

**THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY  
BULGARIA**

**ARTICLE 9**

**Management of Public Finances**

**BULGARIA (FOURTEENTH MEETING)**

Input by the Commission for Anti-Corruption and Illegal Assets Forfeiture (CACIAF) of  
the Republic of Bulgaria

- Measures to increase trust in supreme audit institutions, anti-corruption bodies and state and public institutions in general;

The Commission for Anti-Corruption and Illegal Assets Forfeiture (CACIAF) implements a number of measures to increase trust in the institution by publishing on its website up-to-date information on the decisions taken by it related to conflicts of interest, forfeiture of illegally acquired property, prevention and counteraction to corruption. It also provides access to the declarations of the property and interests of the individuals holding senior public positions, as well as the results of the inspections of the declarations.

The CACIAF reports on its activity by annually submitting a report to the National Assembly, the President and the Council of Ministers. The report is also published on the Commission's website.

On the website of the CACIAF, an Internet Reception has been created, through which it is possible to electronically submit inquiries on the implementation of the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act (CCUAAFA), as well as providing summarized information on frequently asked questions.

Also, the website of the Commission maintains the functionality developed for electronic reporting of corruption or conflict of interest, on the basis of Art. 47 and Art. 48 of the CCUAAFA.

- Measures taken to strengthen national, regional and international coordination and cooperation between the bodies involved in the prevention of and fight against corruption;

In December 2021, a Cooperation Agreement was signed between the European Prosecutor's Office and the CACIAF. The Agreement aims to speed up the process of cooperation and exchange of information, within the established powers of the two institutions. In addition to criminal proceedings, interaction also takes place in the confiscation of illegally acquired property. The European Prosecutor's Office notifies the CACIAF through its Chairman of any charge raised, which, according to the CACIAF, requires the initiation of a property inspection. The bodies of the Commission can also be entrusted with actions on the imposition of garnishments and foreclosures, as well as on the management of the secured property. The two institutions have the opportunity to conduct joint trainings in order to enhance the training of prosecutors and Commission employees.

The Commission continues cooperation with international organizations and networks with which very good contacts and interaction have been established over the years: Interpol, Europol, KARIN, BAMIN, ALEFA, ARINSA, RRAG, Eurojust, Egmont Group, Regional Anti-Corruption Initiative (RAI), GRECO, GRETA, European Partners Against Corruption (EPAC), European Network of Contact Points Against Corruption (EACN), Network of Corruption Prevention Authorities - NCPA, Network for Integrity; the European Network of Integrity and Whistleblowing Authorities (NEIWA).

In December 2022, the CACIAF officially joined the International Association of Anti-Corruption Agencies (IAACA). The association was established in 2006 and plays an important role in the fight against corruption. It is an independent, supra-political, anti-corruption organization made up of institutions responsible for investigating, prosecuting and preventing corruption worldwide, with more than a hundred countries as members.

For the period 2018-2020, the CACIAF has concluded 24 memorandums and cooperation agreements with state bodies, local self-government bodies, non-governmental organizations, business representatives, as well as with international organizations.

- Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other state bodies operating in the field of combating corruption, including for advisory purposes;  
The information is listed in the above answer.
- Measures taken to promote transparency, including by publishing the findings of the two bodies - the anti-corruption bodies and the supreme audit institutions;

In order to ensure publicity and transparency in the work of the CACIAF and the decisions taken by it, the following information is promptly published and updated on the official website ([www.caciacf.bg](http://www.caciacf.bg)):

- Decisions on the coordination of draft laws prepared by the bodies of the executive power, regarding the presence of corruption risk;
- Decisions to establish a conflict of interest and effective court decisions to establish a conflict of interest;
- Decisions on court cases for confiscation of property;
- Definitions for termination of legal proceedings;
- Reports on the analysis of anti-corruption plans of primary and secondary budget managers and reports on their implementation;
- Reports on follow-up analysis of the impact of draft laws that have passed the conciliation procedure.
- News of the Commission's activities, representing public interest.

Through its website, the CACIAF gives access to the Register of persons holding senior public positions, which contains their declarations of property and interests. The register shows information regarding the submission of declarations of property and interests by the obliged persons within the statutory period or beyond it, as well as the results of the complete verification of the declared data with an indication of the cases in which the verification was concluded with a finding of non-compliance. The purpose of the Register is to ensure publicity and transparency of the property and income of persons holding senior public positions.

A systematized summary of the main judicial practice under Chapter Eight Conflict of Interest of the Civil Code and on procedural issues in court proceedings is also publicly available.

Information about the activity carried out by the CACIAF can also be obtained under the Law on Access to Public Information. Internal rules for the organization and procedure for providing access to public information are in force at the CACIAF.

- Measures taken to increase the capacity of supreme audit institutions and develop the skills of their members and employees to prevent and fight corruption, including through training, education and knowledge exchange;

In order to increase the institutional capacity, annually CACIAF approves an Annual Training Plan, which covers training for professional and service development of the employees of the Commission's administration.

- Reports prepared by supreme audit institutions, national legislative bodies or anti-corruption bodies;

Pursuant to Art. 18 of the CCUAAFA, the Commission annually submits a report on its activities to the National Assembly, the President and the Council of Ministers. It summarizes the results of the work of the Commission and its administration in the main areas of activity, reports the implementation of national priorities and commitments at the international level, and presents statistical data in a comparative plan, with analysis and comparison for a three-year period. The priorities for the next period are outlined.

The reported results in the activity of the CACIAF reflect the key developments during the respective year in relation to the prevention and counteraction of corruption, conflict of interests, the acceptance, verification and analysis of the declarations of property and interests of the persons under Art. 6 of the law, confiscation and management of illegally acquired property. At the same time, the report also provides information regarding the financial, economic and administrative activities of the Commission, the meetings held and the decisions adopted, the international cooperation and partnership interactions of the CACIAF.

In addition, the report contains information about the initiatives taken by the CACIAF to strengthen the capacity of the institution, increase transparency and accountability in work, confirm the principles of electronic management, increase the integrity of employees and strengthen interaction and cooperation between institutions.

- Internal policies, practices or requirements for periodic assessment of legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;

The CACIAF approves every bill prepared by the bodies of the executive power regarding the presence of corruption risk and, in case of identified deficiencies in the legal norms, makes proposals for anti-corruption measures.

- Structures or institutions responsible for evaluating relevant legal instruments and administrative measures with a view to determining their adequacy for preventing and fighting corruption;
- Processes for periodic assessment of relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;

Completion of an annual report containing a follow-up analysis of the impact of bills that have passed the conciliation procedure, in which the effect of the anti-corruption measures taken by the CACIAF is analyzed. Requirements regarding the frequency of these assessments.

## **BULGARIA (THIRD MEETING)**

### **Subparagraph 2 (a) of article 9**

2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to **promote transparency and accountability in the management of public finances**. Such measures shall encompass, inter alia:

(a) **Procedures for the adoption of the national budget;**

*Has your country adopted and implemented the measures described above? (Check one answer)*

**(Y) Yes**

According to the Bulgarian Constitution, the National assembly of the Republic of Bulgaria adopts the state budget and the report on its execution. The Draftlaw on the state budget is prepared and presented to the budget and the report on its execution. The Draftlaw on the state budget is prepared and presented to the parliament by the Council of Ministers (CoM). The draft is to be discussed and adopted on two votes, which are conducted in separate hearings and in accordance with the Rules for the organization of the activities of the National assembly.

The procedure for adoption of the Law on the state budget is regulated by the Law on the structure of the state budget. The Minister of finance is responsible for preparing the final draft and is proposing it to the Council of Ministers, accompanied by a motivated report, consolidated fiscal program and program formats of the budget of the first level spending units. The Council of Ministers is discussing the draft and is entitled to adopt changes in it, except for the budgets of the judiciary and the Audit office. According to the Constitution independent are the budgets of the Parliament, the judiciary and the municipalities. Nevertheless the CoM is entitled to access their draft budgets and to make statements on them. The final term for presenting the draft state budget before the parliament is two months before the beginning of the respective budget year.

On yearly basis in the decision of the CoM for the budget procedure different mechanisms are foreseen for raising the transparency and involvement of the civil society in its adoption. At the final stage of the budget procedure a hearing is held by the National council of threelateral consultations (composed of state bodies, trade unions and

business representatives). After the draft law on budget for the respective year has been presented to the National assembly it is to be examined by the special Budget Committee to the parliament. There additional amendments, verifications and clarifications could be made. By discussing the draft in plenary the parliament is hearing the Minister of finance and the statement of the Budget Committee.

The state budget is adopted by law, which is including separate budgets and their basic incomes and expenses, transfers etc.

The structure of the municipality budgets is determined by the Law on the municipality budgets and those budgets are adopted by the respective municipality councils.

In case, the law on budget has not been adopted up to the beginning of the respective budget year the incomes and expences are further made in accordance to the existing provisions and are to be made in an amount not higher than the amount foreseen in the budget law for the preceeding year.

One month after the adoption of the law on the state budget for the respective year the CoM adopts an Ordinance for its execution, whereby the concrete values and indicators of the budgets of the state bodies and budget organizations are determined. The first level spending units are obliged to present their budgets before the Minister of finance within one month after the adoption of this Ordinance by the CoM. The Ministry of finance is then assessing their legality and the dissemination into 3-months periods and could order the removal of any breaches. The CoM is leading the execution of the state budget.

According to the Constitution the National Assembly is appointing an Audit office, which is committing control activities on the execution of the state budget.

In compliance with the provision of art. 109 of Ordinance of the CoM Nr.367/29.12.2011 te Minister f finance is presenting information on the execution of the state budget for every three months period. On the web page of the MoF the following reports are published and could be accessed: monthly and yearly reports on the compliance with the state budget rules and a report on the execution of the consolidated fiscal programm to the date of the 30th June of every year.

The yearly financial statements of the first level spending units are to be audited and approved by the Audit office. The Audit office is also auditing the state owned companies under art. 62, para 3 of the Commercial Law and other trade companies with over 50 % state or municipality share in their capital.

#### **Subparagraph 2 (b) of article 9**

2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to **promote transparency and accountability in the management of public finances**. Such measures shall encompass, inter alia:

...

(b) **Timely reporting** on revenue and expenditure;

*Has your country adopted and implemented the measures described above? (Check one answer)*

**(Y) Yes**

The legal framework, determining the principles of accountability, transparency and reporting on revenue and expenditure is as follows:

*2012 State Budget of the Republic of Bulgaria Act*

*§ 26. (1) The budgetary organisations shall publish information from their annual financial statements in the internet in accordance with a procedure, manner and deadlines set by the Minister of Finance in co-ordination with the Chairman of the National Audit Office.*

*(2) The information referred to in paragraph 1 from the annual financial statements audited by the National Audit Office shall be also published in the internet site of the latter together with the audit report and/or audit opinion of the National Audit Office pursuant to Article 53 of the National Audit Office Act.*

The basic principles of the accounting system of the budget fundet companies are clearly established by art. 5a of the Accountancy Act.

*Accountancy Act*

*Article 5a*

*(New, SG No. 96/2004)*

*(1) For budget funded enterprises, the Minister of Finance shall approve accounting standards and a chart of accounts that comply with:*

- 1. EU requirements for public sector reporting, statistics and budgeting;*
- 2. the accounting framework, principles and concepts of the Guidebook on Methods for Public Financial Statistics issued by the International Monetary Fund;*
- 3. public sector International Accounting Standards of the International Federation of Accountants;*
- 4. requirements of Bulgarian law concerning budgeting, reporting implementation of the consolidated fiscal programme and management and control of funds and expenditure in budget funded enterprises.*

*(2) The standards and chart of accounts referred to in paragraph (1), and the methodology guidance for their application shall be developed and updated by the*



*Ministry of Finance. In case of updates, budget funded enterprises shall be notified within reasonable time.*

*(3) On any matter not dealt with the standards and chart of accounts referred to in paragraph (1), budget funded enterprises may apply the provisions of standards applicable to other enterprises, following a procedure to be determined by the Minister of Finance.*

*(4) (Amended, SG No. 99/2011, effective 1.01.2012) The standards referred to in paragraph (1) shall be promulgated in the State Gazette and published on the internet site of the Ministry of Finance. The chart of accounts referred to in paragraph (1) and the methodology guidance referred to in paragraph (2) shall be published on the internet site of the Ministry of Finance.*

*(5) (New, SG No. 99/2011, effective 1.01.2012) With an order, coordinated with the president of the National Statistical Institute, the Minister of Finance can determine that enterprises that are not budget-funded enterprises in the meaning of § 1, item 1 of the Additional Provisions, shall implement the standards and chart of accounts referred to in paragraph (1), as well as the methodology guidance referred to in paragraph (2), when these enterprises are within the "General Government" sector and are not commercial companies.*

*(6) (New, SG No. 99/2011, effective 1.01.2012) The order referred to in paragraph (5) shall be promulgated in the State Gazette and shall be published on the internet site of the Ministry of Finance and the National Statistical Institute.*

#### *Article 37*

*(Supplemented, SG No. 96/2004, amended, SG No. 105/2006)*

*(1) Enterprises shall draw up their annual financial statements by 31 March of the following year.*

*(2) An enterprise (parent company) shall draw up consolidated financial statements where:*

*1. it controls more than half of the voting rights of shareholders or partners in another enterprise (controlled enterprise), including under a contractual relation, provided that it is a shareholder or partner in that enterprise;*

*2. it has the right to appoint or release more than half of the members of the managing and/or supervisory body of another enterprise (controlled enterprise), including under a contractual relation, provided that it is a shareholder or partner in that enterprise;*

*3. it has the right to manage the financial and operations policies of another enterprise under a contractual relation;*

*4. it is a shareholder or partner holding 20 per cent or more of the voting rights in another enterprise (controlled enterprise) and solely through the exercise of such rights it has appointed more than half of the members of the managing and/or supervisory body of the controlled enterprise which operated during the reporting period, during the previous reporting period and until the date of preparing the consolidated financial statements; no consolidated financial statements as referred to in the first sentence shall be drawn up where the rights specified in items (1 - 3) with respect of the controlled enterprise are held by another enterprise.*

*(3) In establishing the rights of the parent company for the purposes of paragraph (2), items (1), (2) and (4), the voting rights and the rights to appoint or release held by the subsidiary in the parent company or by a party acting on its own behalf but for the account of the parent company or of any subsidiary in the group, shall be added to the rights of the parent company.*

*(4) In establishing the rights of the parent company for the purposes of paragraph (2), items (1), (2) and (4), the following shall not be taken into account:*

*1. voting rights attaching to shares held for the account of any party different from the parent company or any of its subsidiaries;*

*2. voting rights attaching to shares received as security, where the enterprise which put up such security exercises those rights.*

*(5) For the purposes of paragraph (2), items (1) and (4), the total number of voting rights in the controlled enterprise held by all shareholders or partners shall be reduced by the voting rights attaching to shares or stock held by that controlled enterprise and/or by any of its subsidiaries, and/or by any party acting on its own behalf but for the account of such enterprises.*

*(6) The parent company and its subsidiaries shall be subject to consolidation regardless of where the registered addresses of subsidiaries are located.*

*(7) Consolidated financial statements shall be prepared only by companies which are parent companies.*

*(8) For budget-funded enterprises, the procedure, method and time periods for preparing and presenting financial statements shall be established by the Minister of Finance.*

#### **Subparagraph 2 (c) of article 9**

**2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:**

...

(c) A system of accounting and auditing standards and related oversight;

*Has your country adopted and implemented the measures described above? (Check one answer)*

**(Y) Yes**

The Accountancy act is regulating the accountancy standards in Bulgaria. With regard to the budget companies unified rules for accountancy exist, based on the unified budget classification and the Unified Bill Scheme for the budget enterprises. In Bulgaria the Treasury Single Account is applied, where the financial flows of the central government are collected and distributed. The payments are to be made through an electronic budget payment system within the preliminary determined payment limits and by committing of a control of the financial flows.

In addition, the common rules and requirements for accountant activities, set forth in art.9 of the Accountancy act, as well as the common rules and order for keeping the accountancy documentation, set forth in Chapter 6 (Keeping of Accountancy information) of this law are applicable also with regard to the budget enterprises.

The Law of the State Financial Inspection provides the objectives, the principles and the scope of the activity of state financial inspection as well as the status and the functions of the Public Financial Inspection Agency.

The Public Financial Inspection Agency (PFIA) is an administration body under the minister of finance. The basic objectives, of the Public Financial Inspection Agency are to protect the public financial interest through implementing of follow up financial inspections for observing the normative acts providing the budget, financial-economic or accounting activity of organizations and persons in the scope of its activity. PFIA is the institution of realizing sanctioning function after uncovering of breaches - reveal caused damages and bringing to administrative punitive and proprietary responsibility of the guilty persons upon existence of the respective lawful grounds. The fundamental activity principles are lawfulness, objectivity, ex officio principle and confidentiality.

Under the provisions of Law for the Independent Financial Audit, the registered auditors are required to comply with the International Audit Standards (ISA). In ISA 240 "*The auditor's responsibility to consider fraud in an audit of financial statements*", the procedures and approaches to conduct of auditors in cases of financial frauds are described in detail.

The Audit Office is auditing all the state owned companies in Bulgaria. The entire scope of audit activities of the Audit office is set forth in art.6 of the Law on the Audit office.

### *Law on the Audit office*

*Article 6. (1) The National Audit Office shall audit:*

- 1. the state budget;*
- 2. the budget of the public social security scheme;*
- 3. the budget of the National Health Insurance Fund;*
- 4. the budgets of municipalities;*
- 5. other budgets adopted by the National Assembly.*

*(2) The National Audit Office shall also audit:*

- 1. the budgets and extra-budgetary accounts and funds of spenders of budget appropriations under the budgets referred to in paragraph (1) and the management of their property;*
- 2. the autonomous budgets of the Bulgarian Academy of Sciences, state higher education schools, the Bulgarian National Radio and the Bulgarian National Television;*
- 3. the budgetary and extra-budgetary funds granted to entities engaged in business activities;*
- 4. any resources coming from European Union funds and programmes, including their management by the relevant authorities and by the end users of such resources;*
- 5. the budget expenditure of the Bulgarian National Bank (BNB) and the management thereof;*
- 6. the formulation of any annual surplus of income over the expenditure of the BNB that is payable into the state budget, and any other dealings of the Bank with the state budget;*
- 7. the origination and management of the government debt, the government guaranteed debt, the municipal debt and the utilisation of the debt instruments;*
- 8. the privatisation and the granting of concession of state and municipal property, as well as the public funds and public assets placed at the disposal of parties outside the public sector;*
- 9. the execution of international agreements, treaties, conventions or other international instruments, where so provided for in the respective international instrument or assigned by an empowered authority;*

10. other public resources, assets and activities, where so assigned by law.

(3) The National Audit Office shall carry out audits of:

1. state enterprises referred to in Article 62, paragraph (3) of the Commerce Act.
2. commercial companies with over 50% participation of the state and/or municipalities in the capital;
3. legal entities having liabilities for which the state is the guarantor or liabilities guaranteed with state and/or municipal property.

(4) The National Audit Office shall carry out audits of the management and disposal of public assets and liabilities regardless of the grounds for this management and disposal and the legal situation of the individuals or entities performing it.

(5) The National Audit Office shall prepare reports containing opinions on the implementation of the state budget, the budget of the public social security scheme, the budget of the National Health Insurance Fund and on the budgetary expenditure of the BNB and submit these reports to the National Assembly.

### 30. Subparagraph 2 (d) of article 9

2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to **promote transparency and accountability in the management of public finances**. Such measures shall encompass, inter alia:

...

(d) **Effective and efficient systems of risk management** and internal control; and  
*Has your country adopted and implemented the measures described above? (Check one answer)*

(Y) Yes

*Please cite, summarize and attach the applicable policy(ies) or measure(s):*

**Please attach the text(s)**

**Please cite the text(s)**

The Republic of Bulgaria complies with this provision through its Law on the Public Sector Internal Audit.

According to this law the internal audit shall be an independent and objective activity for providing assurance and consulting services designed to add value and improve the activities of the organisation (art.3).

Every head of organisation is responsible for the setting up and operation of adequate and efficient financial management and control systems and this activity is supported by internal audit.

The internal audit assists the organisation in the achievement of its goals by applying a systematic and disciplined approach to evaluate and improve efficiency of risk management, control and management processes.

Article 4 of the cited law prescribes that the Internal audit is performed in accordance with the internal audit standards, the code of ethics of internal auditors (approved by the Minister of Finance) and in compliance with the following principles:

1. Independence and objectivity;
2. Competence and due professional care;
3. Integrity and confidentiality.

According to the law (Article 9) Internal audit under its provisions shall be performed at:

1. Organisations spending funds from the state budget;
2. Organisations spending extra-budgetary funds;
3. Organisations spending funds from municipal budgets and funds;
4. Organisations spending independent and/or autonomous budgets, including the National Social Security Institute and the National Health Insurance Fund;
5. Organisations spending funds guaranteed by the Republic of Bulgaria;
6. Organisations spending funds from European Union funds and programmes;
7. Commercial companies referred to in Article 61 of the Commerce Act and state-owned enterprises in the meaning of Article 62, paragraph 3 of the Commerce Act.
8. Other organisations spending public funds by virtue of their statute.

Internal audit planning is carried out on the basis of risk assessment and is to be set out in a three-year strategic plan, on the basis of which an annual internal audit activity plan is developed. The Minister of Finance is responsible for the coordination and harmonisation of internal audit in the organisations. On proposal by the Minister of Finance, the Council of Ministers adopts standards for internal audit in the public sector in line with the International Standards for Internal Auditing. The Minister of Finance is further responsible for the development and updating of a strategy and common methodology for internal audit in the public sector and for auditing EU programmes and funds, including manuals and guidelines for development of Internal Audit Unit Charters. The Minister of

Finance performs systematic monitoring of the implementation of the law and the by-laws issued in connection with it in the ministries and municipalities, with a view to updating and further development of the methodology. The heads of the organisations are obliged to provide support in the course of this systematic monitoring.

### 31. Subparagraph 2 (e) of article 9

2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to **promote transparency and accountability in the management of public finances**. Such measures shall encompass, inter alia:

...  
(e) Where appropriate, **corrective action in the case of failure to comply with the requirements** established in this paragraph.

*Has your country adopted and implemented the measures described above? (Check one answer)*

**(Y) Yes**

All the perviously cited laws under this provision contain administrative-punituative sanctions for not fulfilling their provisions.

Chapter 7 of the Accountancy act (Administrative-punituative provisions) is foreseeing measures for non-compliance with the provisions of this law. More precisely in cases of deliberate destruction of accountancy documentation earlier than the term, foreseen in the Accountancy act, art. 47, para. 4 of the same should apply. By non-compliance with art. 47, para4 and chapter 7 of the law administrative punishments and fines are provided for the respective persons.

*Accountancy act*

*Article 47*

*(1) (Amended, SG No. 105/2006) Whoever should fail to comply with the requirements set in Article 22 on taking inventory within the time limits prescribed by the law shall be penalised by a fine ranging from BGN 200 to 500; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 500 to 1,500. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.*

*(2) (Amended, SG No. 105/2006, supplemented, SG No. 69/2008) Whoever should fail to comply with the requirements set in Article 23, paragraph (1) on drawing up financial statements, or with those set in Article 23, paragraph (2), shall be penalised by a fine ranging from BGN 500 to 1,000; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 2,000 to 3,000.*

(3) (Amended, SG No. 105/2006, SG No. 50/2008, amended, SG No. 34/2011, effective 3.05.2011) Whoever should fail to comply with the requirements set in Article 40 or in § 9a of the Transitional and Final Provisions on publishing the instruments referred to in Article 40, Paragraphs 1 - 3, shall be penalised by a fine ranging from BGN 500 to 2,000; a pecuniary sanction ranging from BGN 500 to 3,000 shall be imposed to legal persons and sole traders. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.

(4) Whoever should fail to comply with the requirements on safekeeping accounting information as set in Chapter Six of this Act shall be penalised by a fine ranging from BGN 1,000 to 2,500; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 2,000 to 5,000. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.

(5) (Amended, SG No. 105/2006) A person who/which draws financial statements without meeting the requirements to a drawer of financial statements shall be penalised with a fine or pecuniary sanction ranging from BGN 1,500 to 3,000. Where a violation has been committed for a second time, the pecuniary sanction in a doubled amount shall be imposed.

(6) (Amended SG No. 91/2002) Any enterprise having contracted the performance of an independent audit by a person operating as a registered auditor without having been registered following the procedures specified in the Independent Financial Audit Act shall be imposed a pecuniary sanction ranging from BGN 2,000 to 10,000. Where a violation has been made for a second time, the sanction shall be in the range from BGN 15,000 to 30,000.

### **Paragraph 3 of article 9**

3. Each State Party shall take such civil and administrative **measures** as may be necessary, in accordance with the fundamental principles of its domestic law, to **preserve the integrity of accounting books, records, financial statements or other documents** related to public expenditure and revenue and to prevent the falsification of such documents.

*Has your country adopted and implemented the measures described above? (Check one answer)*

**(Y) Yes**

See the answer under point 32 with regard to art.9, para.2, letter "e".

In addition find below the provisions of chapter 7 of the Accountancy law:

*Chapter Seven*

**ADMINISTRATIVE PENAL PROVISIONS**



#### *Article 46*

*(1) Whoever should fail to fulfill an obligation arising from this Act, shall be penalised with a fine ranging from BGN 100 to 300; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 300 to 500.*

*(2) Where a violation has been made for a second time, a fine or pecuniary sanction in a doubled amount shall be imposed.*

#### *Article 47*

*(1) (Amended, SG No. 105/2006) Whoever should fail to comply with the requirements set in Article 22 on taking inventory within the time limits prescribed by the law shall be penalised by a fine ranging from BGN 200 to 500; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 500 to 1,500. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.*

*(2) (Amended, SG No. 105/2006, supplemented, SG No. 69/2008) Whoever should fail to comply with the requirements set in Article 23, paragraph (1) on drawing up financial statements, or with those set in Article 23, paragraph (2), shall be penalised by a fine ranging from BGN 500 to 1,000; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 2,000 to 3,000.*

*(3) (Amended, SG No. 105/2006, SG No. 50/2008, amended, SG No. 34/2011, effective 3.05.2011) Whoever should fail to comply with the requirements set in Article 40 or in § 9a of the Transitional and Final Provisions on publishing the instruments referred to in Article 40, Paragraphs 1 - 3, shall be penalised by a fine ranging from BGN 500 to 2,000; a pecuniary sanction ranging from BGN 500 to 3,000 shall be imposed to legal persons and sole traders. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.*

*(4) Whoever should fail to comply with the requirements on safekeeping accounting information as set in Chapter Six of this Act shall be penalised by a fine ranging from BGN 1,000 to 2,500; legal persons and sole traders shall be imposed a pecuniary sanction ranging from BGN 2,000 to 5,000. Where a violation has been made for a second time, a sanction in a doubled amount shall be imposed.*

*(5) (Amended, SG No. 105/2006) A person who/which draws financial statements without meeting the requirements to a drawer of financial statements shall be penalised with a fine or pecuniary sanction ranging from BGN 1,500 to 3,000. Where a violation has been committed for a second time, the pecuniary sanction in a doubled amount shall be imposed.*

*(6) (Amended SG No. 91/2002) Any enterprise having contracted the performance of an independent audit by a person operating as a registered auditor without having been*

*registered following the procedures specified in the Independent Financial Audit Act shall be imposed a pecuniary sanction ranging from BGN 2,000 to 10,000. Where a violation has been made for a second time, the sanction shall be in the range from BGN 15,000 to 30,000.*

*Article 48*

*(1) (Amended, SG No. 105/2005, SG No. 33/2006) Protocols attesting to administrative offences shall be produced by the authorities of the National Revenue Agency and the Public Financial Inspection Agency.*

*(2) Penalty warrants shall be issued by the Minister of Finance or by officials authorised by him/her.*

*(3) The drawing up of protocols, the issuance, appeal and execution of penalty warrants shall be done under the procedure set up in the Administrative Violations and Sanctions Act .*

*1. be responsible for the coordination and interaction with the European Commission and Council of the European Union in the harmonization of Bulgarian accounting legislation with the EU accounting directives;*

*2. draft opinions and methodological guidelines on the implementation of this Act and the National Financial Reporting Standards for Small and Medium-sized Enterprises;*

*3. undertake measures for the development and improvement of accounting.*