# TAX-INSURANCE PROCEDURE CODE

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## Dial 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) When the body, which has begun the proceedings, 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) 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, 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) At change of the circumstances, which determine the territorial competence, the proceedings shall be finished by the body which has begun 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 Law for local taxes and fees.

## 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 Law for protection of the child.
(2) 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. shall require form the controlled persons to declare their bank accounts in the country and in foreign 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) 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. shall require from the controlled persons to declare their bank accounts in the country and in foreign 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.
(3) The control under para 1 and 2 shall be implemented only in objects, in which is implemented 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.
(4) At implementing their authorities under para 1 and 2 regarding attorneys and notaries shall be applied the provisions of the Attorney law and the Law of the notaries and the notarial activity.

Obligations for the participants in the proceedings
Art. 13. The participants in the proceedings shall be obliged to give support and to submit information, under the conditions and by the order of this code, to the body of receivables and to the public executor at the implementation of their authorities under Art. 12, para 1 and 2.

## 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 law 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) The instructions for the unified application of the legislation regarding the taxes or the obligatory insurance contributions, which are obligatory for the bodies of receivables and the public executors, 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 Law 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 third person – a member of body of management or a manager
Art. 19. (1) When a member of body of management or a manager of a liable person under Art. 14, item 1 and 2 hides facts and circumstances, which by law has been obliged to announce before the body of receivables or the public executor and as consequence of that may not be collected obligations for taxes or obligatory insurance contributions, he/she shall be responsible for the uncollected obligation.
(2) A manager or a member of a body of management, which pays unconsciously in kind or in cash from the property of a liable corporate body under Art. 14, item 1 or 2, which present undisclosed distribution of profit or dividend, or expropriates property of the liable person, free of charge or on prices considerably lower than the market ones, as consequence of which the property of the liable person has reduced and for that reason have not been paid taxes or obligatory insurance contributions, he/she shall be responsible to the extent of the made payments, respectively to the extent of the reduction of the property.

Sequence
Art. 20. 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 obligation responsible are the members of the bodies of management or their managers.

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) 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 universal 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) The handing in shall be made by the body of receivable or by another servant.
(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) The announcements may be handed in by sending fax or electronic message at the use of universal electronic signature of the body of receivables.
(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) 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.
(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 Law for the administrative offences and sanctions.

## 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. death of a legal representative of the person – to the establishing of guardianship or trusteeship;
4. filed petition of the subject – one-time, for a definite period, but not more than three months;
5. 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) 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 decisive body. The proceedings shall be stayed by an order which shall be hand in to the interested persons and shall not be a subject of appeal.

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) 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 Law of the National archive fund, 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) The legal successors of the liable persons shall also have the obligations under para 1.

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) 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 territorial directorate 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

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) 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 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 law 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) Verified by a body of receivables printings of data, filed on the base of the law on technical cartridges or by electronic way under the established order, shall be admitted as evidences.
(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.

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.

Assignment of expert examination
Art. 63. (1) 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 decisive body.
(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) The statement shall be signed by the expert and shall be presented to the body of receivables, which has assigned the expert examination, and to the subject.
(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 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 Law for local taxes and fees;
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.

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) the providing of data at the implementation of exchange of information with other states by the force of entered into force international agreements, at which the Republic of Bulgaria is party, or under the conditions of chapter sixteen, section IV, V, VI and Chapter twenty-seven "A".

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) 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 division of the Agency "Customs", the director or the respective public executor of the State Takings Agency, the heads of the State Agency "National Security", the Agency for State Financial Inspection, the Commission for establishing of property acquired from criminal activity, the Chairperson of the Audit Office – 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.
(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) The officials from the inspectorate at the Minister of Finance 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 Ministry.

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) the prosecutor, the preliminary investigator 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) the Minister of the Interiors, the General Secretary of the Ministry of Interiors, the director or National office "Police" – if necessary in connection with implementation of their authorities determined by the law.
(2) (amend. – SG 30, in force from 12.07.2006) The administrative court at the location of the competent body of receivables 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. (1) (amend. - SG 34/06, in force from 01.10.2006) In the cases of deletion of sole entrepreneur from the commercial register as well as at termination of corporate body – trader, transfer of enterprise under art. 15 of the Commercial Law or at transformation by the order of chapter sixteen of the Commercial Law, the trader shall notify the territorial directorate of the National Revenue Agency at the seat of the trader in term not later than 7 days 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 a certificate for the notification 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 law. The certificate under second sentence shall be attached to the application for registration.
(2) The proof for notification of the territorial directorate at the location of the administrative court which implements the entering under para 1, shall be added to the lodged claim before the court and shall be a condition for its consideration.

Notification at suspension of insolvency proceedings
Art. 78. (1) 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 and the State Takings 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.

# Dial 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 a law 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) 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.
(4) (amend. - SG 34/06, in force from 01.10.2006) Entry ex officio of data in the register, except the data from the commercial register, respectively from register BULSTAT 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 Law of the Commercial Register – 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 Law of the Commercial Register.
(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) 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, 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.

# 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) According to the procedure laid down in this Chapter shall also be issued certificates in observance of the rules for coordination of the social security systems.

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 . 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.

Appeal by administrative order
Art. 92. (1) The refusal for issuing a document may be appealed in 14 days term after its announcement before the territorial director.
(2) 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.

(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. The complaint shall be lodged through the body or receivables which has issued or refused the issuing of the document. In 7 days 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) He/she may order the issuing of the requested document or to leave the complaint not granted, for 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) The refusal for issuing a document may be appealed before the administrative court at the location of the territorial directorate 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.

Consideration of the complaint
Art. 96. When the complaint is grounded, the court shall oblige the respective body of receivables to issue the document, without giving instructions about its content.

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 by a law has been provided otherwise.

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) The filing of declarations, documents or data in electronic way shall be implemented by the subject or his/her representative with an universal electronic signature.
(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) The declarations, documents or data, which do not content due electronic signature, identification of the sender, 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.

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) 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, when the obligation has not been paid in term and an audit has not 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) 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.
(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.

## Chapter fiveteen.
## 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.

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.

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. the auditing bodies of 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.

Term for fulfilment of the audit
Art. 114. (1) 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.
(2) (amend. – SG 105/06) If the term under para 1 is insufficient, it may be prolonged up to one month 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) In case during the audit period have been carried out intra-community deliveries, intra-community acquisitions or deliveries with a place of performance on the territory of another Member State of the European Union, the term fixed in para 1 shall be up to 6 months and the one fixed in para 2 - up to two months.
(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 may be prolonged totally up to not more than three years by an order for prolongation of the term of the 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) When the transactions have been implemented with foreign person, it shall be considered that the relations are between related persons, if:
1. the foreign person is registered in a country which is not a member State of the European Union, and in which the due income or corporate tax over the incomes, which the foreign person has realized or shall realize as result of the transactions, is with more than 60 percents lower than the income or

corporate tax in the country, unless the audited person submits evidences, that the foreign person owes tax, which is not an object of preferential regime, or that the foreign person has realized the commodities or has provided the services at the local market;
2. the country, in which is registered the foreign person, refuses or is not in condition to exchange information regarding the implemented transactions or relations, when there is a concluded and enforced international tax agreement.
(4) When the audited person does not fulfil his/her obligations under para 1, 2 and 3, the body of receivables 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 body or receivables shall use and data for stock prices, data indicated in statistic reference books or other issues, which contain specialized price information.
(6) At establishing the circumstances under para 3 the body of receivables 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 body or receivables 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) The audit act shall be issued by the bodies of receivables, indicated in Art. 7, para 1, item 4 from the Law for the National Revenue Agency.

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) After receiving the notification the body which has assigned the audit, shall appoint by an order the competent body of receivables to issue the audit act.

(3) The appointed by the order body shall require the file from the bodies which have made the audit, and in 14 days term after lodging an objection or expiration of the term for lodging and objection:
1. shall issue the audit act, or
2. shall terminate the proceedings by an order, when the establishing of obligations or responsibilities in the concrete proceedings is inadmissible.
(4) The audit act or the order for termination together with the order under para 2 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. the name and the position of the body which issues it;
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) a signature of the revenue body, 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.

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 law 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.
(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.

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 Commercial Law, 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 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) 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. 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 a law 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) The surplus after implementing the deduction shall be returned to the person at a bank account, indicated by him/her. The restoration of sums, related with the application of the Law for local taxes and fees, 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. awarded sums, compensations and made expenses.
(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) In the cases when has been filed a declaration, related with taxation by income or local tax, with indicated in it sum for restoration, as well as and when has been filed a request for restoration on the base of such declaration or a request for restoration of overpaid local taxes, the body or receivables may restore the whole pretended sum of the overpaid tax at a bank account, indicated by the person, or by post record in the cases of restoration of local taxes at the indicated by the person address, as in the payment order or the post record, obligatory shall be indicated the number and the date of the declaration, respectively the request for restoration.
(2) With the verification of the indicated by the person bank 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.

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.
(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) 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, 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 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.

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 Commercial law - 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, â in force from 19.12.2007) When a payer charges to a foreign person incomes from a source in the country with total amount to 100 000 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, â in force from 19.12.2007) In the cases under para 1, when the total extent of the realized incomes exceeds 100 000 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.

## 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) 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 require from the court to disclose a bank secret in the sense of Art. 52 of the Law of the Banks, a secret in the sense of Art. 35, para 1 of the Law on the Markets of Financial Instruments and Art. 133 of the Law of Public Offering of Securities 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.
## Mutual support and information exchange procedure with Member States of the European Union in the sphere of taxes on the income, property and insurance premiums (New – SG 105/06, in force from 01.01.2007)

Scope
Art. 143a. (new – SG 105/06, in force from 01.01.2007) (1) The Executive director of the National Revenue Agency may carry out mutual support and exchange information with the competent authorities of the Member States of the European Union with respect to ascertainment of liabilities for the following taxes in the Republic of Bulgaria:
1. tax on the income of natural persons;
2. final annual (patent) tax;
3. corporate tax;
4. taxes, withheld at source;
5. alternative taxes;
6. property taxes.
(2) This section shall also apply to any substantially similar taxes which are being introduced additionally or in place of the taxes referred to in para 1. The Executive director of the National Revenue Agency shall notify the competent authorities of the Member States and the European Commission of the date of introducing the said taxes.

Types of information exchange
Art. 143b. (new – SG 105/06, in force from 01.01.2007) (1) This section shall regulate the following types of information exchange:
1. exchange upon request;
2. automatic exchange;
3. spontaneous exchange.

Information exchange upon request
Art. 143c. (new – SG 105/06, in force from 01.01.2007) (1) Upon request the Executive director of the National Revenue Agency shall exchange with the competent authorities of the Member States information of significance to ascertainment of liabilities for taxes on the income, property and the insurance premiums.
(2) For the purposes referred to in para 1 the Revenue bodies shall exercise their authorities laid down by this code regarding gathering of information in order to ascertain the liabilities for taxes. Where necessary, the Revenue bodies shall implement audits or inspections.

Automatic information exchange
Art. 143d. (new – SG 105/06, in force from 01.01.2007) By mutual consent with the competent authorities of the Member States the Executive director of the National Revenue Agency shall specify the categories of cases and the terms, under which he/she shall exchange regularly the information under Art. 143c, para 1, without advance request.

Spontaneous information exchange
Art. 143e. (new – SG 105/06, in force from 01.01.2007) (1) The Executive director of the National Revenue Agency shall provide on his/her own initiative information of significance to ascertainment of liabilities for taxes on the income, property and insurance premiums to the competent authority of another Member State, where:
1. there is a ground to presume possible loss of revenue from a tax in the other Member State;
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;
3. the commercial relations between the tax liable person in the Republic of Bulgaria and the tax liable person in the other Member State shall be carried out on the territory of one or more states in such a way as to lead to reduction 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 on the income, property and insurance premiums in the other Member State.
(2) The Executive director of the National Revenue Agency may also exchange with competent authorities of Member States the information referred to in para 1 in other cases.

Term of provision of information
Art. 143f. (new – SG 105/06, in force from 01.01.2007) (1) The Executive director of the National Revenue Agency shall provide the information under Art. 143b to the competent authority of another Member State in the shortest possible term.
(2) Where there are impediments or grounds of refusal to provide the information, the Executive director of the National Revenue Agency shall notify immediately the competent authority of the other Member State of the impediments, respectively the reasons for the refusal.

Actions of the competent authorities within the scope of mutual support
Art. 143g. (new – SG 105/06, in force from 01.01.2007) For the purposes of information exchange under Art. 143b the Executive director of the National Revenue Agency and the competent authority of another Member State may allow by mutual consent officials from the tax administration of one of the Members States to be present in the course of the proceedings for ascertainment of liabilities for taxes on the income, property and insurance premiums in the other Member State.

Simultaneous control
Art. 143h. (new – SG 105/06, in force from 01.01.2007) Where the tax liabilities of one or more tax liable persons are of mutual interest to two or more Member States, the competent authorities of these Member States may implement by mutual consent simultaneous control over the persons within the scope of their competence for the purpose of exchanging the information acquired.

Notification procedure
Art. 143i. (new – SG 105/06, in force from 01.01.2007) (1) Upon request by the competent authority of another Member State and following the procedure laid down in this code, the Revenue bodies shall deliver to the addressee acts and decisions, issued by the tax authorities of another Member State, related to the application of its legislation in the sphere of taxes on the income, property and insurance premiums.
(2) The Executive director of the National Revenue Agency may send to the authorities of another Member State a request for delivering to the addressee acts and decisions, issued by the Revenue bodies, related to the application of its legislation in the sphere of the taxes referred to in Art. 143a.

(3) In the request as per para 2 shall be indicated the subject matter of the act or the decision, which is to be delivered, the name, the address and any other information which may be useful in order the addressee to be identified.
(4) The Executive director of the National Revenue Agency shall immediately notify the competent authority of the other Member State of the date of delivering the act or the decision under para 1 to the addressee.

Refusal to provide information
Art. 143k. (new – SG 105/06, in force from 01.01.2007) The Executive director of the National Revenue Agency shall not be obliged to provide information, in case:
1. according to the legislation or the normal course of administrative practice it is not possible to obtain this information;
2. there is information that the competent authority of the other Member State has not used up the common means for obtaining the requested information in its own country;
3. the information discloses commercial, production or professional secret or a commercial process;
4. its disclosure contradicts the public order;
5. the competent authority of the other Member State may not provide such information under conditions of reciprocity.

Confidentiality and use of the information
Art. 143l. (new – SG 105/06, in force from 01.01.2007) (1) The information, sent by the competent authority of another Member State, which contains specific individualization data concerning persons and subjects as per Art. 72, para 1, shall be considered tax and insurance information within the meaning of this code.
(2) The information under para 1 can only be provided:
1. to persons, directly engaged in ascertainment of liabilities for the taxes referred to in Art. 143a or persons implementing administrative control over the ascertainment;
2. in the course of administrative and judicial proceedings in relation to ascertainment and reassessment of liabilities for the taxes referred to in Art. 143a of persons, directly engaged in the ascertainment or reassessment.
(3) The information referred to in para 1 may only be used for the purposes of ascertainment of liabilities for the taxes under Art. 143a or in the course of administrative and judicial proceedings in relation to ascertainment or reassessment of liabilities for the said taxes.
(4) The information referred to in para 1 may also be used for the purposes of ascertainment of liabilities for value added tax, excise and customs duties.
(5) With the consent of the competent authority, that has provided the information, the Executive director of the National Revenue Agency may redirect it to the competent authority of another Member State. The Executive director of the National Revenue Agency may allow the information, provided by him/her to the competent authority of a Member State to be redirected to the competent authority of another Member State.

## 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)

General principles
Art. 143m. (new – SG 105/06, in force from 01.01.2007) (1) This section shall regulate the information exchange procedure concerning income from savings:
1. paid by a local payer-agent to a natural person, who is owner of the income and a local person of another Member State;
2. paid by local business entity of a payer-agent under Art. 143r.
(2) This section shall also regulate the information exchange procedure between the competent authorities of the Member States.

Information, provided to the Executive director of the National Revenue Agency by the payer-agents

Art. 143n. (new – SG 105/06, in force from 01.01.2007) (1) The local payer-agents shall provide the Executive director of the National Revenue Agency with information about:
1. their name and address;
2. data on the identity of the income holder and the state, where the person is local;
3. number of the bank account of the income holder, and in case the latter does not have such – the debt-claim, regarding which the income from savings are being paid;
4. the amount of the income from savings paid up.
(2) The information referred to in para 1 shall be provided by the 30th April of the year, following the year of the payment of the income, according to a model, approved by an order of the Executive director of the National Revenue Agency and shall include all income from savings, paid up during the respective calendar year.
(3) The Executive director of the National Revenue Agency shall exercise control over the fulfilment of the obligations of the local payer-agents and the local business entities.

Identity of the income holder
Art. 143o. (new – SG 105/06, in force from 01.01.2007) (1) The local payer-agent shall ascertain the identity of the income holder regarding contracts, which have entered into force:
1. prior to the 1st of January 2004, on the basis of name and address according to the information available, including the one, gathered under the terms and by the manner, laid down in the Law for the Measures Against Money Laundering;
2. on or after the 1st of January 2004, on the basis of name, address and tax identification number, issued in the Member State, where the person is local.
(2) In the cases under para 1, item 2 the identity shall be ascertained according to the official identity document. Where the official identity document does not include an address, it shall be ascertained according to another official document. In case the tax identification number is not indicated in the official document, or such does not exist, or there is no information thereof, the identity shall be ascertained by date and place of birth according to the official identity document.
(3) Where a local payer-agent has information showing that the natural person, to whom income from savings is being paid up, is not a holder of the income, the said payer-agent shall undertake actions in order to ascertain the identity of the income holder and the state, where the latter is a local person. In case the payer-agent can not ascertain the identity of the income holder, the natural person shall be considered as income holder.

State, where the income holder is a local person
Art. 143p. (new – SG 105/06, in force from 01.01.2007) (1) For the purposes of this chapter the state, in which is the permanent address of the income holder, shall be considered as a state, where the latter is a local person. The said state shall be determined by the local payer-agent regarding contracts, which have entered into force:
1. prior to the 1st of January 2004, on the basis of the information available, including the one, gathered under the terms and by the manner, laid down in the Law for the Measures Against Money Laundering;
2. on or after the 1st of January 2004, on the basis of the address, indicated in the official identity document; in case the official identity document does not include address, it shall be ascertained according to another official document.
(2) Regardless of para 1, the natural person shall be considered as a local person of third country that is not a Member State, when he/she presents a certificate, issued by an authority of the third country, competent to issue certificates for local persons for tax purposes.

Specific case of payer-agent
Art. 143r. (new – SG 105/06, in force from 01.01.2007) (1) Every unregistered partnership, to which are paid income from savings by a business entity, shall be considered to be a payer-agent from the moment of their receiving, unless the said partnership proves to the business entity that:
1. it is a legal person, except for avoin yhtio (Ay), kommandiittiyhtio (Ky)/oppet bolag or kommanditbolag in Finland and handelsbolag (HB) or kommanditbolag (KB) in Switzerland, or
2. it is being levied with tax according to the rules for profit taxation, or
3. is a collective investment scheme, licensed in a Member State, or

4. the income paid up are not for the benefit of income holder.
(2) For the purposes of this section the unregistered partnership under para 1 may be considered equal to collective investment scheme within the meaning of the Law for Public Offering of Securities, if the said partnership submits a request according to a model to the Executive director of the National Revenue Agency regarding issue of a certificate of equality to collective investment scheme. The certificate shall be issued in two-month term from submitting the request and shall be effective for the respective calendar year.
(3) The unregistered partnership shall provide the business entity, that has issued the income from savings, with the certificate of equality to collective investment scheme, issued by the competent authority of the respective Member State at the first payment of income from savings.
(4) The payer-agent under para 1 shall be considered to have paid the income from savings to the income holder at the moment of receiving the income from the business entity.

Information, provided to the Executive director of the National Revenue Agency by the local business entities
Art. 143s. (new – SG 105/06, in force from 01.01.2007) (1) Local business entity, which pays income from savings to payer-agents under Art. 143r, shall provide the Executive director of the National Revenue Agency with the name, address, and the total amount of the paid income from savings of the payer-agent.
(2) The information under para 1 shall be provided by the 30th of April of the year, following the year of the payment of the income, according to a model, approved by an order of the Executive director of the National Revenue Agency, and shall include all income from savings, paid up in the course of the respective calendar year.

Information exchange between the competent authorities of the Member States regarding the income from savings
Art. 143t. (new – SG 105/06, in force from 01.01.2007) (1) Annually, by the 30th of June the Executive director of the National Revenue Agency shall send the information under Art. 143n and 143s to the competent authorities of the Member States, where the income holders are local persons, respectively on the territory of which the payer-agents under Art. 143r carry out business activity.
(2) The information exchange under para 1 shall be carried out under the terms and by the procedure under Art. 143d and 143l.

Certificate of exemption from tax at the source
Art. 143u. (new – SG 105/06, in force from 01.01.2007) (1) Upon request by the income holder – local person of the Republic of Bulgaria, the Executive director of the National Revenue Agency shall issue a certificate of exemption of the special tax at the source, charged in Austria, Belgium and Luxemburg. The certificate shall be issued in two-month term from submitting the request and shall be valid for the respective calendar year.
(2) The certificate under para 1 shall contain:
1. name, address and unified civil number of the income holder;
2. name and address of the payer-agent;
3. number of the bank account of the income holder, and in case the latter does not have such, the source of the income from savings shall be indicated.
(3) The income holders shall notify on time the Executive director of the National Revenue Agency of each change with respect to the data referred to in para 2.

# Dial 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.

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 decisive 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) The decision under para 1 and 2 may be appealed within 7 days term after its handing in, before the administrative court at the location of the decisive body. 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) Decisive body shall be the respective director of directorate "Appeal and management of the execution" 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 decisive 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 decisive 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 decisive 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 decisive 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 decisive 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 decisive 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 decisive body
Art. 155. (1) The decisive body shall consider the complaint on its merits and shall pronounce by a motivated decision in 45 days term after the receiving of the complaint under Art. 152, para 2, respectively after the elimination of the irregularities under Art. 145 or after the 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 under Art. 152, para 3.
(2) The decisive body may confirm, change or repeal in whole or partially the audit act in the appealed part.
(3) The decisive 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 decisive 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 decisive body have been filed complaints and against audit acts for the responsibility of other persons for obligations, established by the appealed audit act, the decisive 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) The audit act in the part which is not repealed by the decision of Art. 155, may be appealed trough the decisive body before the administrative court at his/her location in 14 days term after the receiving of the decision.
(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 decisive body in the term under Art. 155, para 1 shall be considered a confirmation of the audit act in the appealed part.

(5) 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 decisive body before the administrative court at his/her location.
(6) The decisive 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 decisive 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 decisive 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) Para 3 shall not be applied for the audit acts.
(5) By the court decision may not be changed the act to the prejudice of the appellant.
(6) (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) The decision of the administrative court shall be a subject to cassation appeal by the order of the Administrative procedure code.
(7) (amend. – SG 30, in force from 12.07.2006) A repeal of an entered into force court decision may be required by the order of the Administrative procedure code.

Costs

Art. 161. (1) 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 in the extent to 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 law.
(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.

# Dial 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. 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) 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;
7. upon entered into force penal provisions;
8. interests of the takings under para 1 – 6.
(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.

Order for collection
Art. 163. (1) The public takings shall be collected by the order of this code, unless by a law has been provided for otherwise.
(2) The private state and municipal takings shall be collected by the common order.
(3) The public takings shall be collected by the public executors at the State Takings Agency, unless by a law has been provided otherwise.

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) A copy of the act for establishing of public taking shall be submitted to the State Takings Agency in 7 days term after its handing in.
(3) The public takings shall be claimed by the State Agency Takings before the insolvency court, unless by a law 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 Commercial law 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 Commercial law, unless by a law 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 a law 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) The public executor shall be:
1. servants of the State Takings Agency;
2. bodies of the National Revenue Agency.

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.
(4) The obligations for taxes shall be redeemed by the order of their appearance, and when they concern for one and the same year, the person shall be entitled to declare which one of them shall be redeemed.
(5) (amend. – SG 108/07, â in force from 19.12.2007) After the executive case para 3 and 4 has been initiated, paras 3 and 4 shall not be applied, provided that the public revenue are being redeemed in the following sequence: expenses, principal, interest.

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 a law has been provided for a shorter term.
(2) With the expiration of 10 years prescription term, regarding 1 January of the year which follows the year during which should 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 the obligation has been rescheduled or postponed.

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. The taking shall be written off, when they are redeemed by prescription, as well as in the cases, provided for by a law.

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. on the unpaid advance contribution in the term provided for by the law – till 31 December of the respective year;
3. on the obligations of foreign persons for taxes imposed at the source – from the date of the expiration of the term for their payment regarding the Bulgarian legislation to the day, when the foreign person proves the presence of a ground for application of AADT, at which the Republic of Bulgaria is a party, including the cases when regarding the agreement a tax shall not be owed or shall be owed in lower extent.
(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. (1) The unpaid in the term for voluntary fulfilment obligations for taxes and obligatory insurance contributions, fines and property sanctions, the establishment of which has been assigned to the National Revenue Agency, shall be collected through an execution over the pecuniary funds of the debtor, including in the banks, and his/her takings from third persons. The collection shall be implemented by the public executors of the National Revenue Agency in 6 month term after the expiration of the term for voluntary fulfilment under Art. 182, para 1.
(2) At received payments by the debtor, the public executor of the National Revenue Agency may and after the expiration of the term under para 1 to continue his/her actions till the redemption of the obligation under the conditions and by the order of Art. 229.
(3) If the taking shall not been collected completely in the term under para 1 and are not presented the conditions under para 2, the executive case shall be sent to the public executor of the State Takings Agency.
(4) The securing of the takings under para 1 may be implemented by the public executor at the National Revenue Agency till the sending of the executive case to the public executor at the State Takings Agency for enforcement of the taking.
(5) For the public takings, established by the National Revenue Agency, the public executor of the National Revenue Agency shall exercise the rights of the public creditor under this code.

## Chapter twent and 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 Law for the local taxes and fees 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 Law for the taxes on the income of natural persons, 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) 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, as shall not be applied Art. 182, para 1.
(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) The non-cash payment through a bank shall be made 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) 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.
(7) 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) The entered in the National Revenue Agency contributions shall be transferred into the respective accounts of the state social insurance in the National Social Security Institute, in the cumulative account of the National Health Security Fund and fund "Guaranteed takings of the employees" to the end of every working day.
(2) 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.
(3) (In force from 29.12.2005.) 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) The person who has fulfilled the obligation under Art. 180 may enter the securities on the ground of a certificate for made execution, issued respectively by the executive director of the National Revenue Agency or the executive director of the State Takings Agency, or by a person authorized by them.

(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.

Invitation for voluntary execution
Art. 182. (1) 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 the public executor at the National Revenue Agency, shall send an invitation to the debtor to pay the obligation within 7 days term. For the handing in of the invitation by the body, who has established the taking, shall be applied respectively the provisions of chapter six.
(2) Together with or after the invitation under para 1 the body under para 1 may:
1. notify the debtor on the phone and/or by a visit at place 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 request by the body of the Ministry of Interior:
a) not to be allowed to the debtor or to the members of its controlling or managing bodies to leave the country, as well as not to be issued or to be deprived the issued passports and substituted them documents for crossing the frontiers;
b) 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) In the cases when the obligation has been implemented in term for voluntary execution, the body under para 1 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) At redemption of the obligation or at the submission of a security in extent of the principal and the interests the body under para 1 shall be obliged to require ex officio the termination of the measures under para 2, item 2, letter "a" from the bodies of the Ministry of Interiors or at request of the interested person in 3 days term after the learning.

# Chapter twent and 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. is not formed a negative accountancy financial result from the activity of the enterprise for the previous two years of the year, in which has been filed the request;
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. for the obligations under the Law for value added tax and the Excise law, except for the obligations upon entered into force audit act;
4. regarding the liable persons under Art. 18 for the collected and unpaid in term sums.
(6) The provision of para 5 shall not be applied in the cases under Art. 188 and 189.
(7) Shall not be allowed postponement or deferring of obligatory insurance contributions, except for the cases under Art. 186.
(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. the circumstances under para 2, item 2 and 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 Law for the state support 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) Proposal for postponement or deferring of public takings of the registered agricultural producers and tobacco-growers may be filed and through the Minister of Agriculture and Forests to the respective Minister under para 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) 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 30 000 leva and under the condition, that postponement or deferring is requested up to one year 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.
(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) 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. 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 Law for the state supports, 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) the administrative court at the location of the body under Art. 184, para 1, item 1 and 2;
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 2, 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 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 insolvency proceedings (title amend. – SG 63/06, in force from 04.08.2006)
Art. 189. (1) A redevelopment plan 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) 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 plan or the out-of-court agreement contain more unfavourable 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 Commercial law.
(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 twent and 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) 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 court executor till the fulfilment of the distribution. For this purpose the court executor shall send an announcement to the National Revenue Agency and the State Takings Agency for every instituted by him/her execution and for every distribution.
(3) No later than within 14 days term after the receiving of the announcement under para 2 the National Revenue Agency and the State Takings Agency shall issue certificates, which contain 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.
(4) The court executor shall not be entitled to continue the proceedings before the expiration of the term under para 3.

Actions after the termination of the executive proceedings

Art. 192. 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 State Takings Agency shall transfer them at the account of the court executor.

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.

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) The secured creditor shall be satisfied before the other creditors from the property which secures his/her taking. The due sum to the creditor shall be kept at the account of the State Takings 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.
(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 twent and 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) In the cases of notification by the order of 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 at the National Revenue Agency 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) The ruling for imposing securing measures may be appealed in 7 days term after its handing in before the executive director of the State Takings Agency, respectively before the director of the territorial directorate of the National Revenue Agency at the location of the public executor, 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) The decision of the body under para 1 may be appealed before the administrative court at the location of the public executor, respectively of the territorial directorate, which director has issued it, in 7 days term after its handing in to the appellant and to the public creditor. The non-pronouncement of the decisive 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) The public executor or the court, after considering the objections of the public creditor, may upon a request of the debtor, admit the substitution of one type of security with another equivalent security.
(2) Without the consent of the public creditor the debtor may always substitute the imposed security with cash, irrevocable and unconditional bank guarantee or state securities. The cash guarantee shall be made at the account of the public executor.
(3) In the rest cases the imposed security may be substituted with the consent of the creditor and the public executor through imposing interdict over the real estate or distraint on the movable properties or bank accounts, indicated by the debtor.
(4) In the cases under para 1, 2 and 3 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) 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 Law of registration and control of the agricultural and forestry machinery, an announcement for the imposed distraint shall be sent to the municipality, 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) 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, 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.

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) The distraint on book-entry securities shall be imposed by sending a distraint notification to the Central Depositary, as simultaneously the company shall be notified for that. The Central Depositary shall notify immediately the respective regulated market for 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) The Central Depositary 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) The distraint on a share of a trade company shall be imposed through sending of distraint notification to the company and shall have effect from the date of receiving of the distraint notification. At request of the public executor the distraint shall be entered by the order for entering of the registered pledges on shares of trade companies in the commercial register.
(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) The imposing of interdict on a real estate or a ship 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. For the interdict shall be sent a notification to the Central register of the registered pledges. Registered pledge, entered after the injunction, may not be opposed to the public taking.
(2) For the imposed interdict on a ship shall be sent a notification to Executive Agency "Sea administration" for entering in the respective registers of the ships. 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 notification for the imposed 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) The registry judge 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 decisive 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 twent and 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. a decree for forcible collection, 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. an order for collection of sums under act for deficiency, issued by the bodies of the National Social Security Institute, independently whether it is appealed;
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. the salary, the compensation at salary, the pension or the scholarship – in amount to 250 leva 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. the sums from donation by individuals and corporate bodies, received from persons with durable harms with reduced work ability 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. an execution over takings and pecuniary funds in the banks;
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) Invalid regarding the state, respectively the municipalities, shall be the concluded after the date of 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 Law of obligations and contracts 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 Law of obligations and contracts shall be presumed till the proof of the opposite, if the third person and the debtor are related persons.

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) The joining shall be admitted by an order of the public executor till the preparation of the distribution of the collected sums. The public creditors shall join with written application to the public executor, at which shall be applied an executive ground.
(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) The provisions of para 1 shall not be applied in the cases under Art. 177.

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. for other public obligations, which enter directly in the republic 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) When the public taking is not paid in term, the executive ground shall be sent to the public executor of the State Takings Agency at the permanent address or the seat of the debtor, respectively in the territorial directorate of the National Revenue Agency, for instituting an executive proceedings.
(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) When the obligation has not been fulfilled within 7 days term after the receiving of the invitation under Art. 182, para 1, 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) In the cases when the measures under Art. 182, para 2, item 2 and para 4 are not undertaken by the respective body, the public executor may, if the obligation is in amount over 5000 leva and has not been provided security in the amount of the principal and the interests:
1. request from the bodies of the Ministry of Interiors:
a) to prohibit to the debtor or the members of its controlling or managing bodies to leave the country;
b) not to issue or confiscate the issued passports and the substituting them documents for crossing the state frontier;
2. 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) The public executor shall be obliged to require, within three days term after the knowledge, from the bodies of the Ministry of Interiors a termination of the measures under para 6, item 1, letters "a" and "b" at redemption of the obligation, or providing a security in extent of the principle and the interests, ex officio or at request by the interested person. This provision shall be applied and in the cases, when the measures are requested by the body under Art. 182, para 1 before the sending of the executive case to the public executor.
(8) 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 executive director of the State Takings Agency, 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. in other cases, provided by a law.
(2) The stopping under para 1, item 1 and 2 shall be done on the ground of written evidences, certifying the indicated circumstances.
(3) 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 Law for the inheritance. 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.
(4) 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.
(5) 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.
(6) 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.
(7) 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.

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) 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 by the order under Art. 125 or by the State Takings Agency 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 State Takings Agency may stop the enforcement.
(5) 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 State Takings Agency 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 Commercial law 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. 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; when the payment is in non-cash way, the payment shall be considered made with the entry of the sum at the account, indicated by the public executor;
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 takings of the debtor from banks (title amend. – SG 63/06, in force from 04.08.2006)

Art. 228. (1) 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 immediately after receiving the order.
(2) The bank 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) When the execution is directed on a currency account, the bank in which is the account, 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.
(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 Commercial law 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 Commercial law, 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.

Assessment
Art. 235. (1) The distrained property shall be assessed by its market valued by the public executor. When necessary for the assessment may be involved an assessor upon the list of the State Takings Agency.
(2) 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, 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.

Control assessment
Art. 236. (1) If the debtor or the creditor is dissatisfied with the assessment, he/she may request within 7 days term from the executive director of the State Takings agency the assigning of a new assessment. The director or authorized by him/her official shall appoint an assessor, which assessment shall be final.
(2) When the debtor or the creditor is dissatisfied with the assessment of the real estates and of properties with unit price as new ones more than 20 000 leva, of works of art, Art.s from precious metal and antiquarian Art.s, determined by the public executor, he/she may request within 7 days term a control assessment.
(3) The control assessment under para 2 shall be made by three assessors from the list of the State Takings Agency with knowledge and practice in the respective sphere, one of who shall be appointed by the debtor, one – by the creditor, and one – by the executive director of the State Takings Agency.
(4) In the cases when there is no entered assessor in the list with knowledge in the respective sphere or he/she may not participate in the expert examination, the executive director of the State Takings Agency may assign it and to another specialists from the respective profession.
(5) The conclusion of the assessors shall be accepted with common majority and may be disputed by the debtor or by the creditor by the order of Art. 268.
(6) The remuneration of the assessors shall be determined by the executive director of the State Takings Agency and shall be on the account of those one, who has requested a control assessment.

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 twent and 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) 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 500 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) All the paid sums from the sale shall be entered at definite account. After covering the expenses, the principle and interest of the public taking, the rest shall be returned to the debtor.
(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) The initial sale price of the property or the estate may not be less than the assessment under Art. 235 and 236.
(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) Perishable goods shall be sold with permission of the respective bodies of the State sanitary control and the State veterinary sanitary control. They shall be sold through the commodity exchange, the commodity market-places or the specialized shops.
(2) 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.
(3) The sale of commodities, traded by the commodity exchanges, shall be made through the commodity exchanges.
(4) The sale of foreign currency shall be made through commercial banks.

(5) Animals from the national geno-fund, select seeds and seedlings with guaranteed origin shall be sold with permission of the Minister of the Agriculture and the Forests or authorized by him/her person only to other growers.

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) The notification shall be announced and through its publishing on the places where shall be made the inspection or the sale, and through its publishing at least in one central daily paper. The Agency shall ensure the announcement of the notifications for sale and by Internet.
(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) The movable properties, which initial sale price do not exceed 500 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) The sale shall be made by commodity exchanges, commodity market-places and shops, at which this has been assigned under a contract.
(3) The sale through commodity exchanges, commodity market-places and shops shall be made by the rules established for them, as the relations between them and the public executor shall be settled under a contract at general conditions.

Reduction of the price
Art. 245. (1) 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 90 % of the initial sale price.
(2) 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 80 % of the initial price.
(3) In case that the property shall not be sold in 6 months term after its exposure for sale, it shall be sold at price in extent of 50 % of the initial price.
(4) If after the expiration of 9 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) The ownership shall be transferred to the buyer from the date of the decree. A notarial form shall not be necessary.
(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) On the base of the submitted identity papers 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) The buyer shall pay, within 5 days term after the finishing of the sale, the proposed by him/her price, deducting the paid deposit.
(12) In three days term after the entering of the sum at the indicated account, the public executor shall issue a decree for assignment of the property to the buyer.

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) 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 an announcement for this. If this person does not pay the price either, deducting the paid deposit in 5 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.
(3) A person who is announced as a buyer and does not pay within 5 days term the proposed price, deducting the paid deposit, shall be responsible regarding para 1.
(4) When none of the persons under para 2 and 3 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) The sale price of the property in the new auction shall be determined in extent of 80 % of the initial auction price of the previous auction. At every subsequent auction the sale price shall be reduced with 10 % of the initial sale price, but not less than of 50 %.
(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) When the property is not assigned in the cases under para 3, it shall be released from execution.

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) The proposals 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, address, identification number), signature and seal, when the offeror is obliged to have such one.
(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) data for the offeror – name, unique civil number (name, unified identification code determined by the Registry Agency, unified identification code BULSTAT), address and a certificate of current status;
2. the property for which is made the proposal;
3. the proposed price;
4. (amend. - SG 108/07, in force from 19.12.2007) a document, certifying the paid deposit in extent of 20 % of the initial auction price;
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) 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.
(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) 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 State Takings Agency.

Payment and a decree for assignment
Art. 253. Within 3 days term after the receiving of the sum at the indicated account, the public executor shall issue a decree for assignment of the property to the buyer.

Subsequent buyer
Art. 254. (1) In the case the price is not paid at the indicated account within 5 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.
(2) (amend. – SG 63/06, in force from 04.08.2006) After the expiration of the term under para 1 the public executor shall notify in written the second participant, who has proposed the next highest price. 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 5 days term after the notification, it shall be considered that he/she has refused to buy the property.
(3) 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.
(4) A participant who does not pay within 5 days term after the notification, shall be considered, that he/she has refused to buy the property and shall be responsible regarding para 1.
(5) (suppl. - SG 108/07, in force from 19.12.2007) 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.
(6) The sale price of the property at the new auction shall be determined in extent of 80 % of the initial auction price of the previous auction. At every subsequent auction the sale price shall be reduced with 10 % of the initial sale price, but not less than 50 %.
(7) 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.
(8) When the property is not assigned in the cases under para 7, it shall be released from execution.

Remitting sums to the debtor
Art. 255. (amend. – SG 63/06, in force from 04.08.2006) 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 State Takings 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) 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 National 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) The property may be sold and in whole, if in the term under para 1 the rest of the co-owners express written consent.
(5) The assessment of the property shall be announced and to the co-owner non-debtor, who may request a new assessment by the order of Art. 236, para 1.
(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) A transfer of the ownership on motor vehicles shall be made after submitting a written declaration by the transferor, that he/she has no outstanding, subject to enforcement obligations for taxes, duties, obligatory insurance contributions or other public obligations, related to the motor vehicle.
(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 twent and seven.
## PROTECTION AGAINST ENFORCEMENT

Appeal
Art. 266. (1) The actions of the public executor may be appealed by the debtor or by the third liable person before the executive director of the State Takings Agency, respectively before the territorial director at the territorial directorate of the National Revenue Agency 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 decisive body shall consider the complaint on the base of the data upon the file and the submitted by the parties evidences.
(2) The decisive 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) 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 location of the public executor, whose action shall be appealed, 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 twent and seven.
# "A" MUTUAL SUPPORT 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) (1) The Minister of Finance or a person, authorised by him/her can carry out mutual support with the competent authorities of the Member State of the European Union at collecting public receivables for:
1. restoration, interventions and other measures, being part of the complete or partial funding from the European Agriculture Guidance and Guarantee Fund, including the sums, which are subject to collecting in relation to these actions;
2. fees on the sugar;
3. import and export customs duties;
4. value added tax;
5. excise on:
a) tobacco products;
b) alcohol and alcoholic beverages;
c) energy products and electric power;
6. taxes on income and property;
7. taxes on insurance premiums, as well as all identical or substantially similar taxes which are being introduced additionally or in place of these taxes;
8. proprietary sanctions and administrative penalties – fines, related to the receivables under items 1 through 7;
9. interest and expenses, related to the receivables under items 1 through 8.
(2) The receivables, collected upon request for mutual support, shall not enjoy the privileges, laid down in the Bulgarian legislation with respect to such receivables, which have occurred on the territory of the state.
(3) The actions related to securing and collecting the public receivables under para 1 at carrying out mutual support shall be performed by public executives at the Agency for State Takings under the terms and following the procedure of this code.

Terms and a procedure of mutual support
Art. 269b. (New – SG 105/06, in force from 01.01.2007) (1) The mutual support at collecting the receivables under Art. 269a, para 1 shall be carried out by means of request for:
1. information;
2. notification;
3. collecting receivables;
4. security measures.
(2) The request for mutual support may refer to:
1. the debtor;
2. any third person in charge of fulfilment of the obligation;
3. any third person holding property – ownership of the persons under para 1 or 2.
(3) Request for mutual support may be drawn up both with regards to one and several receivables, on the condition that the debtor thereof is one and the same person.
(4) Request for mutual support shall not be drawn up if the total amount of the receivable is less than the equivalence of 1500 euro in BGN.
(5) The request for mutual support shall be drawn up according to a model, approved by an order of the Minister of Finance, and shall also be sent by electronic means, if possible. In case the request may

not be sent by electronic means, it shall be signed by a person, authorised by the requesting body and shall be sealed.
(6) The requests for mutual support and the attachments thereto shall be accompanied by a translation in the official language or in one of the official languages of the state of the authority, being requested, unless the latter exempts the requesting body from its obligation for translation.
(7) In seven-days term from receiving the request for mutual support the authority, being requested, shall confirm its receipt in writing.
(8) The authority, being requested, shall inform immediately the requesting body of the actions undertaken with regards to the request for mutual support.
(9) Where the actions with regards to the request for mutual support may not be carried out completely or partially within a reasonable term, the authority, being requested, shall inform the requesting body, also pointing out the reasons thereof.
(10) In any case the requested authority shall inform the requesting body of the result of the actions undertaken with respect to the request for mutual support in six-months term from the date of the confirmation under para 7.
(11) In two-month term from receiving the information from the requested authority about the result of the actions undertaken regarding the request for mutual support, the requesting body may send a written request for continuation of the actions. The request shall be considered as integral part of the initial one and the same rules shall be applied thereto.
(12) The requesting body may withdraw in writing the sent request for mutual support at any time.
(13) With respect to carrying out mutual support shall be exercised powers, laid down in the national legislation of the state of the authority, being requested, at collecting such receivables, which have occurred on the territory of the said state.
(14) The requested authority shall not be obliged to render mutual support if by the moment of sending the initial request the five-year term from the date of issuing the executive ground has expired. In the event of appeal of the receivable or the executive ground, the said term shall start from the date of their coming into effect.
(15) The refusal of the requested authority to render mutual support shall be written and motivated and shall be sent in three-month term from the date of receiving the request. The requested authority shall also notify the European commission of its motivated refusal.

Information exchange
Art. 269c. (New – SG 105/06, in force from 01.01.2007) (1) The information relating to carrying out mutual support shall be exchanged in written form in the official language of the state of the authority, being requested, or in another language, agreed between the requested and the requesting body. The information shall be provided by electronic means, if possible, except for the request for:
1. notification and the act or the decision, which are to be delivered;
2. collecting or for security measures and the executive ground.
(2) The requested and the requesting body may also agree upon exchange by electronic means of the documents as per para 1, items 1 and 2.
(3) The information, which the requesting body obtains from the requested authority of another Member State, containing specific individualization data about persons and subjects as per Art. 72, para 1, shall be considered tax and insurance information within the meaning of this code. The said information may be used with respect to judicial or administrative proceedings, initiated with the purpose of collecting the receivables referred to in Art. 269a, para 1.
(4) The information may be provided by the competent authority only to:
1. the person, being indicated in the request for mutual support;
2. the persons and the bodies in charge for collecting the receivables, only for this purpose;
3. the court authorities, considering matters, related to collecting receivables.
(5) Annually by the 15th of March the Minister of Finance or a person, authorised by him/her shall send to the European Commission by electronic means, if possible, information concerning the number of the sent and received requests under Art. 269b, para 1, items 1 through 3, the amount of the respective receivables and the sums collected, according to a model, approved by the said Minister.

Statutory limitation

Art. 269d. (New – SG 105/06, in force from 01.01.2007) (1) With regards to the statutory limitation of the receivables, the legislation of the state of the requesting body shall be applied.
(2) The actions of compulsory execution, undertaken with respect to request for mutual support by the authority, being requested, with which the statutory limitation is being suspended or interrupted according to the legislation of the state of the requesting body, shall be considered carried out in the said state.

Expenses
Art. 269e. (New – SG 105/06, in force from 01.01.2007) (1) The expenses made by the requested authority upon request for mutual support, shall not be subject to restoration by the state of the requesting body.
(2) The state of the requesting body shall restore all expenses, made as a result of actions, undertaken by the requested authority, which have proved to be ungrounded due to the fact that the receivable does not exist or the executive ground is invalid.

## Section II.
## Requests for mutual support (New - SG 105/06, in force from 01.01.2007)

Request for information
Art. 269f. (New – SG 105/06, in force from 01.01.2007) (1) The request for information shall refer to the provision of facts and circumstances of importance to collecting the receivables under Art. 269a, para 1.
(2) Immediately after receiving the request for information, the requested authority shall require from the requesting body provision of additional information, if necessary.
(3) The requested authority shall send to the requesting body any gathered piece of information immediately.
(4) The requested authority shall not be obliged to provide information, in case:
1. it is not possible to obtain this information for the purposes of collecting such receivables, occurred on the territory of the state;
2. the information discloses commercial, production or professional secret;
3. its disclosure threatens the national security or contradicts the public order.
(5) The refusal of provision of information by the requested authority shall be in writing and motivated, the respective ground under para 4 being indicated and it shall be sent in three-month term from the date of confirmation that the request has been received.

Request for notification
Art. 269g. (New – SG 105/06, in force from 01.01.2007) (1) The request for notification shall refer to the delivering of all acts and decisions, including judicial ones, related to receivable under Art. 269a, para 1 and/or to the collecting thereof. The acts and the decisions shall be delivered to all natural and legal persons, indicated in the legislation of the state of the requesting body.
(2) In the request for notification shall also be specified the procedure for appealing the receivable or for collecting such according to the legislation of the state of the requesting body, as far as it is not indicated in the act and the decision.
(3) The request for notification shall be drawn up in two copies and the act or the decision shall be attached in two copies, which shall be delivered.
(4) The requested body may require additional information, on the condition that the term for delivering the decision or the act, indicated in the request is observed.
(5) The requested body shall notify immediately the requesting body of the date of delivering the act or the decision, provided that it returns one of the copies of the request with filled in certificate on the back.
(6) With respect to the request for notification Art. 269b, para 10 and 11 shall not apply.

Request for collecting a receivable
Art. 269h. (New – SG 105/06, in force from 01.01.2007) (1) The request for collecting a receivable shall not refer to compulsory execution of receivables under Art. 269a, para 1, regarding which

executive ground is present. In case the executive ground is issued for several receivables to one debtor, these receivables shall be considered as one.
(2) The executive ground, issued in another Member State, shall be considered as an executive ground within the meaning of this code.
(3) A request for collecting a receivable shall be drawn up only in case the receivable and/or the executive ground are not being appealed and the compulsory execution proceedings on the territory of the requesting body can not lead to the complete collection of the receivable. Attached to the request shall be a declaration, certifying the fulfilment of these requirements.

Request for security measures
Art. 269i. (New – SG 105/06, in force from 01.01.2007) The request for security measures shall be motivated and shall refer to imposing security measures for a receivable under Art. 269a, para 1, regarding which an executive ground is present.

Terms and procedure for collecting public receivables and imposing security measures
Art. 269k. (New – SG 105/06, in force from 01.01.2007) (1) In the requests under Art. 269h and 269i the Bulgarian requesting body shall specify the amount of the receivable in BGN and in the currency of the state of the requested authority, provided that shall be applied the exchange rate, announced by the Bulgarian National bank for the date, on which the request is sent.
(2) To the requests shall be attached a copy or a certified copy of the executive ground, and, where necessary – also an original or a certified copy of other documents.
(3) In seven-days term from receiving a request under Art. 269h or 269i the requested authority shall require in writing from the requesting body to supplement the request, in case it does not meet the relevant requirements under paras 1 and 2 of Art. 269b, para 5 and Art. 269h, para 3.
(4) The information under Art. 269b, para 10 shall be submitted at the end of every six-month period from the date of confirmation that the request as per Art. 269h or 269i is received.
(5) The requesting body shall send immediately to the requested authority any new piece of useful information, related to collecting and securing the receivable.
(6) The requested authority shall not be obliged to provide mutual support upon a request under Art. 269h or 169i in the event that the activities undertaken in fulfilment of the request with respect to the situation of the debtor could lead to serious economic or social disturbances in the state of the requested authority, if the national legislation of the said state provides for such measures with regards to similar receivables, which have occurred on its territory. Art. 269b, para 15 shall be applied with respect to the refusal.
(7) The requesting body shall immediately inform in writing the requested authority in case the receivables and/or the executive ground are being appealed before the authorities and following the procedure of the legislation of the state of the requesting body.
(8) In the cases referred to in para 7 the compulsory execution proceedings shall be suspended till the respective authority pronounces with a decision and security measures can be imposed, if the legislation of the state of the requested authority allows that with respect to such receivables, which have occurred on the territory thereof.
(9) Paragraph 8 shall not be applied, in case the requesting body has requested explicitly the requested authority to continue the compulsory execution proceedings despite the appealing.
(10) In case the receivable and/or the executive ground is confirmed, the compulsory execution proceedings shall be reopened, provided that the decision is considered as an executive ground.
(11) In the event that the receivable and/or the executive ground is not confirmed, the compulsory execution proceedings shall be terminated. In such a case the requesting body shall restore the sums collected according to the legislation of the state of the requested authority in two-month term from receiving motivated request from the requested authority.
(12) In case the amount of the receivable changes, the requesting body shall immediately inform in writing the requested authority thereof. If the change leads to increase of the amount of the receivable, the requesting body shall send to the requested authority an additional request for collecting or for imposing security measures in the shortest term possible. The changed amount of the receivable shall

be transformed into the currency of the state of the requested authority according to the exchange rate in the initial request.
(13) In the event that the actions undertaken with regards to the compulsory execution, respectively to imposing security measures regarding the initial request have been carried out, the additional request under para 12 shall be considered as a new one.
(14) Where the amount of the receivable is reduced, the compulsory execution, respectively – the imposing of security measures shall continue for the remainder of the receivable. In case a sum is collected, exceeding the remaining amount of the receivable, which sum has not been transferred to the requesting authority, the sum taken in excess shall be returned to the debtor.
(15) In case the request under Art. 269h or 269i becomes pointless due to redemption of the receivable or another reason, the requesting body shall immediately inform in writing the requested authority to terminate the respective proceedings.

Interest
Art. 269l. (New – SG 105/06, in force from 01.01.2007) From the date of confirming the receipt of the request for collecting, interest shall be due according to the national legislation of the state of the requested authority.

Deferring and stretching out
Art. 269m. (New – SG 105/06, in force from 01.01.2007) Deferring and stretching out of the receivable may be implemented under the terms and following the procedure of the legislation of the state of the requested authority with the consent of the requesting body. For the period of deferring and stretching out interest shall be due.

Transferring sums
Art. 269n. (New – SG 105/06, in force from 01.01.2007) (1) In one month term all collected sums, including the interest, collected by the manner of this chapter, shall be transferred through a bank to the requesting body in the national currency of the state of the requested authority.
(2) The requesting and the requested body may agree upon different rules for transferring sums, the amount of which is less than 1500 euro.
(3) Except for the interest, the receivable shall be considered collected proportionally to the sum collected in the national currency of the state of the requested authority according to the exchange rate, indicated in the request.

Appeal
Art. 269o. (New – SG 105/06, in force from 01.01.2007) 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.

Expenses
Art. 269p. (New – SG 105/06, in force from 01.01.2007) (1) The expenses related to collecting or securing the receivable shall be borne by the debtor and shall remain in favour of the authority, that made them.
(2) In case the collecting of receivables creates serious difficulties, the expenses related to the collecting are in particularly large in size or it is connected with the fight with the organised crime, the requesting and the requested body or persons authorised by them may agree upon special terms and procedure for restoration of the expenses relating to each individual case.
(3) In the cases referred to in para 2 the requested authority shall send a motivated request in writing for restoration of the expenses made.
(4) In seven-days term from receiving the request referred to in para 3 the requesting body shall confirm the receipt thereof in writing.

(5) In two-month term from the date of the confirmation under para 4 the requesting body shall notify the requested authority of the consent or the refusal of restoration of the expenses.
(6) If the requesting and the requested body do not reach agreement on the terms and the procedure for restoration of the expenses, the requested authority shall continue the proceedings for the collecting thereof.

# Dial five.
# ADMINISTRATIVE PENAL PROVISIONS

## Chapter twent and 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. 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 250 leva to 500 leva for the physical persons, and for the sole entrepreneurs and the corporate bodies – with a property sanction in the same extent. At repeated violation the sanction shall be a fine or a property sanction in extent from 500 to 1000 leva.

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. Who does not submit the declaration under Art. 124, para 3 in the established 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.

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 for provision of information
Art. 278. (New – SG 105/06, in force from 01.01.2007) (1) A person, who does not provide the information under Art. 143n and/or 143s within the term laid down in Art. 143n, para 2 and Art. 143s, para 2 respectively, shall be punished with a fine – regarding the natural persons, or with property sanction – regarding legal persons and sole entrepreneurs, in extent of up to 2000.
(2) A person, who does not present or presents incorrectly data or circumstances in the information referred to in Art. 143n and/or 143s, shall be punished with a fine – regarding the natural persons, or with property sanction – regarding legal persons and sole entrepreneurs, in extent of up to 1000.
(3) In case of repeated offence the penalty shall be a fine – regarding the natural persons, or a property sanction – regarding legal persons and sole entrepreneurs, in extent of up to 3000 – for offence under para 1, and up to 2 000 levs – for offence under para 2.
(4) The fine or the property sanction under para 2 shall not be imposed for not indicating tax identification number, date and place of birth of the income holder regarding contracts, which have entered into force between the 1st of January 2004 and the 31st of December 2006 inclusive, provided that the payer-agent has undertaken in good faith all actions necessary for ascertainment of the said data.

## Chapter twent and nine.
## PROCEEDINGS OF ESTABLISHING THE OFFENCES AND IMPOSING THE SANCTIONS

Establishing the offences and imposing the sanctions

Art. 279. (1) 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/her, respectively the executive director of the State Takings Agency.
(2) In the cases when the offence is committed by a body or a servant of the National Revenue Agency or the State Takings 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 Law for the administrative offences and sanctions.

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 Law of the administrative offences and sanctions 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) 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;
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.
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 Commercial law;
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. "Transfer prices" shall be present, when in the trade or the financial relations between related persons have been accepted or imposed conditions, different from these, which shall be accepted between independent persons, and which cause influence on the amount of their profits or incomes.
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) "Competent authority" within the meaning of Division two, chapter sixteen, section V shall be an authority, empowered by a Member State of the European Union to carry out mutual support and to exchange information concerning the ascertainment of liabilities for the taxes on the income, property and the insurance premiums. In the Republic of Bulgaria competent authority shall be the Executive director of the National Revenue agency.

13. (New – SG 105/06, in force from 01.01.2007) "Income holder" within the meaning of Division two, chapter sixteen, section VI shall be any natural person, to whom is being paid income from savings by a payer-agent, unless with respect to the income paid up, the said person:
1. acts as a payer-agent under item 15, or
2. acts for the account of:
a) a legal person, or
b) unregistered partnership, being levied with a tax according to the rules for profit taxation in conformity with the legislation of the state, where the said partnership is a local person, or
c) collective investment scheme, licensed in a Member State, or
d) payer-agent under Art. 143r, in case the person provides a business entity with the name and the address of the payer-agent, or
e) the income holder, in case the person the payer-agent with the name and the address of the income holder.
14. (New – SG 105/06, in force from 01.01.2007) "Business entity" within the meaning of Division two, chapter sixteen, section VI shall be any person, who pays income from savings to a payer-agent at carrying out business activity. A business entity carrying out business activity on the territory of the state shall be considered as local business entity.
15. (New – SG 105/06, in force from 01.01.2007) "Payer-agent" within the meaning of Division two, chapter sixteen, section VI shall be any business entity, who directly pays up income from savings to the income holder, including in his/her capacity as an intermediary at the payment of the income. A payer-agent, who is a local person, a certain centre or a place of business activity on the territory of the Republic of Bulgaria, shall be considered as local payer-agent.
16. (New – SG 105/06, in force from 01.01.2007) "Income from savings" within the meaning of Division two, chapter sixteen, section VI shall be:
a) income, paid up or verified to an account, related to any type of debt-claim, regardless whether the receivables are secured or have a clause for participation in the profit of the debtor, including interest on deposits, income from state securities, bonds, non-secured bonds, as well as premiums and profits, related to them; the sanctions for late payments shall not be regarded as income from savings;
b) income, derived or capitalized at sale, restoration or purchase of the debt-claims under letter "a";
c) income, ensuing from income from savings, allocated directly or by payer-agent under Art. 143r from:
aa) collective investment scheme, licensed in a Member State;
bb) payer-agent under Art. 143r, who has exercised his/her right to be considered equal to collective investment scheme;
cc) investment company, settled in a third country;
d) (amend. - SG 108/07, in force from 19.12.2007) income derived at sale, restoration or purchase of stocks and shares in persons under letters "b", sub-letters "aa", "bb", "cc", on the condition that these persons invest directly or indirectly via persons under letters "c", sub-letters "aa", "bb", "cc", more than 40 percent of their assets in debt-claims under letter "a"; the part of the assets shall be assessed according to the investment policy, indicated in the prospectus of the investment company, and if it is not possible – by means of the real part of the person's assets.
The whole income shall be considered income from savings, where in the cases referred to in item 16, letters "c" and "d" the payer-agent has no information what part of the income has been derived as income from savings.
In the cases referred to in item 16, letter "d" where the payer-agent has no information about the percentage of the assets, invested in debt-claims or in stocks and shares, shall be reckoned that the said percentage exceeds 40 %. In the event that the payer-agent can not specify the amount of the income, carried out by the recipient, shall be considered that this is the income, received at the sale, the restoration or the purchase of the stocks or shares.
Considered as income shall be the total amount of the income, where the payer-agent can not calculate the acquired income due to lack of information about the price, at which the debt-claim under item 16 letter "b" is obtained, respectively stock or share in the persons under item 16, letter "d".
The income referred to in item 16, letters "c" and "d" shall not be considered income from savings, if the persons, paying them, invest less than 15 percent of their assets in debt-claims under item 16 letter "a".

17. (New – SG 105/06, in force from 01.01.2007) "Competent authority" within the meaning of Division two, chapter sixteen, section VI shall be an authority, empowered by a Member State of the European Union to exchange information concerning the income from savings, paid up to income holders – local persons of other Member States. In the Republic of Bulgaria competent authority shall be the Executive director of the National Revenue agency.
18. (New – SG 105/06, in force from 01.01.2007) "Requesting body" within the meaning of Division four, chapter twenty-seven "a" shall be the competent authority of a Member State of the European Union, that sends requests for mutual support at collecting receivables under art. 269a, para 1.
19. (New – SG 105/06, in force from 01.01.2007) "Requested authority" within the meaning of Division four, chapter twenty-seven "a" shall be the competent authority of a Member State of the European Union, that receives requests for mutual support at collecting receivables under art. 269a, para 1.
20. (New – SG 105/06, in force from 01.01.2007) "Transmission by electronic means " within the meaning of 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) "Rules for coordination of social security systems" shall be the rules, introduced by Regulation (EEC) No 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, Council Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community.

§ 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 Law of register BULSTAT.

## Temporary and concluding provisions

§ 3. the Tax procedure code (prom. SG 103/30 Nov 1999, amend. SG 29/7 Apr 2000 – Decision ¹ 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 Law for the health insurance, 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 Law for value added tax.
(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 Law for the state property.
(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 Law for the civil servant 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 Law of the Civil Servant shall not be applied if the candidates are in labour legal relationship with Agency "Customs" and with National Revenue Agency.
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§ 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".

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The code was passed by the 40th National Assembly on December 21, 2005 and is affixed with the official seal of the National Assembly.

## Temporary 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 "Law of the administrative procedure" and "Law for 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

## Temporary and concluding provisions TO THE LAW OF THE COMMERCIAL REGISTER

(PROM. – SG 34/06, IN FORCE FROM 01.10.2006)

§ 56. This law 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 law in State Gazette.

## Temporary and concluding provisions
## TO THE LAW OF THE CREDIT INSTITUTIONS

(PROM. – SG 59/06)
§ 36. This law 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, ite 2, which shall enter into force from the day of the promulgation of the law in the State Gazette.

## Temporary and concluding provisions
## TO THE LAW FOR THE VALUE ADDED TAX

(PROM. – SG 63/2006)
§ 26. This law 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 law in the State Gazette.

## Temporary and concluding provisions
## ÒÎ THE LAW FOR PUBLICITY OF THE PROPERTY OF PERSONS OCCUPYING HIGH STATE POSITIONS

(PROM. – SG 73/06)
§ 10. The law shall enter into force from 1st of January 2007.

## Temporary and concluding provisions
## ÒÎ THE STATE AID LAW

(PROM. – SG 86/06, IN FORCE FROM 01.01.2007)
§ 11. The law 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.

## Temporary and concluding provisions
## ÒÎ THE LAW FOR THE TAXES ON THE INCOME OF NATURAL PERSONS

(PROM. – SG 95/06, IN FORCE FROM 01.01.2007)
§ 21. The law 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 law in State Gazette.

## Temporary and concluding provisions
## TO THE LAW FOR AMENDMENT AND SUPPLEMENT OF THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 105/06; amend. – SG 108/07, in force from 19.12.2007)

§ 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 Law of the Commercial Register, 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 Law of the Commercial Register.

§ 19. (In force from 01.07.2007) (1) Till the 31st of December 2010 and on the condition that in Kingdom of Belgium, Republic of Austria or in the Grand Duchy of Luxembourg the special tax at the source on the income from savings is still charged, the following emissions of obligations and other debt securities shall not be deemed as debt-claims under § 1, item 16, letter "a" of the Additional provisions;
1. all emissions, where the first emission date of the obligations and the other debt securities is prior to the 1st of March 2001 or the initial prospectus for primary public offering have acquired a confirmation before the 1st of March 2001 from the respective authority in a Member State or in a third country, and the last emission date is prior to the 1st of March 2002;
2. the emissions of securities, other than state securities or such, being issued by legal entities according to the Appendix before the 1st of March 2002, where after this date subsequent emissions are made and the first emission date of the obligations and the other debt securities is before the 1st of March 2001 or the initial prospectus for primary offering have acquired approval prior to the 1st of March 2001 from the respective authority in a Member State or in a third country.
(2) On the condition that in Kingdom of Belgium, Republic of Austria or in the Grand Duchy of Luxembourg the special tax at the source over the income from savings after the 31st of December 2010 is still charged, up to the moment when the said tax is revoked, shall not be considered as debt-claims under § 1, item 16, letter "a" of the Additional provisions the obligations and other debt securities under item 16, letter "a", which simultaneously meet the following conditions:
1. contain a clause for retention of the gross amount of the income and discharge ahead of schedule;
2. the payer-agent is a local person of Kingdom of Belgium, Republic of Austria or in the Grand Duchy of Luxembourg and pays up income from savings directly for the benefit of the income holder – local person of the Republic of Bulgaria.

## Temporary and concluding provisions TO THE LAW ON AMENDMENT AND SUPPLEMENTATION OF THE LAW ON DEFENCE AND ARMED FORCES OF THE REPUBLIC OF BULGARIA

(PROM. - SG 46/07, IN FORCE FROM 01.01.2008)
§ 77. This Law 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.

## Temporary and concluding provisions TO THE LAW ON THE MARKETS OF FINANCIAL INSTRUMENTS

(PROM. - 52/07, IN FORCE FROM 01.11.2007)
§ 27. (1) This Law 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 Law in the State Gazette.
(2) Paragraph 7, Item 6, 7 and 8 shall apply by 1 November 2007.

## Temporary 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.