction. The way of the sale shall be determined by the public executor.

(2) The sale through auction may be made with open or negotiated bidding.

(3) When the sale is made through auction, it shall be considered real even and at the participation only of one buyer, if the proposed by him/her price is not lower than the initial tender price.

(4) The public executor may determine the sale to be made:

1. separately for each movable or immovable property of the debtor;

2. on groups of properties which commonly are sold together;

3. on separate parts from an enterprise;

4. on all the assets of the debtor-trader, including movable and immovable properties and rights assessable in money.

(5) (amend. - SG 94/15, in force from 01.01.2016) When are sold real estates independently or included in group of properties, real rights over real estates, motor vehicles, ships and air means, as well as movable properties with initial price over 5000 leva, the sale shall be made through auction.

(6) The debtor may propose a way under para 4, in which shall be sold the property. The public executor may accept the proposed way, if assesses that the state shall be satisfied.

(7) (suppl. – SG 105/06) May not participate in the sale the debtor, his/her representative, the bodies who carry out the auction and the experts who have assessed the property and the guard.

Effect of the public sale

Art. 239. (1) The sold through the public sale movable properties and rights over them, assessable in money, shall become in ownership of the buyer even they have not been in ownership of the debtor.

(2) The buyer shall become an owner of the sold real estate even if the debtor has not been an owner, if till the expiration of one year after the promulgation in the "State Gazette" of the decree for assignment has not been lodged a claim for ownership.

(3) If the claim has been lodged in the term under para 2 and by entered into force decision is established that the debtor is owner of the sold real estate, the buyer may request the paid by him/her property, if it is not still paid to the creditors, and if it has been paid, he/she may request from each one of them, as well as from the debtor, all that he/she has received. In both cases the buyer shall have the right on the interests and the expenses for his/her participation in the sale. Besides this he/she shall be entitled to claim the return of all the paid by him/her fees upon the transmission.

Expenses

Art. 240. (1) All the expenses, related to the securing and the enforcement of the

public takings, shall be on the account of the debtor.

(2) (amend. - SG 108/07, in force from 19.12.2007; amend. - SG 94/15, in force from 01.01.2016) All the paid sums from the sale shall be entered at definite account. If after covering the expenses, the principle and interest of the public taking, there is a remaining amount shall apply Art. 255.

(3) Expenses, related to the transmission of the property or with entry into possession, shall be on the account of the buyer.

Prices and condition of the property

Art. 241. (1) (amend. - SG 94/15, in force from 01.01.2016) The initial sale price of the property or the estate may not be less than the assessment under Art. 235.

(2) The property or the estate shall be sold such as they are in the moment of their sale, and the buyers may not pretend for defects of the bought property.

Sale of specific properties

Art. 242. (1) (amend. – SG 109/13, in force from 01.01.2014) Perishable goods shall be sold through direct negotiations pursuant to a procedure specified by the Executive Director of the National Revenue Agency, and through commodity exchanges, markets or shops.

(2) (suppl. - SG 94/15, in force from 01.01.2016) The sale of works of art, properties with antiquarian or numismatic value, gold, silver and other precious metals and precious stones or articles from them shall be made after an expert assessment through the specialized shops, galleries and other similar ones, approved by the Minister of Finance, or through a tender.

(3) (amend. - SG 94/15, in force from 01.01.2016) The sale of commodities can be made through the commodity exchanges or markets according to the rules applying to them for within a month from their initial offering by the respective commodity exchange or market, or through a tender.

(4) (suppl. - SG 94/15, in force from 01.01.2016) The sale of foreign currency shall be made through commercial banks or the exchange bureaus.

(5) (amend. - SG 36/08; amend. – SG 12/09, in force from 01.05.2009; amend. - SG 12/15, amend. – SG 58/17, in force from 18.07.2017) Animals from the national geno-fund, select seeds and seedlings with guaranteed origin shall be sold with permission of the Minister of the Agriculture, Foods and Forestry or authorized by him/her person only to other farmers.

Notification for sale

Art. 243. (1) The notification for sale shall contain:

1. the name of the body who issues it;
2. the number and the date of the executive case;
3. the way of the sale;
4. the time and the place for inspection;
5. the time and the place for sale;
6. a list of the properties for sale and their initial sale price;
7. other conditions, related to the determined way of sale;
8. date, signature and seal of the body.

(2) The notification shall be sent to the debtor with an instruction, that till the date of the carrying out of the auction with open bidding, respectively till the expiration of the term for

filing of the proposals at the auction with negotiate bidding, may be paid the obligation together with the expenses.

(3) The notification shall be put on definite places in the official rooms of the bodies who have established the public obligations.

(4) (amend. – SG 12/09, in force from 01.05.2009; amend. - SG 94/15, in force from 01.01.2016) The notification shall be announced and through its publishing on the places where shall be made the inspection or the sale, and shall be published in the website of the National Revenue Agency.

(5) When the debtor is a physical person, the notification, except for this which is sent to the debtor, may not contain data for the debtor.

Section II.
Public sale at permanently definite places

Conditions

Art. 244. (1) (amend. - SG 94/15, in force from 01.01.2016) The movable properties, which initial sale price do not exceed 5000 leva and which are situated at the place if the sale, may be sold through public sale at permanently definite places, at which the property shall be given to the buyer after paying the price.

(2) (amend. - SG 94/15, in force from 01.01.2016) The sale shall be made by shops, to which this has been assigned under a contract.

(3) (amend. - SG 94/15, in force from 01.01.2016) The sale through shops shall be made by the rules established for them.

(4) (news - SG 94/15, in force from 01.01.2016) The articles under Para 1 may be sold also electronically and according to a procedure set out by the executive director of the National Revenue Agency.

Reduction of the price

Art. 245. (1) (amend. - SG 94/15, in force from 01.01.2016) If in one month term after its exposure for sale the property shall not be sold, the sale price shall be determined in extent of 75% of the initial sale price.

(2) (amend. - SG 94/15, in force from 01.01.2016) If in one month term after the reduction of the price under para 1 shall not be found a buyer, the sale price shall be determined in extent of 50% of the initial price.

(3) (revoked - SG 94/15, in force from 01.01.2016)

(4) (amend. - SG 94/15, in force from 01.01.2016) If after the expiration of 6 months after its exposure for sale the property shall not be sold the debtor shall be entitled in one month term to take it back. In these cases the public executor shall issue a decree for return, indicating other executive methods for collection of the taking.

(5) Unlooked-for in the one-month term under para 4 properties shall be considered abandoned in favour of the state. In these cases the public executive shall issue a decree.

Section III.
Sale through auction

General rules

Art. 246. (1) The sale through auction shall be made with open or negotiated bidding at

place and in time, determined by the public executor.

(2) Together with the notification for declaring of the public sale the public executor shall announce and the rules for the sale, the extent of the deposit for participation, the way in which it shall be entered, and the dead line for its payment.

(3) (amend. - SG 108/07, in force from 19.12.2007) The deposit for participation in the auction shall be 20 % of the declared initial sale price.

(4) When the property has been bought by a person, who has not been entitled to bid, the assignment shall be invalid.

(5) In this case the paid by the buyer sum shall serve for satisfaction of the public takings under the executive case and shall be announced a new auction, if the auction has not been appealed.

(6) After receiving the sum from the sale at the account, indicated by the public executor, he/she shall issue a decree for assignment.

(7) The decree for assignment shall contain:

1. the name of the body who issues it;
2. the number, the date and the place of its issue;
3. a description of the property or the properties and the sale price;
4. date of the auction;
5. data for the buyer, for the debtor and the price at which is acquired the property;
6. number and date of the executive case;
7. the signature and the position of the body who issues it.

(8) (Suppl. – SG, 105/20, in force form 01.01.2021) The ownership shall be transferred to the buyer from the date of the decree. A notarial form shall not be necessary. The seized and sold items, which have not been sought by the buyer within 6 months from the service of the decree for assignment, shall be considered abandoned in favor of the state.

(9) The buyer shall be obliged immediately to pick up the property. When for the sale of movable properties is required a special form, it shall be considered met with the decreed for assignment.

(10) The public executor shall enter the buyer of the property in possession within 7 days term on the base of the issued decree. The entry shall be made against each person who is in possession of the property. This person may protect him/herself only by claim for ownership by the order of Art. 269.

(11) The buyer shall be obliged to request entry of the decree for assignment of the real estate by the judge for entering trough the entry office.

Preparation for auction with open bidding

Art. 247. (1) Every property or group of properties shall receive an auction number. The number shall be indicated on the property not later than the fixed initial hour for inspection.

(2) In the auction may be taken participation and through a representative, who shall submit a notary certified power of attorney for the participation in the auction.

(3) The document for the paid deposit shall be submitted to the public executor not later than the announced initial hour for carrying out the auction.

(4) (suppl. - SG 94/15, in force from 01.01.2016, amend. and suppl. – SG, 105/20, in force form 01.01.2021) On the base of the submitted identity papers, indicated electronic address and bank account, or another payment service provider, to which the deposit can be refunded in the cases provided by the law, every participant shall receive a mark (sign) with a participant’s number in the auction.

Carrying out an auction with open bidding

Art. 248. (1) In the announced day and hour the body who carries out the auction, shall open the auction, shall check the identity and the documents of the participants and shall establish that the conditions for carrying out the auction are met.

(2) At the place, where is carried out the auction, may participate only the admitted participants to the auction, the public executor and the officials who assist him/her.

(3) At the beginning of the auction the body, who carries it out, shall be obliged to announce again the rules for sale and the admitted to the auction participants, as he/she may determine and a step of bidding as a percent of the initial price.

(4) The bidding shall begin from the initial auction price. Invalid shall be the proposal for a price, lower then the initial one.

(5) Every participant shall pick up high the number to announce the proposed by him/her price.

(6) For the carrying out of the auction shall be compiled a record. In the record shall be indicated all the condition of the auction, the number of the participants, the initial and the final hour, the step of bidding, if has been determined such one. The record shall be compiled and in the cases when the announced auction has not been carried out.

(7) For the made proposals shall be compiled a bidding list, in which shall be indicated the auction number of the property subject to sale, the numbers of the participant who have bid for it, and the proposed by them prices. The bidding list shall be an integral part of the record for the carrying out of the auction.

(8) After each made proposal the body, who carries out the auction, shall announce three times successively the proposed price and after the third time, if the new price has not been proposed, shall announce with "sold" the sale of the property, the price and the number of the participant who has proposed it.

(9) (amend. - SG 34/06, in force from 01.10.2006) In the record shall be entered the auction number of the property, the price and the number of the participant, who has proposed the highest price, for the individuals – name and UCN, for the traders – name and unified identification code, issued by the Registry Agency, for the persons entered in register BULSTAT – also unified identification code BULSTAT, respectively the data of the authorised representative. A buyer shall be announced the person who has proposed the highest price. The buyer shall be announced by the body which carries out the auction, on the bidding list, which shall be signed by him/her.

(10) In the record shall be entered and the data for the persons who have proposed a price, which classified them in second and third place after the participant who has proposed the highest price, as well as the data, necessary for notification.

(11) (amend. – SG 12/09, in force from 01.05.2009) The buyer shall pay, within 7 days term after the finishing of the sale, the proposed by him/her price, deducting the paid deposit.

(12) (Amend. – SG, 105/20, in force from 01.01.2021) The public contractor shall issue a decree for assigning the property to the buyer within three days from the receipt of the amount on the specified account and presentation of a document, certifying the payment of property acquisition tax for consideration, when such is due.

Appointing a subsequent buyer

Art. 249. (1) (amend. - SG 108/07, in force from 19.12.2007) If in the term under Art. 248, para 11 the price is not entered at the indicated account from the person, announced as a buyer, by the paid by him/her deposit shall be covered the expenses at the auction and by the

rest shall be reduced the public takings in the following order: expenses, principal, interest.

(2) (amend. – SG 12/09, in force from 01.05.2009; suppl. - SG 94/15, in force from 01.01.2016) The public executor shall compile a record by which shall announce as a buyer the person who has proposed the price next in size, sending him/her a notification to the electronic address indicated by him. If this person does not pay the price either, deducting the paid deposit in 7 days term after the receiving of the announcement, the public executor shall announce as a buyer the next in the order of the proposed prices person, and if necessary shall act like this till the exhaustion of all the person, under condition that the proposed by them price is not lower than the initial auction price and they have not withdrawn their deposits following the expiry of the three-month period from the date of conducting the tender.

(3) (new - SG 94/15, in force from 01.01.2016) The electronic notification referred to in Para 2 shall be deemed delivered with the expiry of three days from its sending.

(4) (amend. – SG 12/09, in force from 01.05.2009; prev. text of Para 03 - SG 94/15, in force from 01.01.2016) A person who is announced as a buyer and does not pay within 7 days term the proposed price, deducting the paid deposit, shall be responsible regarding para 1.

(5) (new - SG 94/15, in force from 01.01.2016) Following the payment of the price by a participant, declared a buyer, the deposit made shall be refunded to the bidders, which were not declared buyers. If within three months from the date of the tender the price was not paid by a participant, declared a buyer, any bidder, who was not declared a buyer, may withdraw his deposit.

(6) (prev. text of Para 04, amend. - SG 94/15, in force from 01.01.2016) When none of the persons under para 2 and 4 pays the proposed by him/her price, it shall be carried out a new auction.

New auction

Art. 250. (1) The new auction shall be carried out by the rules of the initial one, when:

1. does not appear a candidate and the appeared ones propose a price, lower than the initial one;

2. none of the participants pays the proposed by him/her price;

3. are broken other conditions for the carrying out of the auction.

(2) (amend. - SG 94/15, in force from 01.01.2016) The sale price of the property in the new auction shall be determined in extent of 75% of the initial auction price of the previous auction. At the subsequent auction the sale price of the property shall be set at 50% of the initial tender price.

(3) When after the last auction the property has not been sold, at request of the public creditor, it shall be assigned to him/her at price of 50 % of the initial auction price. When the public takings belong to different creditors, the property shall be assigned to the creditor with the biggest taking. The equalization of the accounts between the creditors shall be made by the public executor at subsequent executions over the property of the debtor.

(4) (suppl. - SG 94/15, in force from 01.01.2016) When the property is not assigned in the cases under para 3, it shall be released from execution or a date shall be fixed for a new sale.

Auction with negotiated bidding

Art. 251. (1) The public executor may determine the sale to be made at auction with negotiated bidding, as in the announcement shall be indicated the place of filing the proposals, the initial and the final term for their filing, the amount of the deposit and the time and the place

of opening of the proposals.

(2) (amend. - SG 94/15, in force from 01.01.2016, amend. – SG, 105/20, in force from 01.01.2021) The proposal, together with a document, certifying the paid deposit in the amount of 20 per cent of the initial auction price and a notarized power of attorney for participation in the tender, when the proposal is made by an authorized representative, shall be filed in sealed envelope. On the envelope the offeror shall indicate the number and the date of the announcement, the public executor who has announced the sale, data for the offeror (name/firm, address, unified identification code, determined by the Registry Agency, SIC of BULSTAT and a signature.

(3) The proposal shall contain:

1. (amend. - SG 34/06, in force from 01.10.2006; amend. – SG 63/06, in force from 04.08.2006; amend. - SG 94/15, in force from 01.01.2016, amend. – SG, 105/20, in force from 01.01.2021) data for the offeror – name, unique civil number (name, unified identification code determined by the Registry Agency, unified identification code BULSTAT), correspondence address, electronic address and a bank account, or another payment service provider, to which the deposit made can be refunded in the cases, provided by the Act;

2. the property for which is made the proposal;

3. the proposed price;

4. (amend. - SG 108/07, in force from 19.12.2007, repealed – SG, 105/20, in force form 01.01.2021).

5. the signature of the offeror.

(4) The received proposals for each announced sale separately shall be entered by the order of their receiving with a serial number and date, and explicitly shall be indicated and the date of the postmark, if they are received by the mail.

(5) With the expiration of the final term for accepting the proposals the public executor shall put in the end of the list a certifying inscription, in which shall indicate the number of the received proposals, the date and the hour of finishing and shall sign.

(6) Validly made proposal shall be considered and this one, which has been received till the expiration of the work time of the public executor on the day before the declared one for opening the proposals, under condition that the postmark in the office of the filing has a date not later than the one indicated as final date for filing the proposals. The non-meeting these conditions proposals shall be considered invalid and for the received by this order valid and invalid proposals the public executor additionally shall made an indication in the list after the certifying signature.

(7) Till the announced final term for filing the proposals, the offeror may withdraw in written the proposal, which shall be attached to the record. The proposal shall be returned in the sealed envelop. On the envelope shall be put a seal of the public executor with an inscription: "Withdrawn by letter number and date of the letter", and the public executor shall sign and shall put a date. A new proposal may be filed after withdrawal of the initial one, under condition that is observed the final term.

Consideration of the proposals and sale

Art. 252. (1) The proposals shall be considered in the fixed place and time where may participate the offerors, their legal or authorized representatives.

(2) The public executor shall consider successively by the order of their receiving the made proposals, announcing the serial number and date of the receiving or the date of the postmark, if the proposal has been received by the mail.

(3) The public executor shall announce the made proposals and their regularity.

Irregular shall be the proposals which do not meet the requirements under Art. 251, para 2 and 3, as well as those ones filed by persons, which are not entitled to participate in the sale. The offerors, who shall not be admitted to the auction and the reasons for this shall be reflected in the record and the filed by them documents shall be attached to the record.

(4) The made proposals shall be reflected by the order of opening in a bidding list. Next to the serial numbers, which have withdrawn their proposals, in the bidding list shall be indicated the number of the letter and the date or the withdrawal.

(5) After the exhaustion of the full list of proposals the public executor shall announce the highest proposed price.

(6) (amend. – SG 63/06, in force from 04.08.2006, suppl. – SG, 105/20, in force from 01.01.2021) At equal highest prices, proposed by two or more of the present participants in the bidding, the auction shall continue only between them with open bidding. In this case the public executor shall announce a step of bidding. The step and the made proposals shall be reflected in the bidding list. When a proxy participates in the bidding, the power of attorney for participation in the tender must be notarized.

(7) (amend. – SG 63/06, in force from 04.08.2006) If the highest price is proposed by two or more participants in the auction and at least one of them does not attend the consideration of the proposals, the public executor shall choose the one who wins the auction by lot in the presence of the present participants.

(8) Besides the cases under para 6 and 7 the offerors shall be ordered successively, admitting the highest proposed price.

(9) (amend. – SG 12/09, in force from 01.05.2009) The person who has won the audit and the subsequent two proposals shall be announced by the body under para 2 and shall be entered in the record. Next to each of the proposals shall be entered the data of the proposals and the result shall be announced at a suitable place in the office of the public executor and in the competent territorial directorate.

Payment and a decree for assignment

Art. 253. (Amend. – SG, 105/20, in force from 01.01.2021) The public executor shall issue a decree for assignment of the property to the buyer, within three days from the receipt of the amount on the indicated account and presentation of a document, certifying the payment of property acquisition tax for consideration, when such is due.

Subsequent buyer

Art. 254. (1) (amend. – SG 12/09, in force from 01.05.2009, suppl. - SG 63/17, in force from 04.08.2017) In the case the price is not paid at the indicated account within 7 days term after the date of the auction, it shall be considered that the buyer has refused to buy the property. With the paid by him/her deposit shall be covered the expenses at the auction, and the rest shall serve for redemption of the pubic taking. In the cases when the buyer has not been present at the auction, the term for non-cash payment shall begin after his/her notification for the result of the auction by sending an e-mail to the email address specified by him.

(2) (amend. - SG 63/06, in force from 04.08.2006; amend. – SG 12/09, in force from 01.05.2009; amend. - SG 94/15, in force from 01.01.2016) After the expiration of the term under para 1 the public executor shall declare as a buyer the participant, who has proposed the next highest price, by sending him an electronic message to the electronic address indicated by him. If the second highest price is proposed by two or more participants, the public executor shall choose the subsequent buyer by lot. If this participant does not pay within

7 days term after the notification, it shall be considered that he/she has refused to buy the property.

(3) (new - SG 94/15, in force from 01.01.2016, amend. - SG 63/17, in force from 04.08.2017) The electronic message under Para 1 and 2 shall be deemed delivered with the expiry of three days from sending it.

(4) (prev. text of Para 03, suppl. - SG 94/15, in force from 01.01.2016) After the refusal of the second buyer by the order of para 2 shall be notified the third buyer and if necessary shall be acted like this till the exhaustion of all the participants, under condition that the proposed by them price is not lower than the initial auction price and they have not withdrawn their deposits upon expiry of three months from the date of the tender.

(5) (amend. – SG 12/09, in force from 01.05.2009; prev. text of Para 04 - SG 94/15, in force from 01.01.2016) A participant who does not pay within 7 days term after the notification, shall be considered, that he/she has refused to buy the property and shall be responsible regarding para 1.

(6) (new - SG 94/15, in force from 01.01.2016) Following the payment of the price by a participant, declared a buyer, the deposit made shall be refunded to the bidders, which were not declared buyers. If within three months from the date of the tender the price was not paid by a participant, declared a buyer, any bidder, who was not declared a buyer, may withdraw his deposit.

(7) (suppl. - SG 108/07, in force from 19.12.2007; prev. text of Para 05 - SG 94/15, in force from 01.01.2016) If no one pays the price, the public executor shall fix the date of a new auction for sale of the property. New auction according to the rules of the first one shall also be conducted in case no offer has been submitted or the offered price is lower than the initial one.

(8) (prev. text of Para 06, amend. - SG 94/15, in force from 01.01.2016) The sale price of the property at the new auction shall be determined in extent of 70% of the initial auction price of the previous auction. At the subsequent auction the sale price shall be set to 50% of the initial sale price.

(9) (prev. text of Para 06, amend. - SG 94/15, in force from 01.01.2016) When after the last auction the property has not been sold, at request of the public creditor it shall be assigned to him/her at price of 50 % of the initial auction price. When the public creditors who have made assignment requests are more than one, the property shall be assigned to the creditor with the biggest taking. The equalization of the accounts between the creditors shall be made by the public executor at subsequent executions over the property of the debtor.

(10) (prev. text of Para 08, amend. - SG 94/15, in force from 01.01.2016) When the property is not assigned in the cases under para 9, it shall be released from execution or a new sale shall be set.

Remitting sums to the debtor

Art. 255. (amend. - SG 63/06, in force from 04.08.2006; amend. – SG 12/09, in force from 01.05.2009) In 7 days term after the covering of the expenses at the enforcement, the principal and the interest, the debtor shall be notified for the sums, remaining after the distribution, which shall be remitted at account, indicated by him/her, and if he/she has not indicated such one - they shall rest in the National Revenue Agency and shall serve for deduction with other public takings.

Appeal

Art. 256. (1) The made sale through auction may be appealed within 3 days term after

the announcement of the results, by a participant in the auction who has proposed a higher price than the person announced as a buyer, when the person announced as buyer has not been entitled to participate in the auction and the proposed by the appellant price is subsequent to the price of the person who has won.

(2) The complaint shall be filed through the public executor and shall be considered by the order of Art. 266 – 268.

(3) At filed complaint the public executor shall not issue a decree for assignment.

(4) The appellant shall be obliged to pay in whole the proposed by him/her price at the account of the public executor, which is a condition for the regularity of the complaint. In the cases of favourably consideration of the complaint the court shall declare the appellant for buyer.

(5) The decision of the court shall be final, shall not be subject to appeal and shall have the force of a decree for assignment.

(6) A copy of the court decision shall be sent to the public executor in 7 days term after its pronouncement.

(7) If the complaint is left without consideration, the public executor shall issue a decree for assignment to the declared person by him/her for buyer within 7 days term after the receiving of the copy of the court decision and shall release the deposited by the appellant price of the property.

(8) If the complaint is considered favourably and the appellant is declared for buyer, the public executor shall release the deposited price of the declared person by him/her for buyer, except for the cases when the person declared for buyer has not been entitled to participate in the auction. In these cases the deposited price by the declared person by the public executor for buyer shall serve for satisfaction of the takings at the executive case.

Sale of properties, left for keeping by the debtor or at third persons

Art. 257. (1) When the property is left for keeping by the debtor or at third persons, the public executor shall be obliged to indicate in the announcement the exact location of the property and to give adequate time for inspection, preliminary fixed up with the guard of the property.

(2) If the debtor or the third person obstructs the inspection, the property shall be confiscated and shall be sold by the order of this code.

(3) (amend. – SG 69/08) If the debtor refuses to give the property, it shall be confiscated forcibly by the public executor, which shall be applied and regarding every third person, which is in possession of the property. In these cases, if necessary, shall be ensured and the co-operation of the police.

Section IV.
Specific cases of sale

Sale of collectively owned properties

Art. 258. (1) When the execution is directed on a property which is collectively owned, for an obligation of some of the co-owners, the property shall be described and shall be assessed as a whole by the order of Art. 235 and shall be proposed to the co-owner non-debtor within 30 days term for buying up.

(2) If the co-owner non-debtor in the term under para 1 agrees in writing to buy up the part of the debtor, the public executor shall fix a 30 days term for payment and after the

payment shall assign him/her the property by a decree.

(3) If the co-owner non-debtor refuses to buy up the part of the debtor or does not pay in the term under para 2, the public executor shall announce an auction:

1. only for the share of the debtor – at the real estates;

2. for the whole property – at the movable properties, as after the sale to the co-owners non-debtors shall be paid proportionate part of the received price, and the expenses shall be completely on the account of the debtor.

(4) (Suppl. – SG, 105/20, in force from 01.01.2021) The property may be sold and in whole, if in the term under para 1 the rest of the co-owners express written consent. Until the expiration of the term under Para. 2, the co-owner, who does not pay, may express a written consent for the item to be sold in full.

(5) (amend. - SG 94/15, in force from 01.01.2016) The assessment of the property shall be announced and to the co-owner non-debtor.

(6) The co-owner non-debtor may appeal the executive actions because of non-observance of para 1 by the order of Art. 266 – 268.

Execution on joint marital properties

Art. 259. (1) The enforcement of public takings against one of the spouses may be directed on movable and immovable properties which are joint marital properties, only for the part of the taking which may not be satisfied through an execution on his/her own property. The public executor together with the imposing of the distraint or the interdict shall be obliged to notify the spouse non-debtor, that the execution shall be directed on a joint marital property.

(2) The sale shall be made at auction with open bidding, unless the spouses propose in writing the sale to be made by another, provided by this code, order.

(3) By their proposal under para 2 the spouses may determine and the property, on which they would like to be directed the execution.

(4) If till the appointment of a buyer, the spouse non-debtor pays the due sum together with the made to the moment expenses by the public executor, the execution shall be terminated.

(5) For execution on joint marital properties shall be applied respectively the provisions for sale of co-owned properties.

(6) The spouse non-debtor shall be declared for buyer, if within 14 days term after the date of the auction, declares in writing to the public executor that he/she wants to buy the part at the highest proposed price, paying this price in 30 days term after the carrying out of the auction.

(7) Till the expiration of the term under para 6 the public executor shall not issue a decree for assignment. If in spite of that, the appointed as buyer has been paid the price, it shall be a subject to return in three days term.

(8) If the property is sold, independently the way of sale, the half of the received sum, before the expenses to be deducted, shall be paid to the spouse non-debtor.

(9) The spouse non-debtor may not opposite the public executor an objection, that because his/her contribution in the acquisition of the property he/she has the right of bigger share than the spouse debtor, unless by an entered into force court decision before the date of the appearance of the public obligation has not been established otherwise.

(10) From the date of entry into force of the decree for assignment of the joint marital property to the spouse non-debtor, the respective property shall be excluded from the joint marital property.

Execution on deposits – joint marital property

Art. 260. (1) The enforcement for public obligations against one of the spouses may be directed on the half of the pecuniary deposit – joint marital property.

(2) At request of the spouse non-debtor the rest half of the deposit may be transformed into his/her personal deposit upon submitting in the serving bank the decree for forcible collection. The provision under Art. 259, para 9 shall be applied respectively in this case.

Appealing the actions

Art. 261. Each of the spouses may appeal the actions of the public executor, when:

1. by an entered into force court decision before the date of the appearance of the obligation has been established that the property on which is directed the enforcement, is a personal property of the spouse non-debtor, respectively the proposed for enforcement part of the property is bigger than the part of the spouse debtor, established by the court decision;

2. the public executor shall not take into consideration the proposal of the spouses for directing the enforcement toward another property;

3. are present the grounds, at which may appeal the co-owners non-debtors or third persons with independent rights on the property.

Execution on deposited values in safes

Art. 262. (1) (amend. – SG 59/06, in force from the date of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union) The public executor may direct the execution over the content of the deposited values in public or private safes, including and over the content of bank safes.

(2) When at the opening is found a national or foreign currency, it shall be acted by the order of this code.

(3) When are found numismatic values or jewels, or works of art, they shall be described in the record and shall be left for keeping in the bank till their sale.

Execution on pecuniary funds and other values

Art. 263. The execution on the found in the home or in the official rooms of the debtor national or foreign currency, as well as on the found currency in a safe, shall be made through its confiscation, inventory and entry at the account of the public executor. At the re-calculation of the rate of the foreign currency shall be applied the rate of the bank, through which is implementing the operation of the sale of the currency.

Certifying the obligations

Art. 264. (1) The transfer or the establishment of real rights over real estates or rights of heritage which include real estates, the including of real estates or real rights over real estates as non-pecuniary contributions in the capital of trade companies, the entry of mortgage or registered pledge shall be admitted after submitting a written declaration by the transferor or by the founder, respectively the mortgage debtor or the pledger, that he/she has no outstanding, subject to enforcement obligations for taxes, duties and obligatory insurance contributions. The presence or the lack of outstanding tax obligations for the estate shall be certified in the tax assessment.

(2) (amend. – SG 98/10, in force from 01.01.2011, amend. – SG 98/18, in force from 01.01.2019) A transfer of the ownership on motor vehicles shall be made after verification in the system for exchange of information, maintained by the Ministry of Finance, under Art. 5a of the Local Taxes and Fees Act for tax paid for the vehicle, as well as a written declaration by the transferor, that he/she has no outstanding, subject to enforcement other obligations for taxes, duties, obligatory insurance contributions or other public obligations, related to the motor vehicle. Provided that the relevant municipality has not provided a continuous automated exchange of information, the verification of the vehicle paid tax may be carried out by presenting a document issued or certified by the municipality.

(3) The samples of the written declaration under para 1 and 2 shall be confirmed by the Minister of Finance and the Minister of Justice.

(4) (suppl. - SG 108/07, in force from 19.12.2007) When the transferor or the founder declares, that he/she has public state or municipal obligations indicated in para 1 and 2, the actions under para 1 and 2 may be implemented after their payment or if the debtor declares in writing, that he/she is agree the public state or municipal takings to be redeemed by the sum against the transfer or the establishment of the real right and the buyer pays the due sum in the respective budget.

(5) (new - SG 108/07, in force from 19.12.2007) The actions referred to in paras 1 and 2, carried out in violation of para 4, may not be invoked against the state and municipality.

Responsibility

Art. 265. A notary public or a judge for entering, who compiles, respectively orders to be entered an act without submitted declaration or at non-observance of the provision of Art. 264, para 4, shall be joint responsible for the payment of the obligations, due by the transferor or the founder.

Chapter twenty seven.
PROTECTION AGAINST ENFORCEMENT

Appeal

Art. 266. (1) (amend. – SG 12/09, in force from 01.05.2009) The actions of the public executor may be appealed by the debtor or by the third liable person before the director of the competent territorial directorate through the public executor, who has implemented them. The complaint shall be filed within 7 days term after the implementation of the action, if the person has been present or has been notified for its implementation, and in the rest cases - after the date of the announcement. For the third persons the term shall start after the knowledge of the action.

(2) The debtor shall apply to the complaint and a copy for the public executor, and the third person – and a copy for the debtor.

(3) Shall not be a subject to appeal the determined amount of the public obligation.

(4) The complaint shall not stop the actions at the enforcement, unless is filed by a third person with independent rights on the property, on which is directed the enforcement. The independent rights shall be certified by written evidences, attached to the complaint.

Consideration of the complaint

Art. 267. (1) The decision-making body shall consider the complaint on the base of the

data upon the file and the submitted by the parties evidences.

(2) The decision-making body within 14 days term after the receiving of a regular complaint shall pronounce by a decision, by which he/she may:

1. terminate the proceedings, if till the pronouncement at the complaint the debtor pays the due sum, including the made expenses;

2. stop the execution, if are present the grounds for stopping the enforcement under this code, for which shall notify and the creditor;

3. repeal the appealed action;

4. repeal or refuse to repeal the executive action, appealed by the third person with independent rights on the property, on which is directed the enforcement; when the complaint is not considered favourably, the third person may lodge a claim within 30 days term after the receiving of the copy of the decision;

5. leave the complaint without favourably consideration;

6. leave the complaint without consideration, when the appellant has no interest in the appeal of the actions of the body of the enforcement or when he/she withdraws the complaint.

(3) In the cases under para 2, item 3 the execution case shall be returned to the body who has implemented the appealed action, and the executive proceedings shall start from the repealed action.

Court appeal

Art. 268. (1) (amend. - SG 30, in force from 12.07.2006; amend. – SG 12/09, in force from 01.05.2009, amend. - SG 77/18, in force from 18.09.2018) In the cases under Art. 267, para 2, item 2, 4, 5 and 6 the debtor or the creditor may appeal the decision before the Administrative court at the permanent address or registered office of the debtor , within 7 days term after the announcement. The file shall be sent to the administrative court within three days term after the receiving of the complaint.

(2) (amend. – SG 30, in force from 12.07.2006) The decision of the administrative court shall be final and shall not be a subject to appeal.

Claim of the third person

Art. 269. (1) A third person, which right has been infringed by the execution, may lodge a claim to establish his/her right.

(2) The claim shall be lodged against the debtor and the creditor.

(3) The court shall notify the public executor, if are instituted claim proceedings. In this case the public executor may pass on another method for forcible collection or stop the proceedings.

Chapter twenty seven "a".
MUTUAL ASSISTANCE PROCEDURE WITH THE MEMBER STATES OF THE EUROPEAN UNION AT COLLECTING PUBLIC RECEIVABLES (New – SG 105/06, IN FORCE FROM 01.01.2007)

Section I.
General provisions (New – SG 105/06, in force from 01.01.2007)

Scope

Art. 269a. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Mutual assistance with the competent authorities of European Union Member States shall take place for the collection of the following public receivables:

1. (amend. – SG 58/16) taxes, including excise taxes, customs duties and fees, collectable by or at the expense of the state and of municipalities or at European Union expense'

2. refunds, interventions and other measures, being part of the complete or partial funding from the European Agriculture Guarantee Fund and from the European Agricultural Fund for Rural Development, including the sums, which are subject to collecting in relation to these actions;

3. fees;

4. proprietary sanctions, fines, fees and additional fees, related to the receivables, for which a request for mutual assistance referred to in items 1 – 3, imposed by the authorities competent to establish and/or to collect respective public receivables by an enforced document may be addressed;

5. (amend. – SG 58/16) fees for issuance of certificates and of other documents, related to the establishment, securing and collection of taxes, excise taxes and customs duties;

6. interest and expenses, related to the receivables under items 1 -5.

(2) The provisions of this Chapter shall not apply with regard to:

1. receivables for obligatory social insurance contributions;

2. fees, which are not covered by the scope referred to in par. 1, items 4 and 5;

3. receivables of a contractual nature, including payments under service contracts of a public interest;

4. receivables under an enforced sentence or other sanctions, imposed within penal proceedings, which are not covered by the scope referred to in par. 1, item 4.

(3) The actions related to securing and collecting of receivables referred to in para 1 for carrying out mutual assistance shall be performed by the receipts authorities and by the public executives under the terms and following the procedure of this code.

Competent bodies (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269b. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Competent to carry out mutual assistance with the competent bodies of the Member States is the Managing Director of National Revenue Agency or officials authorized by him/her.

(2) The Managing Director of National Revenue Agency shall nominate by an order a central unit for contact within National Revenue Agency to get into contact with the other Member States regarding mutual assistance, shall fulfill the functions of a requested, respectively of a requesting body in the Republic of Bulgaria and shall keep in contact with the European Commission.

(3) The Managing Director of National Revenue Agency may nominate by an order also other contact units within National Revenue Agency to fulfill functions of a requested, respectively of a requesting body in the Republic of Bulgaria regarding the types of receivables or depending on their territorial or operative competency.

Types of mutual assistance and requirements to the requests for mutual assistance (amend. – SG 99/11, in force from 01.01.2012)

Art. 269c. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from a requested, respectively of a requesting body in the Republic of Bulgaria and shall keep in contact with the European Commission request for:

1. information;

2. notification;

3. collection of a receivable;

4. injunctions.

(2) The request referred to in par. 1 and all documents related to it or with subsequent information exchange, shall be sent electronically, using a standard form, unless this is technically impossible.

(3) The following shall be sent electronically, too:

1. the unified instrument for undertaking of executive measures under Art. 269j, par. 1, as well as the accompanying documents under Art. 269j, par. 3;

2. the documents under Art. 269p, par. 2.

(4) If the communication has not been done electronically or no standard forms have been used, this does not affect the validity of the received information or of the measures, undertaken for the implementation of the request for mutual assistance.

(6) The request for mutual assistance, the standard form of notification and the unified instrument for undertaking of executive measures shall be addressed by the local requesting body in the official language of in any of the official languages of the requested Member State or shall be accompanied by a translated version in the respective language. The documents may be provided also in another official language, if so agreed with the other Member State.

(7) The local requested body shall accept the request for mutual assistance, the standard form of notification and the unified instrument for undertaking of executive measures only in Bulgarian language or accompanied by a translated version in Bulgarian language, unless otherwise agreed with the requesting Member state.

(8) The acts and documents subject to request for notification under Art. 269f, par. 1 may be sent by the local requesting body in Bulgarian language, respectively accepted by the local requesting body in the official language of the requesting Member State.

(9) Upon receipt of the accompanying documents beyond those referred to in par. 6 and 8, the local requested body may request from the requesting body of another Member State translated version of the documents in Bulgarian language or in another contractual language.

Section II.
Information exchange (new – SG 99/11, in force from 01.01.2012)

Information request (title amend. – SG 99/11, in force from 01.01.2012)

Art. 269d. (New – SG 105/06, in force from 01.01.2007, amend. - SG 99/11, in force from 01.01.2012) (1) Request for provision of information about facts and circumstances relevant to the collection of receivables under Art. 269a, Para. 1 may be addressed by the local requesting authority to another Member State.

(2) At the request of a requesting authority from another Member State, the local requested authority shall provide information on facts and circumstances relevant to the recovery of claims under Art. 269a, Para. 1.

(3) The local requested body shall undertake the actions provided in the national law for collection and provision of the information referred to in par. 2.

(4) The local requested body shall not be obliged to provide information, where:

1. it is not possible to obtain such information for the purposes of collection of such receivables, having occurred in the territory of the country;

2. the information discloses commercial, production or professional secret;

3. its disclosure threatens national security or contravenes public order.

(5) Paragraph 4 may not be deemed a reason for refusal by the local requested body to provide information only because the information is being kept by a bank, financial institution, a person, nominated or acting as an agent or a trustee, or is related to capital shares of a person.

(6 The refusal of the local requested body to provide information shall be justified by referring to the relevant reason under par. 4.

Information exchange without previous request (title amend. – SG 99/11, in force from 01.01.2012)

Art. 269e. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) (amend. – SG 58/16) Prior to refunding of taxes, fees, excise duties or customs duties, except for the value added tax, to a person, established or residing in another Member State, the body, competent to carry out the refund, may through the respective contact unit inform the Member State, where the person is established or residing, regarding the scheduled refunding.

(2) The information referred to in par. 1 may be sent in the form and following the procedure under Art. 269c, par. 2.

Section III.
Notification about documents (New – SG 105/06, in force from 01.01.2007; prec. Section II, title amend. – SG 99/11, in force from 01.01.2012)

Request for notification, addressed by a local requesting body (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269f. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) The local requesting body may address a request to another Member State for notification of the addressee regarding acts and documents, including judicial, concerning receivables under Art. 269a, par. 1 of their collection.

(2) In cases referred to in par. 1 the law of the requested Member State shall apply for notification purposes.

(3) The notification request shall be accompanied by a standard form, containing:

1. the name, respectively description (company name), address and other identification information of the recipient;

2. the purpose of notification and the term, within which the notification shall take place;

3. description of the attached document, the nature and the amount of receivables subject to request;

4. name, mailing address and other contact information of the administrative unit, authorized with powers regarding the document, of which the addressee will be notified, or of the administrative unit, having at its disposal information about the document or about the opportunity to protest the receivable.

(4) The request under par. 1 may be addressed to another Member State only in case notification is impossible in the territory of the country or where such notification would cause

excessive difficulty.

(5) Regardless the request under par. 1 the persons, located in the territory of another Member State may be notified of acts and documents by sending an acknowledged receipt letter or electronically.

Request for notification, addressed by a requesting body of another Member State (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269g. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Upon a notification request by a requesting body of another Member State, the local requested body shall hand over acts and documents, including judicial, issued in the Member State of the requesting body and related to receivables under Art. 269a, par. 1 and/or with their collection.

(2) The request referred to in par. 1 shall be accompanied by a standard form containing the information referred to in art. 269f, par. 3.

(3) Handing over shall take place in compliance with the provisions of Chapter Six, whereas the local requested body shall inform in due time the requesting body from the other Member State of any action of its related to the request and of the date of handing the act or the document over.

(4) The local requested body shall guarantee that the handing over has been done in compliance with the rules set out in this present code.

Section IV.
Securing and collection of receivables (new – SG 99/11, in force from 01.01.2012)

Request for collection of receivables, addressed by a local requesting body (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269h. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) The local requesting body may address a request to another Member State for collection of public receivables under Art. 269a, par. 1, for which there is an executive ground.

(2) The local requesting body shall submit without delay to the requested body from the other Member State every information, obtained in connection with the receivable and which is important for its collection.

Conditions for requesting collection of receivables towards another Member State (Title amend. - SG 99/11, in force from 01.01.2012)

Art. 269i. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2011) (1) A request for collecting of receivables may not be issued if the act of establishment of a public receivable has been protested, except for the cases referred to in Art. 269l, par. 5.

(2) Prior to sending a request for collection of a receivable the local requesting body shall have to have applied all options for collection of receivables under this code, except for the cases, where:

1. the debtor does not possess any property in the territory of the Republic of Bulgaria to which to address the execution and the local requesting body has got information of debtor’s property in the requested Member State;

2. the execution will not result in full repayment of the receivable and the local requesting body has got information of debtor's property in the requested Member State;

3. collection of the receivable is impossible or will be considerably hindered.

Single instrument for undertaking of executive measures (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269j. (New - SG 105/06, in force from 01.01.2007, amend., - SG 99/11, in force from 01.01.2012) (1) The request for collection of public receivables under Art. 269a, para. 1 shall be accompanied by a single instrument for implementing executive measures which reflects the main content of the original enforceable instrument, and constitutes the sole ground for taking enforcement action and imposing security measures by the local requested authority. The single instrument for implementing executive measures shall be enforceable without the need for an act of recognition, supplementation or replacement.

(2) The single instrument for implementing executive measures shall contain:

1. particulars identifying the original enforceable ground, description of the receivable, the type of receivable, the period to which it relates, all dates relevant to the enforcement proceedings, the amount of the receivable, including principal, interest and expenses;

2. name, respectively company name, and other data personalizing the debtor;

3. name, address and other contact details of the public creditor or of the administrative unit that has information on the receivable, or on the possibility of it being contested.

(3) To the request under para. 1, other documents relating to the receivable, issued in the requesting Member State, may also be applied.

Request for collection of receivables made by another Member State (Title amend. - SG 99/11, in force from 01.01.2012)

Art. 269k. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Upon request of a requesting body from another Member State the local requested body shall collect the receivables under Art. 269a, par. 1 for which there is an initial executive ground, issued in the other Member State.

(2) The receivables referred to in the request, shall be collected pursuant to the provisions of this code.

(3) The receivables collected upon a mutual assistance request, shall not be subject to the preferences, provided in Bulgarian laws for such receivables.

(4) The receivables, indicated in the request shall be collected in Bulgarian levs.

(5) The local requested body shall inform the requesting body from the other Member State of any undertaken action regarding the receivable collection request.

(6) The local requested body shall charge interest in compliance with Bulgarian laws, as from the date of receipt of collection request.

(7) The receivable may be deferred or paid in installments subject to the terms and conditions and following the procedure of this code, whereas the local requested body shall notify thereof the requesting body from the other Member State.

(8) The local requested body shall transfer to the requesting body from the other Member State the collected receivables related to the request, except for the expenses referred to in Art. 269t.

Actions of a local requesting body in case of appealing of a receivable, regarding which a request for mutual assistance has been addressed to another Member State (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269l. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Where against the receivable, the initial executive grounds, the single instrument for undertaking of executive measures and the legitimacy of notification, done by a competent body of the requested Member State, a complaint has been filed with the local requested body, the latter has to notify the claimant that he/she has to file the complaint before a body competent to pronounce on the complaint in the requesting Member State.

(2) Where against the execution or notification actions carried out in the course of execution in the territory of the country, a complaint has been filed, the provisions of this present code shall apply.

(3) Where the local requested body has been notified by the requesting body from the other Member State of appealing under par. 1, the execution shall be suspended regarding the appealed part of the receivable until the pronouncement of the competent body.

(4) In case of suspension of the execution under par. 3, no new executive actions may be carried out regarding the appealed part of the receivable, but injunction measures can be carried out regarding a request of the requesting body from the other Member State or by an initiative of the local requested body.

(5) Paragraph 3 shall not apply where the requesting body from the other Member State has issued a justified request the local requested body to continue the executive proceedings regardless the appeal. If the complaint is approved, the requesting body from the other Member State shall refund the collected amounts together with the due interest, as well as the expenses incurred by the local requested body.

(6) (Amend. - SG 63/17, in force from 04.08.2017) Where a procedure has been initiated between the competent authorities of the Republic of Bulgaria and another Member State for reaching a mutual agreement which may lead to an amendment or the reimbursement of the receivable subject to mutual assistance, the local requested authority shall suspend execution until the conclusion of the procedure, except in the case of proceedings instituted under the Penal Procedure Code for fraud, or open insolvency proceedings. In case of suspension of execution, para. 4 shall apply.

Actions of a local requesting authority in challenging a receivable, in respect of which a request for mutual assistance to another Member State is requested (Title amend. - SG 99/11, in force from 01.01.2012)

Art. 269m. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) Where the local requesting body has addressed a request for mutual assistance to another Member State pursuant to the provisions of Bulgarian laws, complaints regarding the following shall be considered:

1. the receivable, initial execution grounds or single instrument for undertaking of executive measures;

2. the legitimacy of handing over of acts and documents in another Member State pursuant to Art. 269f, par. 5.

(2) In cases of a dispute arisen under par. 1 the local requesting body shall notify in due time the requested body from the other Member State and shall indicate the non-appealed part of the receivable. Where the execution has been suspended for the appealed part of the receivable, the local requesting body shall notify the requested body from the other Member State of the outcome of the appealing proceedings.

(3) The local requesting body may issue a justified request to the requested body from the other Member State to continue the execution of the appealed part, regardless the appeal.

(4) The local requesting body may request from the requested body of the other Member State to impose measures for guaranteeing the appealed part of the receivable, regardless the suspension of the execution of this part in the other Member State.

(5) If the complaint referred to in par. 1 is approved, the local requesting body shall refund the collected amounts together with the due interest and the expenses subject to compliance with the applicable laws of the requested Member State.

Actions of a local requested body in case of amendment or withdrawal of the request for collection of receivables addressed to another Member State (Title amend. – SG 99/11, in force from 01.01.2012)

Art. 269n. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012) (1) The local requesting body shall notify without delay the requested body of the other Member State of any case of modification or withdrawal of the request for collection of receivable, with indicating the reasons thereof.

(2) In case the modification of the request is a result of an enforced act of a body, competent to pronounce on the complaint referred to in Art. 269m, par. 1, the local requesting body shall send the act and the amended single instrument for undertaking executive measures, based on which the execution shall continue.

(3) Regarding the amended single instrument for undertaking executive measures, the provisions of Art. 269j and 269m shall apply.

Actions by a local requested authority upon amendment or withdrawal of the request for recovery of receivable, made by another Member State (Title amend. - SG 99/11, in force from 01.01.2012)

Art. 269o. (New – SG 105/06, in force from 01.01.2007, amend. – SG 99/11, in force from 01.01.2012) The actions undertaken regarding compulsory execution and imposing security measures shall be subject to appeal before the respective court under the terms and following the procedure of the legislation of the state of the requested authority.

(2) Regarding the amended single instrument for undertaking executive measures, the provisions of Art. 269j and 269l shall apply.

(3) The executive actions and injunctions carried out prior to the amendment shall keep their effect, except for the cases where the amendment is a result of cancellation of the initial executive grounds.

Actions of a local requesting body in addressing a security measures request to another Member State

Art. 269p. (New – SG 99/11, in force from 01.01.2012) (1) Where the provisions of Art. 121 or 195 are present, the local requesting body may address a security measures request to another Member State.

(2) An act of a competent body shall be attached to the request referred to in para. 1, regarding the receivable, if such has been issued, as well as any other documents related to the receivable.

(3) The provisions of Art. 269h, para. 2, Art. 269m and Art. 269n shall apply to the security measures request

Actions of a local requested body in case of receipt of a security measures request from another Member State

Art. 269q. (New – SG 99/11, in force from 01.01.2012) (1) Where a security measures request from a requesting body from another Member State has been received, the local requested body shall undertake relevant measures following the provisions of this code.

(2) The provisions of Art. 269k, par. 2-5, Art. 269l and Art. 269o shall apply to the security measures request.

Section V.
Other provisions (New - SG 63/17, in force from 04.08.2017)

Limitation of Liability of a local requested body in case of receipt of a request for mutual assistance from another Member State

Art. 269r. (new – SG 99/11, in force from 01.01.2012) (1) The local requested body shall not be obliged to provide mutual assistance under this Chapter provided that the execution actions for the request regarding debtor's proprietary situation may cause serious economic or social difficulties.

(2) The local requested body shall not be obliged to provide mutual assistance under this Chapter, where the request for mutual assistance concerns receivables, regarding which the 5-year prescription term has expired, as from the date, on which the receivable has become due, up to the date of initial request for support.

(3) Regardless the provision of par. 2, where the receivable or the executive grounds has been appealed, the 5-year prescription term shall start elapsing from the date of enforcement of the executive grounds.

(4) Regardless the provision of par. 2, in case of deferred payment or payment on installments of receivables in the Member State of the requesting body, the 5-year prescription term shall start elapsing from the date, on which the receivable had to be finally repaid.

(5) The local requested body shall not be obliged to provide mutual assistance, where the 10-year prescription time has expired, as from the date on which receivables had become due.

(6) The local requested body shall not be obliged to provide mutual assistance under this Chapter, provided that the total amount of receivables, for which the request has been addressed, is less than the equivalent of EUR1500 in Bulgarian levs.

(7) The local requested body shall justify its refusal to provide mutual assistance.

Prescription term

Art. 269s. (new – SG 99/11, in force from 01.01.2012) (1) Regarding the prescription term for the receivables, the laws of the requesting Member State shall apply.

(2) The collection measures, undertaken by the local requested body upon a request for mutual assistance, by which the prescription term is being suspended or discontinued pursuant to the provisions of this code, shall have the same effects in the Member State of the requesting body, if this is admitted by its laws.

(3) If the laws of the requesting body from the other Member State does not provide for suspension or discontinuation of prescription term in case of undertaking of particular collection measures, the rules regulating suspension and discontinuation of the prescription provided in this code shall apply.

(4) Paragraphs 1 – 3 do not affect the right of competent bodies of the requesting Member State to undertake measures for suspension or discontinuation of the prescription in compliance with its national laws.

(5) The local requesting body shall notify the requesting body of the other Member State of the measures suspending or discontinuing the prescription.

Expenses

Art. 269t. (new – SG 99/11, in force from 01.01.2012) (1) Regarding the incurred expenses for collection or securing of receivables, the provision of Art. 240, par. 1 shall apply.

(2) The incurred expenses regarding undertaken by the local requested body measures under a request for mutual assistance shall not be subject to refunding by the requesting Member State.

(3) The local requesting body shall refund to the requested Member State all expenses, incurred as a result of undertaken by it measures, which have appeared to be unjustified due to a non-existing receivable or illegitimacy of the executive grounds.

(4) Where the collection of receivables causes specific difficulties, the expenses for the collection are in extremely high amounts or it is related to fighting organized crime, in each individual case may be negotiated special terms and conditions and expenses refunding procedure with the other Member State.

Attendance and participation in administrative proceedings

Art. 269u. (new – SG 99/11, in force from 01.01.2012) (1) By an agreement with the bodies of another Member State competent to provide mutual assistance it may be agreed that authorized officials may attend the administrative proceedings, and also may assist the respective competent bodies in court proceedings, carried out in the territory of the Member State.

(2) Provided that the national laws allow so, the agreement may provide also an opportunity that the authorized officials from the respective Member State may question natural persons, and also to have access to any information related to the implementation of mutual assistance.

Disclosure of information

Art. 269v. (new – SG 99/11, in force from 01.01.2012) (1) Every information, obtained or provided subject to compliance with the provisions of this Chapter, shall be deemed to be a tax and social insurance information in the meaning of this code.

(2) The information referred to in par. 1 may be used in connection with judicial or administrative proceedings instituted for the purposes of collection and/or securing of receivables as per Art. 269a, par. 1, and also for determination and collection of mandatory social insurance contributions.

(3) The information under par. 1 may be used by the local requesting body for purposes different from those referred to in par. 2, upon a permission by the requested body of the other Member State.

(4) In cases where a requesting body from another Member State requires to use information for purposes, different from the purposes for which it has been provided, this information may be used upon a permission by the local requested body subject to compliance with the provisions of this present code.

(5) Access to the information referred to in par. 1 may have persons, authorized by the Security Accrediting Board of the European Commission only where this is necessary for the monitoring, maintenance and development of CCN network.

(6) In case the obtained or the provided information referred to in par. 1 may be useful for a third Member State, this information may be provided following the procedures set out in this Chapter, upon a permission by the Member State being a source of information. Within 10 work days from the date of notification the Member State being a source of information may

withstand the provision of information to a third Member State.

(7) The information obtained pursuant to the provisions of this Chapter, may be used as evidence by all bodies, to which it has been provided.

Reporting

Art. 269w. (new - SG 99/11, in force from 01.01.2012) The competent body referred to in Art. 269b, par. 1 or an official authorized by it shall sent to the European commission every year not later than 31 March information regarding the number of forwarded and received requests under Art. 269c, par. 1 by Member States, the amount of receivables, for which requests for collection of receivables have been received and of the collected amounts, as well as any other information, which may be useful for mutual assistance assessment.

International Treaties on Mutual Assistance

Art. 269x. (New - SG 63/17, in force from 04.08.2017) (1) The rules of this Chapter shall be without prejudice to the application of international treaties for the provision of mutual assistance with a wider scope in the recovery of public claims, including the service of documents.

(2) The Executive Director of the National Revenue Agency shall inform in due time the European Commission for international treaties under para. 1, which are general in nature and do not refer to a specific case.

(3) Where, under an international treaty, mutual assistance is provided with other Member States which has a wider scope than the mutual assistance provided under this chapter, the local requesting authority, respectively the requested local authority may use the electronic communications network and the standard forms under Art. 269c.

Chapter twenty seven "b".
MUTUAL ASSISTANCE IN COLLECTING PUBLIC RECEIVABLES UNDER INTERNATIONAL TREATIES (NEW - SG 63/17, IN FORCE FROM 04.08.2017)

Mutual assistance

Art. 269y. (New - SG 63/17, in force from 04.08.2017) (1) The Executive Director of the National Revenue Agency shall provide mutual assistance in securing and collecting public receivables, as well as the service of documents under enforced international treaties, to which the Republic of Bulgaria is a party.

(2) In carrying out mutual assistance under para. 1, the actions for securing and collecting receivables of another state, as well as the service of documents, shall be performed under the conditions and by the order of this code.

(3) Mutual assistance in securing and collecting public receivables and service of documents provided to the Republic of Bulgaria by another state under international treaties entered into shall be carried out under the conditions and in the manner provided for in the respective international treaty.

Division five.
ADMINISTRATIVE PENAL PROVISIONS

Chapter twenty eight.
ADMINISTRATIVE OFFENCES AND SANCTIONS

Misuse of tax and insurance information

Art. 270. The persons under Art. 73 – 75, as well as the persons, having under other laws an access to the tax and insurance information, who announce, submit, publicize, use or spread in other way facts and circumstance, which present tax and insurance information, if they are not subject to heavier sanction, shall be punished with a fine in extent form 1000 leva to 5000 leva, and in especially serious cases – from 5000 leva to 10 000 leva. Except for the fine under sentence first the officials of the National Revenue Agency, the public executors and the specialists may be deprived from the right to hold the respective position from 1 to 3 years term.

Non-issuing a certification in term

Art. 271. (1) Who, in his/her capacity of a body of receivables, does not issue a certificate for the presence or lack of obligation at request of the interested person or on the base of the court, shall be punished with a fine in extent from 100 to 300 leva. At repeated violation the body of receivables shall be punished with a fine in extent from 300 to 600 leva.

(2) The official from a state, municipal or court body, who does not issue in term the requested by the order of this code certificate, shall be punished with the fine under para 1.

Non-acceptance of declaration

Art. 272. (1) A servant of the National Revenue Agency, to which is assigned the acceptance of declaration, related to the taxation or obligatory insurance contributions, who refuses to accept dully filled and signed declaration, including through a representative, shall be punished with a fine in extent from 100 to 300 leva, and at repeated violation – with a fine from 300 to 600 leva.

(2) The sanction under para 1 shall be imposed and to a servant of the National Revenue Agency, who does not reflect the filing of declaration, related to taxation or obligatory insurance contributions, in the entry register of the respective territorial directorate or does not issue a document, certifying the filing.

Obstruction

Art. 273. (Amend. - SG, 105/20, in force from 01.01.2021) Who does not give co-operation to a body of receivables or to a public executor or obstructs the exercise of their powers, shall be punished with a fine in extent from BGN 500 leva to 1000 for natural persons, and for the sole entrepreneurs and legal persons – with a property sanction in the same extent. At repeated violation the sanction shall be a fine or a property sanction in extent from BGN 1000 to 2000.

Failure to comply with an obligation to store information

Art. 273a. (New – SG, 105/20, in force from 01.01.2021) (1) Anyone, who does not observe the terms under Art. 38, Para. 1 for storage of information, shall be punished with a fine - for the natural persons, who are not traders, in the amount of BGN 100 to 500 or with a property sanction - for legal persons and sole traders, in the amount of BGN 1000 to 5000. In

case of a repeated violation - the penalty shall be a fine in the amount of BGN 1500 to 7000 or a property sanction in the amount of BGN 1,500 to 7,000.

(2) Who does not observe the terms under Art. 38, Para. 1 for storage of data in electronic form under Art. 38, Para. 3, created by the information systems, products or archives used by them, shall be punished with a fine - for the natural persons, who are not traders, in the amount of BGN 200 to 700 or with a property sanction - for legal persons and sole traders, in the amount from BGN 3000 to 8000. In case of repeated violation, the penalty shall be a fine in the amount of BGN 300 to BGN 1,000 or a property sanction in the amount of BGN 4,000 to 11,000.

Unlawful audit

Art. 274. Who, in his/her capacity of body of receivables, implements an audit, without being assigned to him/her, or continues the implementation of an audit out of the fixed term, unless this term has been prolonged by the established order, shall be punished with a fine in extent from 250 to 500 leva, and at repeated violation – with a fine from 500 to 1000 leva.

Non-declaring

Art. 275. (suppl. – SG 14/11, in force from 15.02.2011) Who does not provide or submit the declaration under Art. 124, para 3 or Art. 142, para 5 within the set term, if is not a subject to heavier sanction, shall be punished with a fine – for the physical persons, or with a property sanction – for the corporate bodies and the sole entrepreneurs, in extent from 500 to 5000 leva. At repeated violation the sanction shall be a fine for the physical persons or a property sanction for the corporate bodies and the sole entrepreneurs in extent form 1000 to 10 000 leva.

Application of the Agreement of avoidance of double taxation (AADT) without grounds

Art. 275a (New – SG, 105/20, in force from 01.01.2021) Whoever fails to pay or pays a smaller amount of tax in accordance with the Corporate Income Tax Act or the Natural Personal Income Tax Act ,within the established deadline for payment of the tax, without certifying the grounds for application of the AADT, shall be punished by a fine - for natural persons, or with a property sanction - for legal person and sole traders, in the amount of 5 per cent of the amount of the unpaid tax, but not more than BGN 15,000. In case of repeated violation, the penalty shall be a fine for individuals or a property sanction for legal persons and sole traders in the amount of 10 percent of the amount of unpaid tax, but not more than BGN 30,000.

Unlawful distraint or interdict

Art. 276. Who, in his/her capacity of public executor, imposes distraint or interdict on the properties, which are not subject to enforcement, shall be punished with a fine in extent from 500 to 1000 leva, and at repeated violation – with a fine from 1000 to 3000 leva.

Non-providing for an information at enforcement

Art. 277. A person, who at instituted enforcement proceedings by the order of this code, does not fulfil in the established terms his/her obligation to provide for an information to the public executor, shall be punished with a fine – for the physical persons, or with a property sanction – for the corporate bodies and the sole entrepreneurs, in extent from 50 to 250 leva. At repeated violation the sanction shall be a fine for the physical persons or a property

sanction for the corporate bodies and the sole entrepreneurs in extent from 100 to 500 leva.

Other offences

Art. 278. Who does not implement another obligation, provided for by this code, shall be punished with a fine in extent from 50 to 500 leva, if is not subject to a heavier sanction.

Non-fulfilment of obligation to provide country-by-country reports, or preparation of documentation of transfer pricing (Title, suppl. – SG, 64/19, in force from 01.01.2020)

Art. 278a. (New - SG 105/06, in force from 01.01.2007, amend. - SG 82/2012, in force from 01.01.2013, amend. - SG 63/17, in force from 04.08.2017) (1) Reporting Entity under Art. 143u or Art. 143v, which fails to provide a country-by-country report as in the time period provided for in Art. 143t, para. 1 shall be punished with a pecuniary sanction in the amount from BGN 100 000 to 200 000, and in case of repeated violation - from BGN 200 000 to 300 000.

(2) Reporting entity under Art. 143u or Art. 143v which fails to indicate or indicates incorrect or incomplete data or circumstances in the country-by-country report under Art. 143t shall be punished with a pecuniary sanction in the amount from BGN 50 000 to 150 000, and in the case of repeated offense from BGN 100 000 to 250 000. This penalty shall also be imposed in cases where incomplete or incorrect data is due to refusal under art. 143v, para. 2 or under Art. 143w, para. 5 of the Ultimate Parent Entity to provide information.

(3) Constituent Entity which fails to fulfill its obligation to notify under Art. 143v, para. 2 or Art. 143w, para. 5 shall be punished with a pecuniary sanction in the amount of BGN 10 000, and in case of repeated violation - BGN 15 000.

(4) Constituent Entity which fails to fulfill its obligation to notify under Art. 143x, shall be punished with a pecuniary sanction in the amount from BGN 50 000 to 150 000, and in case of repeated violation - from BGN 100 000 to 200 000.

(5) (New – SG, 64/19, in force from 01.01.2020) A person, who does not prepare a local dossier under Chapter Eight "a" shall be punished by a pecuniary sanction up to 0,5 per cent of the total value of transactions, for which documentation had to be drawn up. For the purposes of sentence one, when granting or obtaining a loan, the total value of the transaction is its size. The local dossier shall be deemed not to have been prepared, when it has not been submitted at the request of the revenue authority within the time limit, set by it.

(6) (New – SG, 64/19, in force from 01.01.2020) A person, who does not have a summary dossier under Art. 71d, when obliged to do so, shall be punished by a pecuniary sanction in the amount of BGN 5,000 to 10,000.

(7) (New – SG, 64/19, in force from 01.01.2020) A person, who provided incorrect or incomplete data in the transfer pricing documentation under Chapter Eight "a" shall be punished by a pecuniary sanction amounting to BGN 1500 to 5000.

(8) (New, SG, 64/19, effective from 01.01.2020) In the case of a repeated violation under Para. 5 – 7, a double property sanction shall be imposed.

Non-fulfilment of obligation in case of Fiscal Control of Goods

Art. 278b. (New - SG 109/13, in force from 01.01.2014) (1) Any person who fails to fulfil an obligation under Art. 13 shall be liable to a fine amounting to BGN 1,000 to BGN 3,000 in the case of natural persons, or to a pecuniary penalty of BGN 3,000 to BGN 20,000 in the

case of legal entities and sole proprietors. In the event of a repeated violation natural persons shall be liable to a fine of BGN 3,000 to BGN 5,000, and legal entities and sole proprietors shall be liable to a pecuniary penalty of BGN 20,000 to BGN 50,000.

(2) Anyone who violates the provisions of Art. 127b - 127f shall be liable to a fine amounting to BGN 2,000 in the case of natural persons, or to a pecuniary penalty of BGN 5,000 in the case of legal entities and sole proprietors. In the event of a repeated violation natural persons shall be liable to a fine of up to BGN 10,000, and legal entities and sole proprietors shall be liable to a pecuniary penalty of up to BGN 20,000.

Non-fulfilment of obligation for automatic exchange of financial information in the filed of taxation

Art. 278c. (new - SG 94/15, in force from 01.01.2016) (1) A reporting financial institution that fails to report information under Art. 142b, Para 1 within the term referred to in Art. 142c, Para 1 or reports incorrect information shall be imposed a property sanction amounting to BGN 250 for each financial account. In case of repeated offence the penalty shall be a property sanction amounting to BGN 500 for each financial account.

(2) A reporting financial institution, which opens a new account without obtaining the required self-certification and documentary evidence, specified in the due diligence procedures, shall be imposed a property sanction amounting to BGN 1000 for each financial account.

(3) A reporting financial institution, which fails to store the information referred to in Art. 142w, Para 1, shall be imposed a property sanction in amount of up to BGN 2000.

(4) An account holder providing incorrect data and circumstances in a self-certification, prescribed by the present Code, in order to prevent establishing his status of a reportable person, shall be imposed a fine or a property sanction in amount of up to BGN 1000, unless subject to a more severe penalty. In such cases the reporting financial institution shall not bear liability under Para 1.

(5) A reporting financial institution violating the rules of Art. 142y, Para 3, shall be imposed a property sanction in amount of up to BGN 2000.

Failure to fulfill obligation related to provision of information on a cross-border tax scheme

Art. 278d. (New - SG 102/19, in force from 01.07.2020) (1) Any person obliged to provide information on a cross-border tax scheme under Art. 143aa or Art. 143bb and failing to do so shall be liable to a fine ranging from BGN 2000 to 5000 - for natural persons, or to a proprietary sanction from BGN 5000 to 10 000 - for legal entities or sole traders.

(2) Any person obliged to submit information about a cross-border tax scheme under Art. 143aa or Art. 143bb, who provides incomplete or incorrect information under Art. 143cc, shall be liable to a fine from BGN 1000 to 3000 - for natural persons, or to a proprietary sanction in the amount of BGN 2000 to 8000 - for legal entities or sole traders.

(3) Any consultant who fails to fulfill his obligation under Art. 143aa, Para. 12 shall be liable to a fine in the amount from BGN 2000 to 5000 - for natural persons, or to a proprietary sanction in the amount from BGN 5 000 to 10 000 - for legal entities or sole traders.

(4) Any consultant who fails to fulfill his obligation under Art. 143aa, Para. 13 shall be liable to a fine in the amount from BGN 200 to 800 - for natural persons, or to a proprietary sanction in the amount from BGN 500 to 1500 - for legal entities or sole traders.

(5) Any consultant or taxable person, having made the initial provision of information

on a cross-border tax scheme, who fails to notify in due time another consultant or taxable person under the scheme for a unique number issued, shall be liable to a fine in the amount from BGN 200 to 800 BGN for natural persons, or with a proprietary sanction in the amount from BGN 500 to 1500 - for legal entities or sole traders.

(6) In case of repeated violation of Para. 1 – 5, a fine or a proprietary sanction in double the amount shall be imposed.

Chapter twenty nine.
PROCEEDINGS OF ESTABLISHING THE OFFENCES AND IMPOSING THE SANCTIONS

Establishing the offences and imposing the sanctions

Art. 279. (1) (amend. – SG 12/09, in force from 01.05.2009) The acts for establishing the administrative offences shall be compiled by the bodies of receivables, respectively by the public executors, and the penal provisions shall be issued by the executive director of the National Revenue Agency or by an official authorized by him.

(2) (amend. – SG 12/09, in force from 01.05.2009) In the cases when the offence is committed by a body or a servant of the National Revenue Agency, the act for establishing the administrative offence shall be compiled and the penal provisions shall be issued by officials, appointed by the Minister of Finance.

(3) The establishment of the offences, the issue, the appeal and the implementation of the penal provisions shall be made by the order of the Administrative Violations and Penalties Act.

Unknown violator

Art. 280. (1) At establishing an administrative offence from the bodies of the National Revenue Agency at implementation of their controlling functions, when the violator is unknown, the act for establishing the administrative offence shall be signed by the person who compiles the act and by at least one witness and shall not be handed in. In this case shall be issued penal provisions not earlier from the expiration of 4 months after the compilation of the act, which shall enter into force from the date of its issue.

(2) The administrative penal proceedings under para 1 shall be terminated, if till the issue of the penal provisions the violator is found. In this case the act for establishing the administrative offence shall be compiled against him/her and the term to issue the penal provisions shall start from its compilation.

(3) The provisions of Art. 20 of the Administrative Violations and Penalties Act shall be applied respectively and when the violator is unknown.

Additional provisions

§ 1. In the context of this code:

1. "Repeated" shall be the offence, committed within one year term after the entry into force of the penal provisions, by which the person has been punished for the same type of offence.

2. "Household" shall include the spouses, the persons who are in factual marital living together, as well as their children and relatives if they live with them.

3. "Related persons" shall be:

a) the spouses, the relatives of direct line of descent, collateral relatives – to third degree inclusive; and the relatives by marriage – to second degree inclusive, and for the purposes of Art. 123, para 1, item 2 – when they are included in joint household;

b) an employer and an employee;

c) the partners;

d) the persons, one of whom participates in the management of the other or of his subsidiary company;

e) the persons, in whom managing or controlling body participates one and the same corporate body or physical person, including when the physical person represents another person;

f) (suppl. – SG, 64/19, in force from 01.01.2020) a company and a person who owns more than 5 % of the social parts or the shares, issued with a right of vote in the company. For the purposes of Title One, Chapter Eight "a", the amount of the participation in the letter "f" shall be 25 percent of the voting shares or shares, issued with the right to vote;

g) the persons, one of whom exercises control over the other;

h) the persons whose activity is controlled by a third person or his subsidiary company;

i) the persons who joint control a third person or his subsidiary company;

j) the persons, one of whom is a trade representative of the other;

k) the persons, one of whom has made a donation to the other;

l) the persons who participate directly or indirectly in the management, the control or the capital of another person or persons, because of what between them may be negotiated conditions, different from the usual ones.

(n) (new - SG 1/14, in force from 01.01.2014) resident or foreign persons with whom the resident person has concluded a transaction, if:

(aa) the foreign person is registered in a country which is not a Member State of the European Union and in which the payable income tax or corporate tax in respect of revenue that the foreign person has generated or will generate from transactions is lower than the income tax or corporate tax in the country by 60 per cent or more, unless the resident person submits evidence that the foreign person is liable to tax which is not subject to a preferential regime or that the foreign person has marketed the goods or provided the services on the local market, and

(bb) the country in which the foreign person is registered refuses to, or is not able to exchange information about the transactions or relations carried out in the event of an international tax convention which has been concluded and entered into force.

For the purposes of this provision, a foreign person shall also be any legal person-regardless of whether it is resident in the Republic of Bulgaria or not that is controlled by a person meeting the requirements referred to in subletters “aa” and “bb”.

For the purposes of this provision, a resident person shall also be any foreign legal person operating in Bulgaria through a permanent establishment and any foreign natural person generating revenue originating in Bulgaria through a fixed base for transactions carried out through the permanent establishment or the fixed base;

(o) (new - SG 1/14, in force from 01.01.2014) the owners of the resident legal person and the foreign person in the cases referred to in letter “n”.

4. "Control" shall be present when the controlling body:

a) owns directly or indirectly or under an agreement with another person more than the half of the votes in the general meeting of another person, or

b) has the possibility to appoint directly or indirectly more than the half of the members of the managing or the controlling body of another person, or

c) has the possibility to manage, including through or together with the subsidiary

company, by the virtue of a statute or a contract, the activity of another person, or

d) as a shareholder or a partner in one company controls independently, by the virtue of a transaction with other partners or shareholders in the same company, more than the half of the numbers of the votes in the general meeting of the company, or

e) may, in another way, exercise a decisive influence on the taking of decisions in connection with the activity of the company.

5. "Permanent establishment" shall be:

a) a definite place (owned, rented or used on another ground), through which the foreign person implements fully or partially an economic activity in the country, for example: place of management, branch, trade representative office registered in the country; office; chamber; studio; factory; workshop (factory); shop; storehouse for trade; service shop; installation site; construction site; mine; quarry; drill; petrol or gas well; spring or another site for deriving natural resource;

b) the implementation of activity in the country by persons, authorized to conclude contracts on behalf of foreign persons, except for the activity of the representative with independent statute under chapter six of the Commerce Act;

c) durable implementation of commercial transactions with place of fulfilment in the country, even when the foreign person has no a permanent representative or a definite place.

6. "Transfer between a permanent establishment and another part of the same enterprise" shall be each transmission of properties, an ensuring of the use of intangible benefits, a factual provision of services or submission of pecuniary funds between the permanent establishment at the territory of the country and another part of the enterprise situated out of the territory of the country.

7. "Definite base" shall be:

a) a definite place, through which the foreign physical person implements fully or partially independent personal services or exercises freelance work in the country, for example architectural studio, dental surgery; lawyer’s or other office of consultant, office of an independent auditor or accountant;

b) durable implementation of independent personal services or exercising of freelance work in the country, even when a foreign physical person does not dispose of a definite place.

8. "Market price" shall be the sum, without the value added tax and the excise duties, which shall be paid at the same conditions for an identical or similar commodity or service upon a transaction between persons which are not related.

9. (amend. – SG, 64/19, in force from 01.01.2020) "Transfer prices" shall be pricing under transaction between related parties.

10. "Methods for determination of the market prices" shall be:

a) the method of the comparable uncontrolled prices between independent traders;

b) the method of the market prices, when the usual market price is the price, used in the process of sale of commodities and services in unchanged form to an independent partner, reduced with the expenses of the trader and with the usual profit;

c) the method of the increased value, upon which the usual market price shall be determined, increasing the cost price of the production with the usual profit;

d) the method of the transaction net profit;

e) the method of the distributed profit.

The order for the appliance of the methods shall be determined by an ordinance of the Minister of Finance.

11. "Specified part" shall be an organizational structure, which may independently implement an economic activity (shop, studio, ship, workshop, restaurant, hotel and other similar ones).

12. (New – SG 105/06, in force from 01.01.2007; revoked - SG 82/12, in force from 01.01.2013)

13. (New – SG 105/06, in force from 01.01.2007, revoked - SG 63/17, in force from 04.08.2017)

14. (New – SG 105/06, in force from 01.01.2007, revoked - SG 63/17, in force from 04.08.2017)

15. (New – SG 105/06, in force from 01.01.2007, revoked - SG 63/17, in force from 04.08.2017)

16. (New – SG 105/06, in force from 01.01.2007, revoked - SG 63/17, in force from 04.08.2017)

17. (New – SG 105/06, in force from 01.01.2007, revoked - SG 63/17, in force from 04.08.2017)

18. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012; amend. - SG 82/12, in force from 01.01.2013) "Local requesting authority":

a) in the sense of Division Two, Chapter Sixteen, Section V, unless otherwise stipulated, means an official or a unit within the structure of the National Revenue Agency determined by the competent authority referred to in Art. 143c to address a request for communication of information or notification to another Member State of the European Union;

b) within the meaning of Division four, chapter twenty-seven "a", unless otherwise provided, shall be a central contact unit in the National Revenue Agency, respectively a contact unit or a contact department, nominated by the competent body referred to in Art. 269b to address a request for mutual assistance to another Member State of the European Union for collection of public receivables.

19. (New – SG 105/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012; amend. - SG 82/12, in force from 01.01.2013) "Local requested authority":

a) in the sense of Division Two, Chapter Sixteen, Section V, unless otherwise stipulated, means an official or a unit within the structure of the National Revenue Agency determined by the competent authority referred to in Art. 143c to receive a request for communication of information or notification from another Member State of the European Union;

b) within the meaning of Division four, chapter twenty-seven "a", unless otherwise provided, shall be a central contact unit in the National Revenue Agency, respectively a contact unit or a contact department, nominated by the competent body referred to in Art. 269b to receive a request for mutual assistance from another European Union Member State.

20. (New – SG 105/06, in force from 01.01.2007; suppl. - SG 82/12, in force from 01.01.2013) "Transmission by electronic means " within the meaning of Division two, Chapter Sixteen, Section V and Division four, chapter twenty-seven "a" shall be the transmission by means of electronic installation for processing (including digital compression) of information and by way of using cable, radio waves, optic technologies or any other electromagnetic means.

21. (new - SG 109/07, in force from 01.01.2008; amend. – SG 14/11, in force from 15.02.2011) "Rules for coordination of social security systems" shall be the rules, introduced by the Regulations (of the Council and of the European Parliament on coordination of the social security and by the international agreements/contracts social security/insurance systems, to which the Republic of Bulgaria is a party.

22. (new – SG 99/11, in force from 01.01.2012; suppl. - SG 82/12, in force from 01.01.2013) "A person" within the meaning of Division Two, Chapter Sixteen, Section V and Division Four, chapter twenty-seven "a" shall be:

a) a natural person;

b) a legal entity;

c) non-personalized company;

d) (suppl. - SG 82/12, in force from 01.01.2013) any other legal association, irrespective of its nature and form and regardless whether it is a legal entity, holding or managing assets and income, subject to taxation with any tax within the scope of Art. 143b or Art. 269a, par. 1, item 1.

23. (new – SG 99/11, in force from 01.01.2012) "CCN network" shall mean a single platform, based on a common communication network (CCN), developed by the European Union for exchanging of any data electronically between the competent bodies in the field of customs charges and taxation.

24. (new - SG 82/12, in force from 01.01.2013) "Available information" in the sense of Art. 143h refers to information regarding the taxes referred to in Art. 143b available to the National Revenue Agency and retrievable in accordance with the procedures for gathering and processing information in standard electronic form.

25. (new - SG 82/12, in force from 01.01.2013) "Third state" means a state, which is not a member of the European Union.

26. (New - SG 109/13, in force from 01.01.2014) "Control devices for goods of high fiscal risk" shall mean an ordinary seal, a special seal with a GPS device, a sticker and other control devices to be provided by the revenue bodies.

27. (New - SG 109/13, in force from 01.01.2014) "Perishable goods" shall mean goods the storage of which, in view of their nature, may lead to loss or significant damage thereof, or to a deterioration of their quality that would significantly reduce their value or would make them impossible to use as intended.

28. (New - SG 109/13, in force from 01.01.2014) "Intra-Community supply of goods" and "intra-Community acquisition of goods" shall mean supplies and acquisitions within the meaning of Art. 7 and Art. 13 of the Value Added Tax Act.

29. (new – SG 18/14, in force from 04.03.2014) "Social security funds, administered by the National Health Insurance Fund" for the purposes of Art. 169, para 4 and Art. 179, para 1 shall be the state social security funds, the Teachers' Pension Fund and the Guaranteed Claims of Workers and Employees Fund.

30. (New - SG 63/17, in force from 04.08.2017) "Majority partner or shareholder" is a person exercising control within the meaning of item 4. Where no shareholder or partner is exercising control, majority partner or shareholder shall be any shareholder or partner holding 15% or more of the units or shares.

31. (New - SG 63/17, in force from 04.08.2017) "Prior cross-border tax opinion" within the meaning of Part Two, Chapter Sixteen, Section V, is an opinion, agreement or act of similar effect, including if issued, modified or renewed in the framework of an audit or inspection, which meets the following conditions:

a) it has been issued, modified or renewed by the revenue administration or by another state or municipal authority for a particular person or group of persons, regardless of whether or not actually used;

b) refers to the interpretation or application of a provision related to the establishment of taxes under Art. 143b or the application of legislation in the field of these taxes;

c) refers to a cross-border transaction or whether the activity carried out by a certain person in another jurisdiction leads to the establishment of a permanent establishment;

d) has been issued prior to the execution of the transaction / series of transactions or the activity in another jurisdiction, which may lead to the establishment of a permanent establishment, or before submitting a tax return for the period in which the transaction / series of transactions or activity has been performed.

A cross-border transaction may include investments, supply of goods, services, financing or use of tangible or intangible assets and the like, where it is not necessary for the person, for whom the Prior cross-border tax opinion was issued, be directly involved in them being carried out.

32. (New - SG 63/17, in force from 04.08.2017, suppl. - SG 92/17, in force from 21.11.2017) "Preliminary pricing agreement" within the meaning of Part II, Chapter XVI, Section V, is an agreement, notification or other act with similar effect, including if issued, modified or renewed in the framework of an audit or inspection, which meets the following conditions:

a) it has been issued, modified or renewed for a specific person or group of persons by the revenue administration or other state or municipal authority unilaterally or jointly with the relevant authorities of other Member States, including their territorial or administrative subdivisions, whether or not actually used;

b) establishes an appropriate set of criteria for determining the transfer prices in a cross-border transaction between associated undertakings prior to its implementation, or determines the allocation of profits to a permanent establishment.

Undertakings are deemed associated where one undertaking participates, directly or indirectly, in the management, control or capital of another undertaking, or the same persons participate directly or indirectly in the management, control or capital of the undertakings. Transfer prices shall be the prices at which an undertaking transfers or provides assets, rights, goods or services to affiliated undertakings.

33. (New - SG 63/17, in force from 04.08.2017) "Cross-border transaction":

a) within the meaning of item 31, this is a transaction or a series of transactions in which:

aa) not all parties to the transaction or series of transactions are resident for tax purposes of the Republic of Bulgaria;

bb) a party to the transaction or the series of transactions is a resident for tax purposes in more than one jurisdiction;

cc) one of the parties to the transaction / series of transactions is operating in another jurisdiction through a permanent establishment and the transaction / the series of transactions represents part or all of the activity of the permanent establishment; the cross-border transaction or the series of transactions also includes arrangements made by a certain person in respect of an economic activity in another jurisdiction, which that person carries out through a permanent establishment; or

dd) there is a cross-border effect;

b) within the meaning of item 32, this is a transaction or a series of transactions involving associated undertakings, not all of which are resident for tax purposes in one jurisdiction, or a transaction or a series of transactions having a cross-border effect.

34. (New - SG 63/17, in force from 04.08.2017, suppl. – SG, 64/19, in force form 01.01.2020) "Group" within the meaning of Title One, Chapter Eight, "a" and Title Two, Chapter Sixteen, Section VI, is a collection of enterprises, whether through ownership or control, that is required to prepare consolidated financial statements for the purposes of financial statements in accordance with the applicable financial statements. rules, or would be required to prepare such if shares in the capital of any of the undertakings are traded on a stock exchange.

35. (New - SG 63/17, in force from 04.08.2017, suppl. – SG, 64/19, in force from 01.01.2020) "Multinational Enterprise Group" (MNE Group) within the meaning of Title One, Chapter Eight “a”, and Title Two, Chapter Sixteen, Section VI is a group which:

a) includes two or more undertakings resident for tax purposes of different Member

States or other jurisdictions, or

b) includes an undertaking which is a resident for tax purposes of a Member State or another jurisdiction but is subject to taxation in respect of economic activities carried out through a permanent establishment in another Member State or jurisdiction.

36. (New - SG 63/17, in force from 04.08.2017) "Undertaking" within the meaning of items 32-35 is any form of performing an economic activity by a person referred to in item 22, letters "b" - "d".

37. (New - SG 63/17, in force from 04.08.2017) "Constituent Entity" within the meaning of Part Two, Chapter Sixteen, Section VI is:

a) any separate business unit of an MNE Group that is included in the Consolidated Financial Statements of the MNE Group for financial reporting purposes, or would be so included if equity interests in such business unit of an MNE Group were traded on a public securities exchange;

b) any such business unit an MNE Group that is excluded from the MNE Group's Consolidated Financial Statements solely on size or materiality grounds; or

c) any permanent establishment of any separate business unit of the MNE Group included in letters (a) or (b) provided the business unit prepares a separate financial statement for such permanent establishment for financial reporting, regulatory, tax reporting, or internal management control purposes.

38. (New - SG 63/17, in force from 04.08.2017) "Reporting Entity" within the meaning of Part Two, Chapter XVI, Section VI, is the ultimate parent, the parent substitute or any composite enterprise which is under an obligation to report by country on behalf of the MNE Group.

39. (New - SG 63/17, in force from 04.08.2017, suppl. – SG, 64/19, in force from 01.01.2020) "Ultimate Parent Entity" within the meaning of Title One, Chapter Eight “a” and Title Two, Chapter Sixteen, Section VI is a Constituent Entity of a the MNE Group which meets the following criteria:

a) it owns directly or indirectly a sufficient interest in one or more other Constituent Entities of such MNE Group such that it is required to prepare Consolidated Financial Statements under accounting principles generally applied in its jurisdiction of tax residence, or would be so required if its equity interests were traded on a public securities exchange in its jurisdiction of tax residence;

b) there is no other Constituent Entity of such MNE Group that owns directly or indirectly a sufficient interest in the first mentioned Constituent Entity.

40. (New - SG 63/17, in force from 04.08.2017) "Surrogate Parent Entity" within the meaning of Part Two, Chapter Sixteen, Section VI is a Constituent Entity of the MNE Group which has been appointed by such MNE Group, as a sole substitute for the Ultimate Parent Entity, to file the country-by-country report in that Member State or that Constituent Entity's jurisdiction of tax residence, on behalf of such MNE Group, when one or more of the conditions set out in Art. 143z, para. 1 apply.

41. (New - SG 63/17, in force from 04.08.2017, suppl. – SG, 64/19, in force from 01.01.2020) "Tax year" within the meaning of Title One. Chapter Eight “a” and Title Two, Chapter Sixteen, Section VI is the period for which the Ultimate Parent Entity of the MNE Group prepares its financial statements.

42. (New - SG 63/17, in force from 04.08.2017) "Reporting tax year" within the meaning of Part Two, Chapter Sixteen, Section VI is the tax year under item 41 of which the financial and operational results are reflected in the country-by-country report containing the information provided in Art. 143t, para. 2.

43. (New - SG 63/17, in force from 04.08.2017) "International treaty" within the

meaning of Part Two, Chapter Sixteen, Section VI is the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or any other international treaty to which the Republic of Bulgaria is a party and which provides for the exchange of tax information, including automatic exchange of information.

44. (New - SG 63/17, in force from 04.08.2017) "Special International Agreement" within the meaning of Part Two, Chapter Sixteen, Section VI is an agreement providing for automatic exchange of country-by-country reports and concluded between the Republic of Bulgaria and a non-EU jurisdiction which is a party to an international treaty under item 43.

45. (New - SG 63/17, in force from 04.08.2017) "Consolidated Financial Statement" within the meaning of Part Two, Chapter Sixteen, Section VI is a financial statement of the MNE Group in which the assets, liabilities, income, expenses and cash flows of the Ultimate Parent Entity and the Constituent Entities are presented as those of a single economic entity.

46. (New - SG 63/17, in force from 04.08.2017) "Systemic Failure" within the meaning of Part Two, Chapter Sixteen, Section VI exists with respect to a jurisdiction where a jurisdiction with which the Republic of Bulgaria has a special international agreement in force, fails to regularly provide country-by-country reports of the MNE Group with Constituent Entities in the Republic of Bulgaria in its possession, or for any other reason without grounds does not provide the country-by-country reports.

47. (new – SG, 64/19, in force from 01.01.2020) "Intangible good" within the meaning of Title One, Chapter Eight "a" shall be property, other than tangible or financial asset, that is owned or controls for the purpose of being used in the business and for which remuneration or transfer would be remunerated, if it is carried out in a transaction between independent persons on comparable terms.

48. (new - SG 102/19, in force from 01.07.2020) "Associated enterprise" within the meaning of Chapter Sixteen, Section VII shall be a person who is related to another person by at least one of the following ways:

a) the person participates in the management of another person by being in a position to exercise a significant influence over the other person;

b) the person participates in the control of another person by holding over 25 % of the voting rights;

c) the person participates in the capital of another person through a right of ownership that, directly or indirectly, exceeds 25 % of the capital;

d) the person is entitled to 25 % or more of the profits of another person.

If more than one person participates in the management, control, capital or profits of another person as referred to in letters "a" to "d", all persons shall be regarded as associated enterprises.

If the same persons participate in the management, control, capital or profits of more than one person, as referred to in letters "a" to "d", all persons shall be regarded as associated enterprises.

For the purposes of this point, a person who acts together with another person in respect of the voting rights or capital ownership of an enterprise shall be treated as holding a participation in all of the voting rights or capital ownership of that enterprise that are held by the other person.

In indirect participation, the fulfillment of requirements under letter "c" shall be determined by multiplying the rates of holding through the successive tiers. A person holding more than 50 % of the voting rights shall be deemed to hold 100 % of the voting rights.

An individual, his / her spouse and his / her lineal ascendants or descendants within the meaning of this item shall be treated as a single person.

49. (new - SG 102/19, in force from 01.07.2020) "Tax scheme with typified content"

within the meaning of Chapter Sixteen, Section VII shall mean a cross-border tax scheme to be prepared, proposed on the market, ready to be implemented or is made available for implementation so that it can be used without substantial modification.

50. (new - SG 102/19, in force from 01.07.2020) "Rules for relaxed regimes" within the meaning of Chapter Sixteen, Section VII shall mean a statutory norm which exempts a certain category of taxpayers or transactions from obligations or rules that would apply generally, replacing them with exclusive and / or simplified obligations or rules.

51. (new - SG 102/19, in force from 01.07.2020) "Hard-to-value intangibles" within the meaning of Chapter Sixteen, Section VII covers intangibles or rights in intangibles for which, at the time of their transfer or provision between associated enterprises:

a) no reliable comparable deals or goods exist; and

b) at the time the transaction was entered into, the projections of future cash flows or income expected to be derived from the transferred or provided intangible, or the assumptions used in valuing the intangible, are highly uncertain, making it difficult to predict the level of ultimate success of the intangible at the time of the transfer or provision.

52. (new - SG 102/19, in force from 01.07.2020) "Tax advantage" within the meaning of Chapter Sixteen, Section VII shall mean any profit or benefit to a taxpayer expressed in reducing the tax base or the tax due, avoiding or delaying the payment of tax, using tax relief or tax relief to a greater extent than is deserved, as well as other benefits or perks that could improve the tax status of the person.

53. (New – SG, 15/20, in force from 01.01.2021) "Vehicle" is a road vehicle within the meaning of § 6, item 10 of the Additional Provisions of the Road Traffic Act, with the exception of trams, tractors and self-propelled machines, when moving on the roads. “Vehicle" is also considered a "motor vehicle", "trailer" and "semi-trailer" within the meaning of § 6, items 11, 17 and 18 of the Additional Provisions of the Road Traffic Act, as well as any combination between them.

54. (New – SG, 15/20, in force from 01.01.2021) "Family members" are a husband, wife and their children up to the age of 18, unless they are not married. Family members, regardless of their age, are also children who are incapacitated or permanently incapable of work and have not married.

55. (New – SG, 15/20, in force from 01.01.2021) "Environment for inter-register exchange" is the central component in the sense of Art. 7, Para. 8 of the Ordinance on the general requirements for information systems, registers and electronic administrative services.

§ 1a. (new - SG 94/15, in force from 01.01.2016) In the sense of Chapter Sixteen, Section IIIa:

1. “Reporting Financial Institution” means any Bulgarian Financial Institution that is not a Non-Reporting Financial Institution.

2. “Bulgarian Financial Institution” means:

a) any Financial Institution that is resident for tax purposes in the Republic of Bulgaria, but excludes any branch of that Financial Institution that is located outside the country;

b) any branch of a Financial Institution that is not resident for tax purposes in Bulgaria, if that branch is located in the country.

3. “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company. A Financial Institution is “resident” for tax purposes in a State if it is subject to the jurisdiction of this State and it is able to enforce reporting by the Financial Institution. In the case of a trust that is a Financial Institution (irrespective of whether it is resident for tax purposes in a State), the trust is considered to be

subject to the jurisdiction of a State if one or more of its trustees are resident in such State except if the trust reports all the information required to be reported pursuant to this Code to another State because it is resident for tax purposes in this State. Where a Financial Institution (other than a trust) does not have a residence for tax purposes (because it is treated as fiscally transparent, or it is located in a jurisdiction that does not have an income tax), it is considered to be subject to the jurisdiction of a State if:

(a) it is incorporated under the laws of the State;

(b) it has its place of management (including effective management) in the State; or

(c) it is subject to financial supervision in the State.

4. “Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of State Financial Assets and related financial services equals or exceeds 20% of the Entity's gross income during the shorter of:

a) the three-year period that ends on 31 December prior to the year in which the determination is being made;

b) the period during which the Entity has been in existence.

5. “Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

6. “Investment Entity” means any Entity:

a) which primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

aa) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;

bb) portfolio management of individual and collective investment schemes or other collective investment entitites;

cc) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons;

b) (amend. and suppl. - SG 63/17, in force from 04.08.2017) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in Letter “a”.

An Entity is treated as primarily conducting as a business one or more of the activities described in Letter “a”, or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for the purposes of Letter “b:”, if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of: the three-year period ending on 31 December of the year preceding the year in which the determination is made; or the period during which the Entity has been in existence. An entity shall be managed by another entity when the managing entity carries out, directly or through another person, any of the activities or operations referred to in letter “a” at the expense of the managed entity.

The term “Investment Entity” does not include an Entity that is an Active Non-Financial Entity because that Entity meets any of the criteria in Item 48, Letters “d” - “g”. This Item shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

7. “Financial Asset” includes

a) a security such as a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; debt securities,

secured or non-secured bonds or other evidence of indebtedness;

b) partnership interest, commodity, swap, including interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements;

c) Insurance Contract or Annuity Contract;

d) any interest, including a futures or forward contract or option, in a security, partnership interest, commodity or commodity derivate, swap, Insurance Contract, or Annuity Contract;

"Financial Asset" does not include a non-debt, direct interest in real property.

8. "Specified Insurance Company" means any Entity that is an insurance company (or the holding company of an insurance company) which issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

9. "Participating Jurisdiction Financial Institution" means:

a) any Financial Institution that is resident for tax purposes in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction;

b) any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.

10. "Partner Jurisdiction Financial Institution" means:

a) any Financial Institution that is resident for tax purposes in a Partner Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Partner Jurisdiction;

b) any branch of a Financial Institution that is not resident for tax purposes in a Partner Jurisdiction, if that branch is located in such Partner Jurisdiction.

11. "Non-Reporting Financial Institution" means any Financial Institution under Art. 1, Para 1, Letter "p" of the FATCA Agreement which is:

a) a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution;

b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer;

c) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in Letters "a" and "b", and is included in the list of Non-Reporting Financial Institutions referred to in Art. 142d, Para 1, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of this Code;

d) an Exempt Collective Investment Vehicle; or

e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to Art. 142b with respect to all Reportable Accounts of the trust;

f) for the purposes of the FATCA Agreement - a Bulgarian Financial Institution or other entity that is resident in the Republic of Bulgaria, as described in Annex II of the FATCA Agreement as a Non-Reporting Bulgarian Financial Institution.

13. "Governmental Entity" means the government of the Republic of Bulgaria, of a Member State of the European Union or other jurisdiction, any administrative units and/or political subdivisions of the Republic of Bulgaria, a Member State or other jurisdiction (a state, province, county, or municipality), or any governmental agency or institution of the Republic of

Bulgaria, a Member State or other jurisdiction. This category is comprised of the integral parts under Item 14, controlled entities under Item 15, and administrative units and/or political subdivisions of the Republic of Bulgaria, a Member State or other jurisdiction.

14. “Integral part” of the Republic of Bulgaria, a Member State or other jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority. The net earnings of the governing authority must be credited to its own account or to other accounts of the Republic of Bulgaria, the Member State or other jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

15. “Controlled entity” means an Entity of the Republic of Bulgaria, a Member State or other jurisdiction which constitutes a separate juridical entity, provided that:

a) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;

b) the Entity's net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and

c) the Entity's assets vest in one or more Governmental Entities upon dissolution.

Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a Governmental Entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

16. “International Organisation” means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation, including a supranational organisation, that is comprised primarily of governments, that has in effect a headquarters or substantially similar agreement with the Republic of Bulgaria, and the income of which does not inure to the benefit of private persons.

17. “Central Bank” means an institution of the Republic of Bulgaria, a Member State or another jurisdiction that is by law or government sanction the principal authority, issuing instruments intended to circulate as currency, including where it is separate from the government of the State, whether or not owned in whole or in part by the Republic of Bulgaria, a Member State or another jurisdiction.

18. “Broad Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries who are current or former employees, or persons designated by such employees, of one or more employers in consideration for services rendered, provided that the fund:

a) does not have a single beneficiary with a right to more than 5 % of the fund's assets;

b) is subject to government regulation and provides information reporting to the National Revenue Agency; and

c) satisfies at least one of the following requirements:

aa) the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan;

bb) the fund receives at least 50 % of its total contributions, other than transfers of assets from other plans described as such by the present Code or from pension accounts described in Item 39, Letter “a”;

cc) distributions or withdrawals from the fund are allowed only upon the occurrence of

specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described as such in the present Code or pension accounts described in Item 39), or penalties apply to distributions or withdrawals made before such specified events; or

dd) contributions, other than certain permitted make-up contributions, by employees to the fund are limited by reference to earned income of the employee or may not exceed, annually, an amount in BGN that corresponds to USD 50 000, applying the rules set forth in paragraph Art. 142q for account aggregation.

19. “Narrow Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits to beneficiaries who are current or former employees, or persons designated by such employees, of one or more employers in consideration for services rendered, provided that:

a) the fund has fewer than 50 participants;

b) the fund is sponsored by one or more employers that are not Investment Entities or Passive Non-Financial Entities;

c) the employee and employer contributions to the fund, other than transfers of assets from retirement and pension accounts described in Item 39, Letter “a”, are limited by reference to earned income and compensation of the employee, respectively;

d) participants that are not residents of the republic of Bulgaria are not entitled to more than 20 % of the fund's assets; and

e) the fund is subject to government regulation and provides information reporting to the National Revenue Agency.

20. “Pension Fund of a Governmental Entity, International Organisation or Central Bank” means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants who are current or former employees, or persons designated by such employees, or who are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank.

21. “Exempt Credit Card Issuer” means a Financial Institution satisfying the following requirements:

a) the Financial Institution is considered such solely because it is an issuer of credit cards that accepts a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer;

b) beginning on or before 1 January 2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of an amount in BGN that corresponds to USD 50 000, or to ensure that any customer overpayment in excess of that amount is refunded to the customer within 60 days, in each case applying the rules set forth in Art. 142q for account aggregation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns. Where an international agreement on automatic exchange of financial information, ratified by the Republic of Bulgaria, promulgated and in force, indicates a date, other than the one referred to in Letter “b”, the date set forth in the international agreement shall prevail.

22. “Exempt Collective Investment Vehicle” means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive Non-Financial Entity with Controlling Persons who are Reportable Persons. For the purposes of the FATCA Agreement an Exempt Collective Investment Vehicle means an entity meeting the requirements of the present Item, except in cases where the

interests are held by natural persons and/or non-participating financial institutions.

23. “Financial Account” means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account and:

a) in the case of an Investment Entity, any equity or debt interest in the Financial Institution; notwithstanding the foregoing, the term “Financial Account” does not include any equity or debt interest in an Entity that is an Investment Entity solely because it

aa) renders investment advice to, and acts on behalf of; or

bb) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity;

b) in the case of a Financial Institution not described in Letter “a”, any equity or debt interest in the Financial Institution, if the class of interests was established with the purpose of avoiding reporting in accordance with the present Code; and

c) any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a non-investment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account;

d) for the purposes of the FATCA Agreement in the case of a Financial Institution not described in Letter “a”, any equity or debt interest in the Financial Institution, if:

aa) the interest is not regularly traded on a market of securities;

bb) the value of the direct or indirect interest is determined mainly on the basis of the assets resulting from the payments with a source from the United States of America, from which tax is deducted;

cc) the interest class is such to avoid reporting of information under the present Code;

e) the term “Financial Account” does not include any account that is an Excluded Account under Item 39.

24. “Depository Account” includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.

25. “Custodial Account” means an account, other than an Insurance Contract or Annuity Contract, which holds one or more Financial Assets for the benefit of another person.

26. “Equity Interest” means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.

27. “Insurance Contract” means a contract, other than an Annuity Contract, under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.

28. (suppl. – SG, 64/19, in force from 13.08.2019) “Annuity Contract” means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals, including also a contract that is considered to be an Annuity Contract in accordance with the law, or practice of the Republic of Bulgaria, a Member State or other jurisdiction.

29. “Cash Value Insurance Contract” means an Insurance Contract, other than an indemnity reinsurance contract between two insurance companies, that has a Cash Value. For the purposes of the FATCA Agreement the Cash Value shall exceed the amount in BGN that corresponds to USD 50 000.

30. “Cash Value” means the greater of: the amount that the policyholder is entitled to receive upon surrender or termination of the contract determined without reduction for any surrender charge or policy loan, and the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract:

a) solely by reason of the death of an individual insured under a life insurance contract;

b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;

c) as a refund of a previously paid premium under an Insurance Contract, other than an investment-linked life insurance or annuity contract, due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;

d) as a policyholder dividend, other than a termination dividend, provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in Letter “b”; or

e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract;

f) for the purposes of the FATCA Agreement, Letters “a”, “d” and “e” shall not apply and the term “cash value” shall not include dividends of the insurer based on the insurance result in relation to the contract or the corresponding group.

31. “Pre-existing Account” means:

a) a Financial Account maintained by a Reporting Financial Institution as of 31 December 2015; Where an international agreement on automatic exchange of financial information, ratified by the Republic of Bulgaria, promulgated and in force, indicates a date, other than 31 December 2015, the date set forth in the international agreement shall prevail.

b) any Financial Account of an Account Holder, regardless of the date such Financial Account was opened, if:

aa) the Account Holder also holds with the Reporting Financial Institution or with a Related Entity within the country also a Financial Account that is a Pre-existing Account under Letter “a”;

bb) the Reporting Financial Institution treats the Financial Accounts referred to in Letter “a”, and any other Financial Accounts of the Account Holder that are treated as Pre-existing Accounts under Letter “b”, as a single Financial Account for purposes of satisfying the standards of knowledge requirements set forth in Art. 142p, Para 1, and for purposes of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds;

cc) with respect to a Financial Account that is subject to KYC Procedures, the Reporting Financial Institution relies upon the KYC Procedures performed for the Account described in Letter “a”; and

dd) the opening of the Financial Account does not require the provision of new, additional or amended customer information by the Account Holder other than for the purposes of this Code;

c) for the purposes of the FATCA Agreement the term “Pre-existing Account” means a

financial account maintained by a Reporting Financial Institution at 30 June 2014.

32. “New Account” means a Financial Account maintained by a Reporting Financial Institution opened on or after 1 January 2016 unless it is treated as a Pre-existing Account under Item 31, Letter “b”. For the purposes of the FATCA Agreement the term “New Account” means a financial account opened on or after 1 July 2014. Where an international agreement on automatic exchange of financial information, ratified by the Republic of Bulgaria, promulgated and in force, indicates a date, other than 1 January 2016, the date set forth in the international agreement shall prevail.

33. “Pre-existing Individual Account” means a Pre-existing Account held by one or more individuals.

34. “New Individual Account” means a New Account held by one or more individuals.

35. “Pre-existing Entity Account” means a Pre-existing Account held by one or more Entities.

36. “Lower Value Account” means a Pre-existing Individual Account with an aggregate balance or value as of 31 December 2015 that does not exceed an amount in BGN that corresponds to USD 1 000 000. For the purposes of the FATCA Agreement “Lower Value Account” means a Pre-existing Individual Account with an aggregate balance or value as of 30 June 2014 that does not exceed an amount in BGN that corresponds to USD 1 000 000.

37. “High Value Account” means a Pre-existing Individual Account with an aggregate balance or value that exceeds, as of 31 December 2015, or 31 December of any subsequent year, an amount denominated in the domestic currency of each Member State that corresponds to USD 1 000 000. For the purposes of the FATCA Agreement “High Value Account” means a Pre-existing Individual Account with an aggregate balance or value as of 30 June 2014, 31 December 2015 or 31 December of each subsequent year that does not exceed an amount in BGN that corresponds to USD 1 000 000.

38. “New Entity Account” means a New Account held by one or more Entities.

39. “Excluded Account” means any of the following accounts:

a) a retirement or pension account that satisfies the following requirements:

aa) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits, including disability or death benefits;

bb) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);

cc) information reporting is required to the National revenue Agency with respect to the account;

dd) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and

ee) the annual contributions are limited to an amount in BGN that corresponds to USD 50 000 or less or there is a maximum lifetime contribution limit to the account of an amount in BGN that corresponds to USD 1 000 000 or less, in each case applying the rules set forth in Art. 142q for account aggregation; a Financial Account that otherwise satisfies the requirement of the first sentence will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of Letter “a” or “b” or from one or more retirement or pension funds that meet the requirements of any of Items 18 - 20;

b) an account that satisfies the following requirements:

aa) the account is subject to regulation as an investment vehicle for purposes other

than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;

bb) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);

cc) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and

dd) annual contributions are limited to an amount in BGN that corresponds to USD 50 000 or less, applying the rules set forth in Art. 142q for account aggregation; a Financial Account that otherwise satisfies the requirement of the first sentence will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of Letters “a” and “b” or from one or more retirement or pension funds that meet the requirements of any of Items 18 - 20;

c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:

aa) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;

bb) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;

cc) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and

dd) the contract is not held by a transferee for value;

d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate;

e) an account established in connection with any of the following:

aa) a court order or judgment.

bb) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:

aaa) the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property,

bbb) the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease,

ccc) the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates,

ddd) the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset, and

eee) the account is not associated with an account described in Letter “f”;

cc) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time;

dd) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time;

f) a Depository Account that satisfies the following requirements:

aa) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and

bb) beginning on or before 1 January 2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of an amount in BGN that corresponds to USD 50 000, or to ensure that any customer overpayment in excess of that amount is refunded to the customer within 60 days, in each case applying the rules set forth in Art. 142q; for this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns;

g) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in Letters “a” - “f”, and is included in the list of Excluded Accounts referred to in Art. 142d, Para 1, provided that the status of such account as an Excluded Account does not frustrate the purposes of this Code.

40. “Reportable Account” means a Financial Account that is maintained by a Reporting Financial Institution and is held by one or more Reportable Persons or by a Passive Non-financial Entity with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures.

41. “Reportable Person” means:

1. a person from a participating jurisdiction other than:

a) a corporation the stock of which is regularly traded on one or more established securities markets;

b) any corporation that is a Related Entity of a corporation described in Letter “a”;

c) a Governmental Entity;

d) an International Organisation;

e) a Central Bank;

f) a Financial Institution.

2. for the purposes of the FATCA Agreement - any identified american person as defined in Art. 1, Para 1, Letter “aa” of the FATCA Agreement.

42. “Person from a participating jurisdiction” means an individual or Entity that is resident for tax purposes in one (or more) participating jurisdictions under its tax laws, or an estate of a decedent that was a resident for tax purposes of a participating jurisdiction; a partnership, limited liability partnership or similar legal arrangement (except for a trust that is a passive non-financial entity), whose residence for tax purposes cannot be determined shall be treated as resident in the jurisdiction in which its place of effective management is situated.

43. “Participating Jurisdiction” means:

a) any other Member State of the European Union;

b) any other jurisdiction with which the Republic of Bulgaria has an agreement in place pursuant to which that jurisdiction will provide the information specified in Art. 142b and which is identified in a list published by the Republic of Bulgaria and notified to the European Commission;

c) any other jurisdiction with which the European Union has an agreement in place pursuant to which that jurisdiction will provide the information specified in Art. 142b and which

is identified in a list published by the European Commission;

d) (suppl. - SG 63/17, in force from 04.08.2017) the United States of America - for the purposes of the FATCA agreement.

44. For the purposes of the FATCA Agreement “Partner Jurisdiction” means a jurisdiction that has in effect an agreement with the United States of America to facilitate the implementation of the Foreign Account Tax Compliance Act (FATCA) and identified in a list published by the Internal Revenue Service of the United States of America.

45. “Controlling Persons” means the natural persons who exercise control over an Entity. In the case of a trust, that term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the term “actual owner” in the sense of the Act on the Measures against Money Laundering and the Financial Action Task Force Recommendations.

46. “Non-financial Entity” means any Entity that is not a Financial Institution.

47. “Passive NFE” means any:

a) non-financial entity that is not an Active Non-financial Entity;

b) an Investment Entity described in Item 6, Letter “b” that is not a Participating Jurisdiction Financial Institution.

48. “Active NFE” means any non-financial entity that meets any of the following criteria:

a) (amend. - SG 63/17, in force from 04.08.2017) less than 50 % of the non-financial entity's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 % of the assets held by the non-financial entity during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income; for the purposes of this provision passive income includes dividends, interest or other income treated as interest, rental income, royalties, annuities, gains from disposal of financial assets, foreign currency trading, net income from swaps and amounts received from a cash value insurance contract;

b) the stock of the non-financial entity is regularly traded on an established securities market or it is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;

c) the non-financial entity is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;

d) substantially all of the activities of the non-financial entity consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

e) the non-financial entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the non-financial entity does not qualify for this exception after the date that is 24 months after the date of its initial organisation;

f) the non-financial entity was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;

g) the non-financial entity primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or

h) the non-financial entity meets all of the following requirements:

aa) it is established and operated exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes, or it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

bb) it is exempt from income tax in the jurisdiction of residence;

cc) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

dd) the non-financial entity's formation documents or the applicable laws of its jurisdiction of residence for tax purposes do not permit any income or assets of the non-financial entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity (other than pursuant to the conduct of the non-financial entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property and

ee) the non-financial entity's formation documents or the applicable laws of its jurisdiction of residence require that, upon the non-financial entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the jurisdiction of its residence for tax purposes;

i) for the purposes of the FATCA Agreement any non-financial entity that is established on territories of the United States of America under Art. 1, Para 1, Letter “b” of the FATCA Agreement and all owners of which are resident for tax purposes in these territories, any withholding foreign partnership or withholding foreign trust pursuant to relevant national law of the United States of America, as well as any non-financial entity, which is an exempt foreign non-financial entity in the sense of Section VI, Letter B, Item 4(1) of Annex I of the FATCA Agreement.

49. “Account Holder” means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of this Directive, and such other person is treated as holding the account. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

50. “KYC Procedures” means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.

51. “Entity” means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.

52. An Entity is a “Related Entity” of another Entity if

a) either Entity controls the other Entity;

b) the two Entities are under common control; or

c) the two Entities are Investment Entities described in Item 6, Letter “b”, are under common management, and such management fulfils the due diligence obligations of such Investment Entities.

For this purpose control includes direct or indirect ownership of more than 50 % of the vote and value in an Entity.

53. “Tax number” means Taxpayer Identification Number or functional equivalent in the absence of a Taxpayer Identification Number. For the purposes of the FATCA Agreement “Tax number” means a U.S. federal taxpayer identifying number (including an identification number of an employer, social security number or an individual tax identification number).

54. “Documentary Evidence” includes:

a) a certificate of residence issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction or other jurisdiction in which the payee claims to be a resident;

b) with respect to an individual, any valid identification issued by an authorised government body (for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes;

c) with respect to an Entity, any official documentation issued by an authorised government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction in which it claims to be a resident for tax purposes or the jurisdiction in which the Entity was incorporated or organised;

d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report;

e) with respect to a Pre-existing Entity Account, Reporting Financial Institutions may use as Documentary Evidence any classification in the Reporting Financial Institution's records with respect to the Account Holder that was determined based on a standardised industry coding system, that was recorded by the Reporting Financial Institution consistent with its normal business practices for purposes of KYC Procedures or another regulatory purposes (other than for tax purposes) and that was implemented by the Reporting Financial Institution prior to the date used to classify the Financial Account as a Pre-existing Account, provided that the Reporting Financial Institution does not know or does not have reason to know that such classification is incorrect or unreliable.

55. “Standardised industry coding system” means the National industry coding system a coding system or another standardised system used to classify establishments by business type for purposes other than tax purposes.

56. A “change in circumstances” includes receipt of additional of information relevant to a person's status or otherwise conflicts with such person's status, which includes any change or addition of information:

a) to the Account Holder's account (including the addition, substitution, or other change of an Account Holder);

b) to any account associated with such account, applying the account aggregation rules described in Art. 142q, if such change or addition of information affects the status of the Account Holder.

57. “Account maintained by a Financial Institution” means as follows:

a) in the case of a Custodial Account, by the Financial Institution that holds custody over the assets in the account (including a Financial Institution that holds assets in street name for an Account Holder in such institution);

b) in the case of a Depository Account, by the Financial Institution that is obligated to

make payments with respect to the account (excluding an agent of a Financial Institution regardless of whether such agent is a Financial Institution);

c) in the case of any equity or debt interest in a Financial Institution that constitutes a Financial Account, by such Financial Institution;

d) in the case of a Cash Value Insurance Contract or an Annuity Contract, by the Financial Institution that is obligated to make payments with respect to the contract.

58. “Address of Entity's principal office” means the place in which its place of effective management is situated, except an address used solely for mailing purposes unless such address is the only address used by the Entity and appears as the Entity's registered address in the Entity's organisational documents.

59. “Group Cash Value Insurance Contract” means a Cash Value Insurance Contract that:

a) provides coverage on individuals who are affiliated through an employer, trade association, labour union, or other association or group;

b) charges a premium for each member of the group (or member of a class within the group) that is determined without regard to the individual health characteristics other than age, gender, and smoking habits of the member (or class of members) of the group.

60. “Group Annuity Contract” means an Annuity Contract under which:

a) the obligees are individuals who are affiliated through an employer, trade association, labour union, or other association or group, and

b) for payment of the agreed premium is ensured lifetime or temporary annuity payable immediately or after a period in which pay premiums due under the contract.

§ 2. (amend. – SG 30, in force from 12.07.2006) For the unsettled by this code cases shall be applied the provisions of the Administrative procedure code and the Civil procedure code.

§ 2a. (new - SG 34/06, in force from 01.10.2006) The branches of the trade companies and the divisions may continue to be accounted as insurers separate from the company and its other branches and divisions being identified with their unified identification code BULSTAT according to art. 6, para 2 of the Register BULSTAT Act.

§ 2b. (new – SG 99/11, in force from 01.01.2012; suppl. - SG 82/12, in force from 01.01.2013; amend. and suppl. - SG 94/15, in force from 01.01.2016, amend. and suppl. - SG 63/17, in force from 04.08.2017, amend. and suppl. - SG 27/18, amend. and suppl. – SG, 64/19, in force from 13.08.2019, amend. and suppl. - SG 102/19, in force from 01.07.2020, amend. and suppl. - SG 69/20) This code introduces the provisions of Council Directive 2010/24/EC of 16 march 2010 concerning mutual assistance for the recovery of claims relating to taxes, duties and other measures (OJ, L 84/1 of 31 March 2010), Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (OJ, L 64/1 of 11 March 2011), of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (OJ, L 359/1 of 16 December 2014), of Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (OJ, L 332/1 of 18 December 2015), of Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (OJ, L 146/8 of 3 June 2016) and of Council Directive (EU) 2016/2258 of 6 December 2016

amending Directive 2011/16/EU as regards access to information by the tax authorities on money laundering (OJ, L 342/1 of 16 December 2016), of Council Directive (EU) 2017/1852 on mechanisms for solving disputed regards taxation in the EU (OJ, L 265/1 of 14 October 2017), of Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (OJ, L 139/1 of 5 June 2018) and Council Directive (EU) 2020/876 of 24 June 2020 amending Directive 2011/16/EU as regards the urgent need to postpone certain deadlines for the submission and exchange of information in the field of taxation due to the pandemic of COVID-19 (OJ, L 204/46 of 26 June 2020).

§ 2c. (New – SG 98/18, in force from 01.01.2019) For the purpose of collecting public receivables, the Council of Ministers shall determine the budget spenders, who shall inform the National Revenue Agency and the Customs Agency about the contracts concluded by them and pending payments thereunder, the extent of the information to be provided, the order and manner in which it is provided and the conditions for making the payments.

§ 2d. (New, SG,105/20, effective from 11.12.2020) The provisions of Art. 66 - 74 of the Administrative Procedure Code shall not apply to the acts of the Minister of Finance, which on the basis of a tax Act approve samples of declarations, inquiries, invoices for paid amounts, official notes, certificates, excise stamps and other documents.

Transitional and concluding provisions

§ 3. the Tax procedure code (prom. SG 103/30 Nov 1999, amend. SG 29/7 Apr 2000 – Decision № 2 of the Constitutional court, amend. SG 63/1 Aug 2000, amend. SG 109/18 Dec 2001, amend. SG 45/30 Apr 2002, amend. SG 112/29 Nov 2002, amend. SG 42/9 May 2003, amend. SG 112/23 Dec 2003, amend. SG 114/30 Dec 2003, amend. SG 36, 38, 53 and 89 of 2004, amend. SG 19, 39, 43, 79 and 86 of 2005) is repealed.

§ 4. The postponed and deferred public obligations under the repealed Tax procedure code, the Code of social insurance, the Health Insurance Act, the term of payment of which expires after the entry into force of this code, shall keep their action till the completely payment regarding the given permission.

§ 5. (1) The provisions of this code shall be applied by the bodies of the National Revenue Agency, respectively the State Takings Agency, and for the procedural actions upon unfinished administrative and executive proceeding under chapter seven of the Code of social insurance to the date of the entry into force of the Tax-insurance procedure code.

(2) The started to the date of the entry into force of this code proceedings upon chapter eight and under Art. 349 – 350 of the Code of social insurance shall be finished by the bodies of the National Social Security Institute under the previous order. The proceedings of issue of permission regarding Art. 110, para 3 of the Code of social insurance and their appeal shall be finished upon the previous order by the bodies of the National Social Security Institute, if an act for deficiency has not been issued before the entry into force of the Tax-insurance

procedure code.

(3) The provisions of this code shall be applied by the bodies of the National Revenue Agency, respectively the State Takings Agency, and for the procedural actions upon unfinished administrative and executive proceedings to the date of its entry into force.

(4) The unfinished, to the date of the entry into force of this code, court proceedings under the repealed Tax procedure code shall be finished under the previous order, and the party in the proceedings shall be the respective body of the National Revenue Agency, respectively of the State Takings Agency.

§ 6. (1) The National Revenue Agency shall be a legal successor of the assets, the liabilities, the rights, the obligations and the archive of the tax administration, regarding January 1, 2006, except for the real estates. For the succession shall be applied respectively Art. 6a, para 1, item 1 of the Value Added Tax Act.

(2) Till April 1, 2006 the Council of Ministers, respectively the Minister of Finance shall grant the estates – public state property, used by the tax administration, to the National Revenue Agency by the order of the State Property Act.

(3) The relations in connection with the transfer of the necessary information and archives from the National Social Security Institute to the National Revenue Agency shall be regulated by an agreement between the manager of the National Social Security Institute and the executive director of the National Revenue Agency.

(4) The labour legal relations of the employees of the tax administration and function "Collection" of the National Social Security Institute shall be settled by the order of Art. 123 of the Labour code. The period of employment, acquired in the system of tax administration and the National Social Security Institute by workers and employees, appointed upon labour legal relation in the National Revenue Agency before June 30, 2006, shall be considered a work with one employer, in connection with Art. 222, para 3 of the Labour code.

(5) Till June 30, 2007 the labour legal relations of the employees of the National Revenue Agency, who implement functions at position, determined to be hold by a civil servant, shall be transformed in official legal relations, and:

1. with the act for the appointment to the civil servant shall be awarded the determined in the Unified classifier of the administrative positions in the administration minimal rank for the held position, unless the servant does not meet the conditions for determining a higher rank;

2. Art. 12 of the Civil Servants Act shall not be applied, except for the servants, which labour legal relations are kept and shall not be compensated with pecuniary compensation.

3. the unused leaves upon labour legal relations shall be kept and shall not be compensated with pecuniary compensations.

(6) Till December 31, 2006 the Council of Ministers shall enter in the National Assembly the necessary legislative changes, ensuing from para 5.

(7) (new- amend. – SG 63/06, in force from 04.08.2006) Upon appointment to state service in Agency "Customs" to a position, functions of which are directly related with the administration of and control over the excise, Art. 10, para 1 of the Civil Servants Act shall not be applied if the candidates are in labour legal relationship with Agency "Customs" and with National Revenue Agency.

§ 6a. (new - SG 105/14, in force from 01.01.2015) As regards to outstanding public liabilities, the deadline for payment of which has elapsed before January 1, 2008, Art. 169, para. 4, 5 and 6 shall apply upon written application by the debtor.

§ 87. The implementation of the code shall be assigned to the Minister of Finance.

§ 88. The code shall enter into force from January 1, 2006, except for Art. 179, para 3, Art. 183, para 9, § 10, item 1, letter "d" and item 4, letter "c", § 11, item 1, letter "b" and § 14, item 12 of the Transitional and concluding provisions, which shall enter into force from the day of the promulgation of the code in the "State Gazette".

The code was passed by the 40th National Assembly on December 21, 2005 and is affixed with the official seal of the National Assembly.

Transitional and concluding provisions TO THE ADMINISTRATIVE PROCEDURE CODE

(PROM. - SG 30/06, IN FORCE FROM 12.07.2006)

§ 9. In the Tax-insurance code (SG 105/05) the following amendments and supplementations shall be done:

. . . . . .

3. Everywhere the words "Administrative Procedure Act" and "Act on the Supreme Administrative Court" shall be replaced by "Administrative procedure code".

. . . . . .

§ 142. The code shall enter in force three months after its promulgation in the "State Gazette" except for:

1. division three, § 2, item 1 and § 2, item 2 – for the revocation of chapter three, section II "Court Appeal", § 9, items 1 and 2, § 11, items 1 and 2, § 15, § 44, items 1 and 2, § 51, item 1, § 53, item 1, § 61, item 1, § 66, item 3, § 76, items 1 - 3, § 78, § 79, § 83, item 1, § 84, items 1 and 2, § 89, items 1 - 4, § 101, item 1, § 102, item 1, § 107, § 117, items 1 and 2, § 125, § 128, items 1 and 2, § 132, item 2 and § 136, item 1, as well as for § 34, § 35, item 2, § 43, item 2, § 62, item 1, § 66, item 2 and 4, § 97, item 2 and § 125, item 1 – for the replacement of the word "the district" by "the administrative" and the replacement of the words "Sofia city court" by "Administrative court – city of Sofia", which shall enter in force from March 1, 2007.

2. § 120 which shall enter in force from January 1, 2007.

3. § 3 which shall enter in force from the day of promulgation of the code in the "State Gazette

Transitional and concluding provisions TO THE COMMERCIAL REGISTER ACT

(PROM. – SG 34/06, IN FORCE FROM 01.10.2006)

§ 56. This Act shall enter into force from the 1st of October, with the exception of § 2 and § 3, which shall enter into force from the day of the promulgation of the Act in State

Gazette.

Transitional and concluding provisions
TO THE CREDIT INSTITUTIONS ACT

(PROM. – SG 59/06)

§ 36. This Act shall enter into force from the date of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union, except § 35, item 2, which shall enter into force from the day of the promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE VALUE ADDED TAX ACT

(PROM. – SG 63/2006)

§ 26. This Act shall enter in force from the date of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union, except § 3, § 16, items 1 and 3, § 17, 18, 19, 20, 21, 22, 23 and 24 which shall enter in force from the date of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT FOR PUBLICITY OF THE PROPERTY OF PERSONS OCCUPYING HIGH STATE POSITIONS

(PROM. – SG 73/06)

§ 10. The Act shall enter into force from 1st of January 2007.

Transitional and concluding provisions
TO THE STATE AID ACT

(PROM. – SG 86/06, IN FORCE FROM 01.01.2007)

§ 11. The Act shall enter into force from the day of entry into effect of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

Transitional and concluding provisions
TO THE INCOME TAXES ON NATURAL PERSONS ACT

(PROM. – SG 95/06, IN FORCE FROM 01.01.2007)

§ 21. The Act shall enter into force from the 1st of January 2007, with the exception of § 10, which shall enter into force from the day of the promulgation of the Act in State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 105/06; amend. – SG 108/07, in force from 19.12.2007, AMEND. - SG 63/17, IN FORCE FROM 04.08.2017)

§ 18. (In force from 01.07.2007) The identification of the sole entrepreneurs, entered in BULSTAT register, however, who have not re-registered following the procedure of the Commercial Register Act, shall be implemented by the unified civil number, respectively personal number of a foreigner, and the unified identification code – BULSTAT code, till the registration of the trader by the procedure of the Commercial Register Act.

§ 19. (In force from 01.07.2007, revoked - SG 63/17, in force from 04.08.2017)

Annex to § 19, para. 1, item 2

(Suppl. - SG 108/07, in force from 19.12.2007, revoked - SG 63/17, in force from 04.08.2017)

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON DEFENCE AND ARMED FORCES OF THE REPUBLIC OF BULGARIA

(PROM. - SG 46/07, IN FORCE FROM 01.01.2008)

§ 77. This Act shall enter into force from 1 January 2008 except:

1. Paragraph 1, § 2, Item 1, § 4, Item 1, Letter "a" and Item 2, § 5, 13, 15, 32, 33, 34, 35, 36, 37, § 38, Item 1, Letter "a" and Item 2, § 40, 43, 44, 46, 55, 59 and 75 which shall enter into force three days after its promulgation in the State Gazette.

2. Paragraph 2, Item 2, § 3, § 4, Item 1, Letter "b", § 6, 7, 60, 61 (regarding addition of the words "and 309b") and 63, which shall enter into force 6 months after its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT ON THE MARKETS OF FINANCIAL INSTRUMENTS

(PROM. - 52/07, IN FORCE FROM 01.11.2007)

§ 27. (1) This Act shall enter into force from 1 November 2007 except § 7, Items 6, 7, 8, 18, 19, 22 – 24, 26 – 28, 30 – 40, Item 44, Letter "b", Items 47, 48, Item 49, Letter "a", Items 50 – 62, 67, 68, 70. 71, 72, 75, 76, 77, Item 83, Letters "a" and "d", Item 85, Letter "a", Items 91, 93, 94, Item 98, Letter "a", Subletter "aa", second sentence regarding the replacement, Subletter "bb", second sentence regarding the replacement, Subletter "cc", second sentence regarding the replacement and Subletter "cc", second sentence regarding the replacement, Item 99, Letters "d" and "e", Item 101, Letter "b" and Item 102, § 8, § 9, Item 4, Letter "a", Items 5 and 7, § 14, Item 1 and § 19 which shall enter into force three days after the promulgation of the Act in the State Gazette.

(2) Paragraph 7, Item 6, 7 and 8 shall apply by 1 November 2007.

Transitional and concluding provisions
TO THE CIVIL PROCEDURE CODE

(PROM. – SG 59/07, IN FORCE FROM 01.03.2008)

§ 61. This code shall enter into force from 1 March 2008, except for:

1. Part Seven "Special rules related to proceedings on civil cases subject to application of Community legislation"

2. paragraph 2, par. 4;

3. paragraph 3 related to revoking of Chapter Thirty Two "a" "Special rules for recognition and admission of fulfillment of decisions of foreign courts and of other foreign bodies" with Art. 307a – 307e and Part Seven "Proceedings for returning a child or exercising the right of personal relations" with Art. 502 – 507;

4. paragraph 4, par. 2;

5. paragraph 24;

6. paragraph 60,

which shall enter into force three days after the promulgation of the Code in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE OF THE FISHERY AND AQUACULTURES ACT

(PROM. - SG 36/08)

§ 103. In the Tax-Insurance Procedure Code (prom. - SG 105/05; amend. - SG 30, 33, 34, 59, 63, 73, 80, 82, 86, 95 and 195/06, SG 46, 52, 53, 57, 59, 108 and 109/07) everywhere the words "the Minister of the Agriculture and the Forests" shall be replace by "the Minister of the Agriculture and Food Supply".

Transitional and concluding provisions
TO THE ACT OF AMENDMENT AND SUPPLEMENTATION OF THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 12/09, IN FORCE FROM 01.05.2009; SUPPL. - SG 32/09)

§ 35. (In force from 01.01.2010 - SG 32/09) (1) The administrative and administrative penal proceedings pending at the date of entry into force of this Act before the State Takings Agency’s authorities shall be completed by the competent authorities of the National Revenue Agency.

(2) Party to the court proceedings pending at the date of entry into force of this Act, including litigations, enforcement proceedings or bankruptcy proceedings shall be the National Revenue Agency and its competent authorities.

§ 36. (1) (In force from 01.01.2010 - SG 32/09) The National Revenue Agency shall be

a successor of the assets, the debts, the rights, the obligations and the archive of the State Takings Agency from entry into force of this Act. Within 6 months from entry into force of this Act the regional governors at the location of the respective properties shall enter the changes to the acts for state property.

(2) (In force from 01.01.2010 - SG 32/09) The contracts and agreements concluded by the State Takings Agency for cooperation with other institutions and offices as well as the instructions issued on the grounds of Art. 88, Para 2 of the revoked Act on Collecting of State Receivables shall continue to have effect after entry into force of this Act.

(3) (In force from 01.01.2010 - SG 32/09) The official relationships of the civil servants of the State Takings Agency shall be transferred to the National Revenue Agency under Art. 87a of the Act on the Civil Servant.

(4) (In force from 01.01.2010 - SG 32/09) The employment relationships of the employees of the State Takings Agency, which are transferred to the National Revenue Agency, shall be regulated according to Art. 123 of the Labour Code.

(5) The employment relationships of the employees of the State Takings Agency, who perform functions of a position, intended for a civil servant, shall be transformed into official relationships, where:

1. in the act of appointment of the civil servant the minimal rank according to the Single Classification of the Positions in the Administration for the respective position shall be assigned, unless the civil servant meets the conditions for assigning a higher rank;

2. the provision of Art. 12 of the Act on the Civil Servant shall apply only to officials of the National Revenue Agency who at the date of taking the civil office are in a trial period under Art. 70 of the Labour Code, taking into account the expired term.

……..

§ 68. (suppl. - SG 32/09) This Act shall enter into force from 1 May 2009 except § 65, 66 and 67 which shall enter into force from the date of promulgation of the Act in the State Gazette and § 2 - 10, § 12, items 1 and 2 - regarding para 3, § 13 - 22, § 24 - 35, § 36, paras 1 - 4, § 37 - 51, § 52, items 1 - 3, item 4, letter "a", item 7, letter "f" - regarding para. 10 and para 11, item 8, letter "a", items 9 and 12 and § 53 - 64, which shall enter into force from the 1st of January 2010.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE HEALTH ACT

(PROM. – SG 41/09, IN FORCE FROM 02.06.2009)

§ 96. This Act shall enter into force from the date of its promulgation in the State Gazette, except for:

1. paragraphs 3, 5, 6 and 9, which shall enter into force from 1 January 2009;

2. paragraphs 26, 36, 38, 39, 40, 41, 42, 43, 44, 65, 66, 69, 70, 73, 77, 78, 79, 80, 81, 82, 83, 88, 89 and 90, which shall enter into force from 1 July 2009;

3. paragraph 21, which shall enter into force from 1 June 2010.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE MINISTRY OF INTERIOR ACT

(PROM. – SG 93/09, IN FORCE FROM 25.12.2009)

§ 100. This Act shall enter into force in one month after promulgation in the State Gazette, except for § 1, 2, 21, 36, 39, 41, 44, 45, 49, 50, 51, 53, 55, 56, 57, 59, 62, 63, 64, 65, 70 and 91, which shall enter into force from the day of its promulgation.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE LOCAL TAXES AND FEES ACT

(PROM. – SG 98/10, IN FORCE FROM 01.01.2011)

§ 30. This Act shall enter into force from 1 January 2011, except for § 8, 9, 12 and § 20, Item 2, which shall enter into force from 1 July 2011.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE ELECTRONIC DOCUMENT AND THE ELECTRONIC SIGNATURE

(PROM. – SG 100/10, IN FORCE FROM 01.07.2011)

§ 30. This Act shall enter into force from 1 July 2011, except for the provision of § 31 regarding Art. 38, Para 4, which shall enter into force from the date of its promulgation in the State Gazette.

Concluding provisions
TO THE ACT OF AMENDMENT AND SUPPLEMENTATION OF THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 14/11, IN FORCE FROM 15.02.2011)

§ 19. The Act shall enter into force from the date of its promulgation in the State Gazette, except for § 17, item 1, which shall enter into force from January 1, 2011.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAXES ON THE INCOME OF NATURAL PERSONS ACT

(PROM. SG 31/11, IN FORCE FROM 01.01.2011)

§ 20. The terms fixed in Art. 191, para 2 and Art. 193, para 4 of the Tax-Insurance Procedure Code shall commence as of January 1, 2011 regarding imposed security measures or property realization proceedings under Art. 191, para 1, which are not completed as well as in the cases referred to in Art. 193, para 1, where regarding any property are imposed security measures or are initiated enforcement proceedings and respectively insolvency proceedings have been initiated prior to this date.

. . . . . .

§ 22. The Act shall enter into force from January 1, 2011, except for § 8, which shall enter into force from the beginning of the month following the month during which the Act has been promulgated in the State Gazette.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING TAX INSURANCE PROCEDURE CODE

(PROM. SG 99/11, IN FORCE FROM 01.01.2011; AMEND. – SG 40/12, IN FORCE FROM 29.05.2012)

§ 23. (amend. – SG 40/12, in force from 29.05.2012) (1) Audit proceedings under Art. 114, para 1 – 3 which have not been completed by the date of entry into force of this Act, regardless of the date of initiation thereof, shall be completed by the previous manner within 5 months from entry into force of this Act.

(2) Audit proceedings under Art. 114, para 1 – 3 which have been suspended by the date of entry into force of this Act, shall be completed by the previous manner within 3 months from resumption thereof.

(3) The time periods under para 1 and 2 may be extended under the terms and following the procedure of Art. 114, para 4.

(4) The time periods under para 1 and 2 shall not apply to audit proceedings whose term has been extended pursuant to Art. 114, para 4 prior to the entry into force of this Act.

§ 24. (1) The proceedings for provision of mutual assistance for collecting public receivables which have not been accomplished by the date of entering of this Act into force shall be finalized following the existing procedure.

(2) The carried out procedural actions for provision of mutual assistance for collecting public receivables under proceedings which have not been accomplished by the date of entering of this Act into force shall keep their effect.

(3) Mutual assistance pursuant to the provisions of this Act shall be provided also for receivables under Art. 269a, having occurred prior to the date of its entering into force.

§ 25. The Managing Director of National Revenue Agency within one month after entering of this Act into force shall nominate by an order a contact unit pursuant to Art. 269b, par. 2, which shall keep in contact with other Member States in the field of mutual assistance, shall carry out functions of a requested, respectively of a requesting body within the Republic of Bulgaria and shall maintain contacts with the European Commission.

§ 26. This Act shall enter into force from January 1, 2012.

Transitional and concluding provisions TO THE GAMBLING ACT

(PROM. - SG 26/12, IN FORCE FROM 01.07.2012)

§ 13. The Act shall enter into force three months after its promulgation in the State

Gazette, except for Art. 31, para 1, item 15, Art. 85, para 1, item 1 and 9, § 8 and § 12, which shall enter into force from the date of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT ON DEPRIVATION IN FAVOUR OF THE STATE OF ILLEGALLY ACQUIRED PROPERTY

(PROM. - SG 38/12, IN FORCE FROM 19.11.2012)

§ 16. The Act shall enter into force within 6 months from its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT ON STATISTICS OF THE INTRA- COMMUNITY TRADE OF GOODS

(PROM. - SG 40/12, IN FORCE FROM 01.07.2012)

§ 13. The Act shall enter into force from July 1q 2012, except for § 12, which shall enter into force from the date of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX INSURANCE PROCEDURE CODE

(PROM. – SG 82/12, IN FORCE FROM 01.01.2013)

§ 32. The Information under Art. 143h shall be made available to the competent authorities of the Member States of the European Union as from 1 January 2015, for tax periods following 1 January 2014. By 1 January 2014 the Executive Director of the National Revenue Agency shall notify the European Commission of the income types referred to in Art. 143h, para. 1 for which information is available, notifying any changes to these data.

§ 33. The Executive Director of the National Revenue Agency may refuse to provide information regardless of art. 143p, Para 3, when it concerns tax periods prior to 1 January 2011, and there are grounds for refusing to provide such information under the previous order.

§ 34. (1) Any pending on the date of entry into force of this Act procedures on carrying out mutual assistance and exchange of information with the Member States of the European Union in the area of taxes on income, property and insurance premiums shall be completed in accordance with this Act. In these cases, the time limits provided in Chapter Sixteen, Section V, shall commence as from the entry into force of this Act.

(2) Any completed procedural acts on carrying out mutual assistance on proceedings pending at the date of entry into force of this Act shall be deemed valid.

§ 35. (1) All initiated and pending proceedings on the date of entry into force of this Act shall be completed under the previous order.

(2) Within 30 days after the entry into force of this Act, parties to proceedings, stayed under Art. 34, Para 1 may appeal the order to stay the proceedings pursuant to Art. 34, Para 5.

(3) The provision of Art. 34, Para 8 applies to stayed pending audit proceedings and the stay period shall commence on the date of entry into force of this Act.

§ 36. This Act shall enter into force from 1 January 2013 except:

1. paragraph 1, which shall enter into force on the date of promulgation of the Act in the State Gazette, and

2. paragraph 14 regarding Art. 143h, Para 5, which shall enter into force from 1 January 2016.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 94/12, IN FORCE FROM 01.01.2013)

§ 45. Any non-due amounts paid by 31 December 2012 for public debts established by the National Revenue Agency shall be used to clear debts according to the procedure of Art. 169, Para 4 of the Tax-Insurance Procedure Code, unless a request under Art. 129, Para 1 of the Tax-Insurance Procedure Code has been filed before entry into force of this Act.

§ 46. To any non-cleared public debts, the time limit for the payment of which has expired before 1 January 2008, Art. 169, Para 4 of the Tax-Insurance Procedure Code shall apply after 1 January 2014.

….....

§ 65. This Act shall enter into force from 1 January 2013, except for § 61, Item 2, Letter "a", Items 3, 4 and 6, Item 7 – regarding Art. 86, Para 7, and Item 9 and § 64, which shall enter into force on the day of promulgation of this Act in the State Gazette, § 61, Item 5, Item 6 – regarding Art. 86, Para 5 and 6, and Item 8, which shall enter into force from 1 April 2013, and § 47, Item 9, Letter "c" - regarding Art. 159, Para 5, and Item 11, which shall enter into force from 1 July 2013.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE STATE AGENCY FOR NATIONAL SECURITY ACT

(PROM. - SG 52/13, IN FORCE FROM 14.06.2013)

§ 27. This Act shall enter into force from the date of its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 98/13, IN FORCE FROM 01.12.2013; SUPPL. SG 104/13, IN FORCE FROM 01.12.2013; AMEND., SG 109/13, IN FORCE FROM 01.01.2014)

§ 5. The amounts for public receivables which have been paid without being due prior to entering of this act into force and established by the National Revenue Agency, shall cover liabilities under the provision of Art. 169, par. 4 and 5, unless a request under Art. 129, par. 1 has been filed prior to entering of this Act into force.

……..

§ 10. (suppl. - SG 104 /13, in force from 01.12.2013) The Act shall enter into force as of December 1, 2013 , except for § 7, items 1, 2, 3, 4, 5, 6 – with respect to the second part of Annex No 2 to Chapter Nineteenth "a", and item 7, which shall enter into force from 1st of January 2014.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE BUDGET OF THE STATE PUBLIC INSURANCE FOR THE YEAR 2014

(PROM. - SG 106/13, IN FORCE FROM 01.01.2014)

§ 9. This Act shall enter into force from January 1, 2014, except for § 9 6, which shall enter into force from December 1, 2014.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 109/13, IN FORCE FROM 01.01.2014)

§ 24. This Act shall enter into force from January 1, 2014, except for § 23, which shall enter into force following a ruling delivered by the European Commission to extend the duration of existing authorized State aid scheme.

TO THE TO THE ACT ON THE ECONOMIC RELATIONS WITH COMPANIES, REGISTERED IN JURISDICTIONS WITH PREFERENTIAL TAX REGIME. AFFILIATED PERSONS THEREWITH AND THEIR ACTUAL OWNERS

(PROM. - SG 1/14, IN FORCE FROM 01.01.2014)

§ 3. The act shall enter into force from January 1, 2014.

Transitional and concluding provisions

TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 18/14, IN FORCE FROM 04.03.2014)

§ 4. (1) Any amounts received which have not extinguished public liabilities until this Act's entry into force shall be used to extinguish any liabilities established in line with the procedure provided for by Chapter Fourteen as at the date of this Act's entry into force, subject to Art. 169, paras 5, 6 and 7, except where a request under Art. 129, para 1 has been filed.

(2) Where para 1 has not been applied to any amounts received, within three months of this Act's entry into force the debtor may state, in accordance with such procedure and by such means as laid down in an order by the Executive Director of the National Revenue Agency, the type of public liabilities to be extinguished. Where the debtor fails to indicate that, after the expiry of the said period, the procedure under para 1 shall apply.

(3) The order referred to in para 2 shall be published on the website of the National Revenue Agency.

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§ 7. This Act shall enter into force from the date of its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE PUBLIC PROCUREMENT ACT

(PROM. - SG 40/14, in force from 01.07.2014)

§ 121. The Act shall enter into force from 1st of July 2014 except for § 3, 4 и 37, which shall enter into force from the day of promulgation of the Act in the State Gazette and § 5, § 11, § 12, § 13, § 15, § 17, § 19, § 20, § 22, § 23, § 26, § 27, § 30, § 35, § 39, § 61, item 3, § 63, § 64, § 71, item 2, § 73, § 75, item 2, § 85, item 2, § 86, § 96 and § 103, which shall enter into force from 1 of October 2014.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 105/14, IN FORCE FROM 01.01.2015)

§ 46. (1) The Act shall enter into force from the 1st of January 2015, except the following:

1. paragraph 17 as regards to Art. 154, para 2 and Art. 156, para 2, which shall enter into force from the date of promulgation of the Act in the State Gazette;

2. paragraph 39, item 7, letter "b", item 9 - 13 и т. 19, letters "a", "b", "c", "d", "e" and letter "f" - as regards to items 71 - 74, and item 23, letter "a" and § 42, item 11 and 17, which shall enter into force from January 1, 2014 ;

3. paragraph 34, т. 7, which shall enter into force from January 1, 2016, item 21, letter "a" (as regards to Art. 84, para 6, item 9), which shall enter into force from July 1, 2015, and item 2, letter "c", items 30, 31, 32, 35 and 39 and § 35, which shall enter into force following a

positive decision by the European Commission under notification procedure undertaken by the Ministry of Finance under Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society services.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE

(PROM. - SG 61/15, in force from 01.01.2016)

§ 60. The Act shall enter into force from the 1st of January 2016, except the following:

1. paragraph 3 as regards to Art. 4a, para 3, item 6, § 4, § 7 as regards to Art. 6, para 3, item 10, § 8, item 2 regarding the amendment in Art. 9, para 6, § 16, § 25, items 5 - 9, § 31 - 36, § 47 - 51, § 54, § 55, § 56, item 2 regarding the amendment in Art. 40, para 3, item 9, which shall enter into force three days after its promulgation in the State Gazette;

2. paragraph 45, which shall enter into force 12 months after its promulgation in the State Gazette;

3. paragraph 57, which shall enter into force as of April 1, 2015;

4. paragraph 58, which shall enter into force as of July 17, 2015.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 94/15, IN FORCE FROM 01.01.2016)

§ 54. Any procedures under Art. 235, Art. 236 and Chapter Twenty-Six pending at the date of entry into force of this Act shall be continued under the previous order.

§ 55. The first year of exchange of information between the executive director of the National Revenue Agency and the competent authorities of the participating jurisdictions shall be 2016, unless an international agreement on automatic exchange of financial information, ratified by the Republic of Bulgaria, promulgated and in force provides for a different date.

§ 56. The first year of exchange of information between the executive director of the National Revenue Agency and the competent authorities of the United States of America shall be 2014.

§ 57. For the purposes of the FATCA Agreement the reporting financial institution shall report information as follows:

1. for 2014 - the data referred to in Art. 142b, Para 1, Items 1 - 5;

2. for 2015 - the data referred to in Art. 142b, Para 1, Items 1 - 8, except for Item 6, Letter “b”;

3. for 2016 and each subsequent year - the data referred to in Art. 142b, Para 1, Items 1 - 8.

§ 58. For the purposes of the FATCA Agreement the first determination of the balance or value of a reported pre-existing account shall be carried out as of 30 June 2014.

§ 59. For the purposes of the FATCA Agreement the reporting financial institution shall be registered on the website of the Internal Revenue Service of the United States of America prior to the first reporting of information.

§ 60. Any reporting financial institution shall finalise the review of the pre-existing

individual high value accounts by 31 December 2016 and of pre-existing individual low value accounts by 31 December 2017.

§ 61. Any reporting financial institution shall finalise the review of the pre-existing entity accounts with aggregate balance or value exceeding the BGN equivalent of USD 250 000 by 31 December 2017.

§ 62. For the purposes of the FATCA Agreement a reporting financial institution shall finalise the review of the pre-existing entity accounts with aggregate balance or value exceeding the BGN equivalent of USD 250 000 by 30 June 2017.

§ 63. The reporting financial institutions shall bring their activities in compliance with the provisions of the present Act within one month from its entry into force.

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§ 71. This Act shall enter into force on 1 January 2016, except § 66, Item 1 regarding the electronic information system, which shall enter into force from 1 January 2017.

Transitional and concluding provisions
TO THE PUBLIC PROCUREMENT ACT

(PROM. – SG 13/16, IN FORCE FROM 15.04.2016)

§ 29. This Act shall enter into force on April 15, 2016, with the exception of:

1. Article 39, which shall enter into force on July 1, 2017 and – regarding the central purchasing bodies - from January 1, 2017;

2. Article 40:

a) Para 1 and Para 3, item 1-4 and item 10, which shall enter into force from July 1, 2017;

b) Para 3 item 5-9, which shall enter into force from January 1, 2020;

3. Article 41, Para 1 - on technical compatibility and connectivity, and para 2, which shall enter into force from July 1, 2017;

4. Article 59, Para 4, which shall enter into force on July 1, 2018;

5. Article 67:

a) Para 4 - concerning the mandatory representation of ESPD in electronic form, which shall enter into force on April 1, 2018;

b) Para 8, item 2, which shall enter into force on June 1, 2018;

6. Article 97, which shall enter into force on January 1, 2017;

7. Article 232, which shall enter into force on September 1, 2016;

8. § 26, Para 1 and § 27, which shall enter into force from the day of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CUSTOMS ACT

(PROM. - SG 58/16)

§ 98. In the Tax-Insurance Procedure Code (prom. SG 105 of 2005; amend. SG 30, 33, 34, 59, 63, 73, 80, 82, 86, 95 and 105 of 2006. SG 46, 52, 53, 57, 59, 108 and 109 of 2007, SG 36, 69 and 98 of 2008, SG 12, 32, 41 and 93 of 2009, SG 15, 94, 98, 100 and 101 of 2010, SG 14, 31, 77 and 99 of 2011, SG 26, 38, 40, 82, 94 and 99 of 2012, SG 52, 98, 106 and 109 of 2013, SG 1 of 2014; Decision № 2 of the Constitutional Court from 2014 - SG 14 of

2014; amend., SG 18, 40, 53 and 105 of 2014, SG 12, 14, 60, 61 and 94 of 2015 and SG 13 and 42 of 2016) everywhere the words "customs levies" shall be replaced by "duties".

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE JUDICIARY SYSTEM ACT

(PROM. - SG 62 of 2016, IN FORCE FROM 09.08.2016)

§ 229. The Act shall enter into force on the day of its promulgation in the State Gazette, except for:

1. paragraphs 86, 126, 202, 227 and 228, which shall enter into force from January 1, 2017;

2. paragraph 194 concerning Art. 360n – 360r which shall enter into force six months after the promulgation of the Act in the State Gazette;

3. paragraph 194 concerning Art. 360c, para. 2, Art. 360g, Art. 360h, para. 1 and Art. 360l which shall enter into force three years after the promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE EXCISES AND TAX WAREHOUSES ACT

(PROM. – SG 97/16, IN FORCE FROM 01.01.2017)

§ 61. This act shall enter into force on January 1, 2017, except for § 47, item 1 and 5, letter "b", § 48 and § 49, which shall enter into force from January 1, 2018.

Transitional and concluding provisions
TO THE ACT, AMENDING AND SUPPLEMENTING THE ACT ON SPECIAL PLEDGES

(PUBL. – SG, 105/2016, IN FORCE FROM 30.12.2016, AMEND. - SG 65/18, IN FORCE FROM 07.08.2018, AMEND. - SG 102/19, IN FORCE FROM 31.12.2019)

§ 54. (Amend. - SG 65/18, in force from 07.08.2018, amend. - SG 102/19, in force from 31.12.2019) The act shall come into force from the day of its publication in the State Gazette with the exception of § 18, 19, 20, § 21 on art. 26, Para. 4, § 23 on Art. 27a, Para. 1 and 2, § 24, § 27 – 31, §33, p. 1 and 3, § 39 on Art. 37, Para. 3, 4, 5 and 6, § 41 and § 43, p. 1 and 2, which shall come into force from 1 September 2022.

Transitional and concluding provisions
TO THE ACT, AMENDING AND SUPPLEMENTING THE LABOR CODE

(PUBL. – SG, 105/2016, IN FORCE FROM 30.12.2016)

§ 22. The act shall come into force from the day of its publication in the State Gazette, with the exception of § 5, 6, 17, 18, 19 and 20, which shall come into force from 1 January 2017.

Concluding provisions
TO THE ACT AMENDING THE ACT ON BULGARIAN FOOD SAFETY AGENCY

(PROM. - SG 58/17, IN FORCE FROM 18.07.2017)

§ 76. This Act shall enter into force on the day of its promulgation in the State Gazette.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 63/17, IN FORCE FROM 04.08.2017, AMEND. - SG 92/17)

§ 59. (1) The automatic exchange of information under Art. 143h, para. 10 shall be made with respect to preliminary cross-border tax opinions or preliminary pricing agreements:

1. issued, modified or renewed after December 31, 2016;

2. issued, modified or renewed between January 1, 2014, and December 31, 2016, irrespective of whether they are in force on the date of dispatch of the information;

3. issued, modified or renewed between January 1, 2012, and December 31, 2013, if they were in force on January 1, 2014.

(2) The information under para. 1, items 2 and 3 shall not be exchanged with respect to opinions and agreements issued, modified or renewed before April 1, 2016, for a specific person or group of persons, with a total annual net sales income for the group not exceeding 40 000 000 Euros or their BGN equivalent in the tax year preceding the date of issuance, modification or renewal of the opinions or agreements.

(3) Paragraph 2 shall not apply to persons engaged in financial or investment activity.

(4) The information under para. 1, items 2 and 3 shall be exchanged until December 31, 2017.

(5) Until a legal basis exists for issuing preliminary pricing agreements, the Executive Director of the National Revenue Agency shall exchange information under Art. 143h, para. 10 for such agreements, only receiving information on agreements issued, modified or renewed in another Member State, and Art. 143q, para. 4 and 5 shall not apply.

§ 60. (Amend. - SG 92/17, in force from 01.01.2018) The Executive Director of the National Revenue Agency within 6 months from entry into force of this Act shall determine the procedure for provision of tax and social security information through a telephone service under Art. 73, para. 2, item 6.

§ 61. (1) Until the creation of a Member States' Protected Central Registry for preliminary cross-border tax opinions and preliminary pricing agreements, ensured by the European Commission, the exchange of information under Art. 143h, para. 10 shall be carried out electronically via the CCN network and the applicable practical arrangements.

(2) Where, until the creation of the register under par. 1, information has been received on preliminary cross-border tax opinions and preliminary pricing agreements by a competent authority of another Member State, the Executive Director of the National Revenue Agency shall acknowledge receipt thereof immediately but no later than 7 working days from the date of receipt. Confirmation shall be done electronically, if possible.

§ 62. (1) (Amend. - SG 92/17, in force from 21.11.2017) The first country-by-country report under Art. 143t shall be filed by the Ultimate Parent Entity or by a Surrogate Parent Entity for the tax year of the MNE Group starting on January 1st, 2016, or later this year within the time limit specified in Art. 143t, para. 1.

(2) (Amend. - SG 92/17, in force from 21.11.2017) Where a Reporting Entity is a Constituent Entity, other than the Ultimate Parent Entity or a Surrogate Parent Entity, the first country-by-country report shall be filed for the reporting tax year beginning January 1st, 2017,

or later this year.

(3) (Amend. - SG 92/17, in force from 21.11.2017) For the reporting tax year starting on January 1st, 2016, or later this year, the notifications under Art. 143x shall be submitted by December 31, 2017.

(4) (Amend. - SG 92/17, in force from 21.11.2017) The Executive Director of the National Revenue Agency shall provide the first report per country under para. 1 to the Member States or another jurisdiction under Art. 143s, para. 2, within 18 months from the end of the reporting tax year beginning on January 1st, 2016, or later this year.

(5) The Executive Director of the National Revenue Agency shall issue the order under Art. 143t, para. 3 by October 31, 2017.

§ 63. By January 1st, 2018, the Executive Director of the National Revenue Agency shall provide the European Commission with statistics on the volume of automatic exchange of information and, where possible, information on the administrative and other costs and benefits associated with the exchange, and about the changes that have occurred for the revenue administration or for other persons.

. . . . . .

§ 83. (1) The act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. § 64, which shall enter into force on January 1, 2022;
2. § 68, item 1, which shall enter into force on January 1, 2018;
3. § 68, item 2, which shall enter into force on June 30, 2017;
4. § 69, which shall enter into force on January 1, 2018;
5. § 71, para. 1, which shall enter into force on April 26, 2017;
6. § 6 and 72 - 82, which shall enter into force on January 1, 2018.

(2) (Revoked - SG 92/17, in force from 21.11.2017)

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 92/17, IN FORCE FROM 01.01.2018)

§ 29. (In force from 21.11.2017) (1) The Executive Director of the National Revenue Agency, the Director of the Customs Agency and the Mayors of the Municipalities shall determine the order under Art. 87, para. 12 for requesting and providing the information under Art. 87, para. 11 by January 1st, 2018.

(2) Until the 31st of December, 2018, the municipalities, in which no technical possibility has been made available to provide the information under Art. 87, para. 11 electronically, may provide it in hard copy, for which no fee shall be collected. In this case, the mayor of the municipality shall determine the order under para. 1 by December 31st, 2018.

§ 30. Secondary legislation containing obligation to present a certificate of the existence or absence of obligations by persons shall be brought into compliance with this Act by March 31st, 2018.

§ 31. The Act shall enter into force on January 1st, 2018, except for:

1. paragraphs 1, 4 - 9, § 10, items 2 and 3, § 26 and 29, which shall enter into force

three days after the promulgation of the act in the State Gazette;

2. paragraph 14, items 5 and 6, which shall enter into force on January 1st, 2019.

Transitional and concluding provisions
TO THE ACT SUPPLEMENTING THE ACT ON LIMITATION OF ADMINISTRATIVE REGULATION AND ADMINISTRATIVE CONTROL OVER BUSINESS ACTIVITIES

(PROM. - SG 103/17, IN FORCE FROM 01.01.2018)

§ 68. This Act shall enter into force on January 1st, 2018.

Transitional and concluding provisions
TO THE MARKETS IN FINANCIAL INSTRUMENTS ACT
Transitional and concluding provisions
TO THE FINANCIAL INSTRUMENTS MARKET ACT

(PROM. - 15 OF 2018, IN FORCE FROM 16.02.2018)

§ 42. This Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. Article 222, Para. 1-3, which shall enter into force on 3 September 2019;

2. paragraph 13, item 12, letter a, which shall enter into force on 1 January 2018;

3. paragraph 13, item 12, letter b, which shall enter into force on 21 November 2017;

4. paragraph 17, item 37 concerning Art. 264a and item 39 regarding Art. 273b, which shall enter into force on 1 January 2020.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ADMINISTRATIVE PROCEDURE CODE

(PROM. - SG 77/18, IN FORCE FROM 01.01.2019)

§ 150. (In force from 18.09.2018) The administrative cases, which were created until the promulgation of this Act in the State Gazette under Art. 41, para. 3, Art. 156, para. 1, Art. 160, para. 6, Art. 187, para. 1, Art. 197, para. 2 and Art. 268, para. 1 of the Tax-insurance Procedure Code in the administrative courts shall be completed by the same courts under the previous order.

……..

§ 156. The Act shall enter into force on 1 January 2019, with the exception of:

1. paragraphs 4, 11, 14, 16, 20, 30, 31, 74 and § 105 item 1 on the first sentence, and item 2 which shall enter into force on 10 October 2019;

2. paragraphs 38 and 77, which shall enter into force two months after the promulgation of this Act in the State Gazette;

3. paragraph 79, items 1, 2, 3, 5, 6 and 7, § 150 and 153, which shall enter into force on the day of the promulgation of this Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION ACT

(PROM. -SG 98 OF 2018, IN FORCE FROM 01.01.2019)

§ 42. By the end of 2028, any obligations of municipalities under Art. 162, Para. 2, item 8 and 9 of the Tax-Insurance Procedure Code may be rescheduled or deferred by the competent body which has established the obligation at the request of the respective municipality according to an approved repayment plan for a period of three years. For the period of deferral or rescheduling, statutory interest shall be due.

. . . . . .

§ 70. This Act shall enter into force on 1 January 2019, except for:

1. paragraph 43, item 2 - regarding Art. 4, item 65, item 4, letter "a", item 5, letter “b”, sub-letter “bb”, item 9, item 15, letter “b”, item 31 and item 34; § 64, which shall enter into force on the day of the promulgation of the Act in the State Gazette;

2. paragraph 63, which shall enter into force on 18 November 2018;

3. paragraph 41, item 1, § 43, item 36, § 50, items 1 - 3, item 4, letter “a”, items 5-10, § 52, item 3, § 53, items 1 and 3, and § 65-69, which shall enter into force on 7 January 2019;

4. paragraph 43, item 11 - regarding Art. 47, Para. 4, item 1 and Para. 5, which shall enter into force on 28 January 2019;

5. paragraph 52, items 1, 2, 4 and 5, and § 53, item 2, which shall enter into force on 20 May 2019;

6. paragraph 43, item 22, § 57, item 9, item 11, letter “c”, item 31, items 32 and 37, which shall enter into force on 1 July 2019;

7. paragraph 50, item 4, letters “c” and “d”, which shall enter into force on 1 October 2019;

8. paragraph 39, point 3, letter "b" - concerning Art. 14, Para. 2, which shall enter into force on 1 January 2020;

9. paragraph 43, item 11 - concerning Art. 47, Para. 4, item 2, which shall enter into force on 28 July 2020.

Transitional and concluding provisions TO THE ACT, AMENDING AND SUPPLEMENTING THE TAX SECURITY PROCEDURE CODE

(PROM. – SG, 64/19, IN FORCE FROM 13.08.2019)

§ 17. The judicial proceedings under art. 34, para. 5, Art. 75, para. 2, Art. 147, para. 3 and Art. 156, para. 5, formed in the Administrative Courts by the enforcement of this Act shall be completed in the previous order.

§ 18. (Effective from 01.01.2020) The first year, for which transfer pricing documentation in accordance with Chapter Eight "a" is prepared shall be 2020.

§ 19. The rules of Art. 134a – 134u shall apply to complaints, filed after July 1, 2019, on disputes, related to income or property, relating to tax periods, beginning on or after January 1, 2018.

§ 20. The competent authority under Art. 134b, Para. 3 shall notify the European Commission about the measures taken and the administrative penalties, imposed for breach of the obligation to keep confidential the information, to which the persons have access in the dispute resolution procedure under Art. 134a – 134u, for the purpose of making this information available to Member States.

§ 21. IHE parent undertaking, which is a local person for tax purposes of the Republic of Bulgaria and which, pending the entry into force of this Act, meets the requirement of Art. 143w, Para. 5, does not submit a report on country-by- country under Art. 143f for 2019.

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§ 24. The Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of § 2, § 15, § 16, item 1 and § 18, which shall enter into force on January 1, 2020.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE MARKETS IN FINANCIAL INSTRUMENTS ACT

(PROM. – 83/19, IN FORCE FROM 22.10.2019)

§ 82. This Act shall enter into force on the day of its promulgation in the State Gazette, except for:

1. paragraph 60, which enters into force 6 months after the promulgation of the Act in the State Gazette;

2. paragraph 67, items 6 and 7, which enter into force on the day on which starts to apply the decision of the European Central Bank for close cooperation pursuant to Art. 7 of Council Regulation (EU) № 1024/2013 of 15 October 2013 entrusting the European Central Bank with specific tasks on policies relating to prudential supervision of credit institutions;

3. paragraph 77, which enters into force on 1 November 2019.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION ACT

(PROM. – SG 96/19, IN FORCE FROM 01.01.2020)

§ 45. This Act shall enter into force on January 1, 2020, with the exception of § 30, item 28, letters "a", "b", "c" and "d", item 35, letter "a", sub-letter "dd" and sub-letter "ee" regarding item 96 from the Additional Provisions of the Value Added Tax Act, which shall enter into force three days after the promulgation of this Act in the State Gazette.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 102/19, IN FORCE FROM 01.01.2020, AMEND. AND SUPPL. – SG 69/20)

§ 6. (In force from 01.07.2020, previous text of § 6, amend. - SG 69/20) The consultants, respectively the taxable persons under Art. 143bb, by 28 February 2021, shall submit information on each cross-border tax scheme, the first step of the implementation of which was carried out between 25 June 2018 and 30 June 2020.

(2) (New – SG 69/20) The thirty-day term for providing information under Art. 143aa, Para. 6 and 7 and Art. 143bb, Para. 6 shall run from 1 January 2021 for:

1. cross-border tax schemes submitted for implementation, ready to the extent that allows their implementation, or the first step of implementation of which was carried out between 1 July 2020 and 31 December 2020;

2. help, assistance or consultation with regard to the preparation, marketing, organization, management or provision for application of a cross-border tax scheme, provided by a consultant under Art. 143aa, Para. 7 between 1 July 2020 and 31 December 2020.

(3) (New – SG 69/20) In the cases under Para. 2, item 1, when the tax scheme has standardized content, the information under Art. 143aa, Para. 8 shall be submitted by April 30,

2021.

§ 7. (In force from 01.07.2020, amend. - SG 69/20) The Executive Director of the National Revenue Agency shall provide the competent authorities of the other Member States with the first received information on cross-border tax schemes under Art. 143za by 30 April 2021.

§ 8. (In force from 01.07.2020) Until the creation of a secure central register of Member States for information on cross-border tax schemes, secured by the European Commission, the exchange of information under Art. The 143z shall be done electronically through the CCN network and applicable practical arrangements.

. . . . . .

§ 16. This Act shall enter into force on 1 January 2020, with the exception of § 1 and § 3, 4, 5, 6, 7 and 8, which shall enter into force on 1 July 2020.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE INDEPENDENT FINANCIAL AUDIT ACT

(PROM. - SG 18/20, IN FORCE FROM 28.02.2020)

§ 66. This Act shall enter into force on the day of its promulgation in the State Gazette, except for:

1. paragraph 57, item 2 and § 60, which shall take effect from 1 January 2020;
2. paragraph 57, item 1, which shall enter into force on 1 January 2021.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE MEASURES AND ACTIONS DURING THE STATE OF EMERGENCY DECLARED WITH THE DECISION OF THE NATIONAL ASSEMBLY OF MARCH 13th, 2020

(PROM. - SG 34/20, IN FORCE FROM 09.04.2020)

§ 18. The Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of § 3, item 2 concerning Art. 4, para. 2, which shall enter into force within 7 days of its promulgation.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE GAMBLING ACT

(PROM. – SG 69/20)

§ 93. (1) For the purposes of the automatic exchange of financial information carried out by the order of the Tax-Insurance Procedure Code, for the accounting year 2019, the financial institutions providing information shall provide the data of Art. 142b of the same Code to the Executive Director of the National Revenue Agency by September 30, 2020.

(2) The Executive Director of the National Revenue Agency shall exchange the data under Para. 1 with the competent authorities of the participating jurisdictions by 31 December 2020.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 104/20, IN FORCE FROM 01.01.2021)

§ 94. This Act shall enter into force on January 1, 2021, with the exception of:

1. paragraph 17, § 31, § 59 - 61 and § 68, 69, § 71, item 11, § 88, 89, 91 and 92, which shall enter into force within three days from the promulgation of the Act in the State Gazette;

2. paragraph 39 regarding Art. 154, Para. 2, § 41 regarding Art. 156, Para. 2, § 43 regarding Art. 157a, Para. 4 and § 63, which shall enter into force on 1 April 2021;

3. paragraphs 1 - 9, § 11 - 13, § 15, 16, § 18 - 30, § 32, § 33 - 58, § 62, item 1, letters "a", "e", "f" and item 2, § 64 - 66 and § 67, Para. 1, 2, 3, 12, 13 and 14, which shall enter into force on 1 July 2021;

4. paragraph 71, item 4, which shall enter into force on 1 January 2022.

Transitional and concluding provisions TO THE ACT, AMENDING AND SUPPLEMENTING THE TAX INSURANCE PROCEDURE CODE

(PUBL. – SG, 105/20, IN FORCE FORM 01.01.2021)

§ 71. The Minister of Finance shall bring the Ordinance under Art. 127h of the Tax-Insurance Procedure Code in accordance with this Act, within three months from its entry into force.

§ 72. The Act shall enter into force on January 1, 2021, except for:

1. paragraph 34, which shall enter into force on 1 May 2021;

2. paragraphs 55, 58, 59, 60 and § 69 concerning the creation of Art. 26b of the Act on Measures and Actions during the State of Emergency, declared by a Decision of the National Assembly of March 13, 2020, and for overcoming the consequences, which shall enter into force on the day of its promulgation in the State Gazette;

3. paragraph 69 regarding the creation of Art. 26a of the Act on Measures and Actions during the State of Emergency, declared by a Decision of the National Assembly of March 13, 2020, and on overcoming the consequences, which shall enter into force on December 7, 2020.