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Comments:

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II. Preventive measures

7. Public sector

9. Paragraph 1 (a) of article 7

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen **systems for the recruitment, hiring, retention, promotion and retirement of civil servants** and, where appropriate, other non-elected **public officials**:

(a) That are based on principles of **efficiency, transparency and objective criteria** such as merit, equity and aptitude;

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 cite the text(s)

Bulgaria complies with this provision through the Law on the public officials. It prescribes the system of recruitment, hiring, retention, promotion and retirement of civil servants. They are based on efficiency, objectivity and transparency.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to ensure that recruitment, hiring, retention, promotion and retirement of civil servants and, where appropriate, other non-elected public officials are based on efficiency, transparency and objective criteria?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

The efficiency of the respective laws is assessed when they are amended and/or supplemented. The respective ministries or working groups, established for the amendment of a given act are responsible for analyzing the efficiency of the law and to undertake measures for its improvement.

10. Paragraph 1 (b) of article 7

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen **systems for the recruitment, hiring, retention, promotion and retirement of civil servants** and, where appropriate, other non-elected public officials:

...

(b) That include adequate **procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption** and the **rotation**, where appropriate, of such individuals to other positions;

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 summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

See the answer under point 9 with regard to article 7, letter "a" .
In addition, the Institute for public administration (IPA) is providing for specialised trainings to public officials in the anticorruption field, which is also included in the training under the Career and Professional Growth Programmes of the 2011 Catalogue. The module presents the international treaties to which Bulgaria is a party in this particular field.

The purpose of the training is:

- to familiarise participants with the progress in international co-operation in combating bribery of foreign public officials: actions taken by the UN, the World Bank, the OECD, the International Monetary Fund, the World Trade Organisation, the Organisation of American States, the Council of Europe and the European Union;
- to present the legal terms "public official", "foreign public official", "bribery", "foreign country", "act or refrain from acting in relation to the performance of official duties" within the meaning given by the OECD Antibribery Convention;
- to present the basic provisions of the Anticorruption Conventions regulating the responsibility of legal persons, sanctions, statute of limitations, money laundering, accounting, mutual legal assistance, monitoring and follow-up.

In 2011, 1 258 civil servants in the administration of the executive branch of the government, charged with control functions and with the application of the Conflict of Interest Prevention and Disclosure Act, internal auditors in the public sector and control authorities under special laws (Ministry of Interior Act, Customs Act, Spatial Development Act etc.) went through training in the module and enhanced their knowledge and skills in applying the OECD Convention.

Please attach the text(s)

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to establish procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and the rotation of such individuals to other positions?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

11. Paragraph 1 (c) of article 7

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen **systems for the recruitment, hiring, retention, promotion and retirement of civil servants** and, where appropriate, other non-elected public officials:

...

(c) That promote **adequate remuneration** and **equitable pay scales**, taking into account the level of economic development of the State Party;

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 cite the text(s)

The sublaws dealing with the issues of remuneration and the pay scales for civil servants in Bulgaria are currently under revision. Once the new rules are adopted we will provide them to the WG on prevention.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review (e.g., official inquiries, fact-finding efforts, reports, reforms, pay-scale changes, public hearings, outreach efforts, etc. at national, sub-national or sector level)

Have you ever assessed the effectiveness of the measures adopted to promote adequate remuneration and equitable pay scales for civil servants and, where appropriate, other non-elected public officials?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

12. Paragraph 1 (d) of article 7

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen **systems for the recruitment, hiring, retention, promotion and retirement of civil servants** and, where appropriate, other non-elected public officials:

...

(d) That promote **education** and **training programmes** to enable them to meet the requirements for the correct, honourable and proper performance of public functions and that provide them with **specialized** and **appropriate training** to enhance their **awareness of the risks of corruption** inherent in the performance of their functions. Such programmes may make reference to **codes or standards of conduct** in applicable areas;

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

(Y) Yes

Please cite, summarize and attach the applicable programme(s)

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

Such trainings are provided by the Institut on public administration. See the answer above under point 10 (art.7 c)

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If available, please provide details of training sessions and seminars, including the annual number of staff in attendance

Have you ever assessed the effectiveness of the measures adopted to comply with the provision under review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

13. Paragraph 2 of article 7

2. Each State Party shall also consider adopting appropriate **legislative and administrative measures**, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to prescribe **criteria concerning candidature** for and **election to public office**.

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

(Y) Yes

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

Please cite the text(s)

The Law on civil servants is applicable to the candidates for public office. See the text of the law, attached under point 9 (art.7a).

The Law on Prevention and Ascertainment of Conflict of Interest (LPACI) (Title amended, SG No. 97/2010, effective from 10.12.2010), adopted by the 40th National Assembly in year 2008 also contains some incompatibilities for taking public office.

This Act determines the rules for the prevention and ascertainment of conflict of interest of public office

holders, the category "public office holder", the legal definition of "conflict of interest", "private interest" and "benefit" and stipulates the sanctions for violations of the prohibitions of the act.

The act provides the incompatibilities for taking public office (**art. 7, point 3 of the Convention**), system for prevention of conflict of interest (**art.7, point 4 of the Convention**), system of declarations for conflict of interest (**art. 8, point 5 of the Convention**).

In 2010 CIPAA was amended and supplemented with a new Chapter 5 "a". By that amendment of the act **the Commission for Prevention and Ascertainment of Conflict of Interest (CPACI)** was established. The new chapter of the act determines the activities of the Commission for Prevention and Ascertainment of Conflict of Interest /the Commission/as an independent standing body. The Commission consists of five members, of whom three members elected by the National Assembly shall elect, one appointed by the President and one elected by a decision of the Council of Ministers and appointed by an order of the Prime Minister. The term of office of the Chairperson and the members of the Commission is five years, and they are limited to two full successive terms of office. The organisation and operation of the Commission is determined by rules, adopted by the Commission and promulgated in the State Gazette. Annually, the Commission shall file a report on the activity performed before the National Assembly not later than the 31st day of March of the next succeeding year.

The act defines in a clear manner the range of public office holders. Within the meaning given by article 3, paragraph 1 - 25 LPACI "public office holders" are:

1. the President and the Vice President;
2. the Constitutional Court judges;
3. the National Representatives;
4. the Prime Minister, the Deputy Prime Ministers, the Ministers and the Deputy Ministers;
5. the Presidents of the Supreme Court of Cassation and of the Supreme Administrative Court and the Prosecutor General;
6. the National Ombudsman and the Deputy Ombudsman;
7. the Regional Governors and the Regional Vice Governors;
8. the mayors, the deputy mayors of municipalities and of boroughs;
9. the municipal councillors;
10. the members of the Supreme Judicial Council;
11. the Chief Inspector and the inspectors of the Inspectorate to the Supreme Judicial Council;
12. the President and the members of the National Audit Office;
13. the Governor, the Deputy Governors and the members of the Managing Board of the Bulgarian National Bank;
14. the Governor and the Vice Governor of the National Social Security Institute;
15. the heads of the overseas missions of the Republic of Bulgaria;
16. the administrative heads of the judicial authorities;
17. the single-person authorities, the deputies thereof and the members of the collegial authorities covered under Article 19 (4) of the Administration Act <http://www.legislation.bg/DocView.aspx?DocID=469918>, as well as the members of other collegial authorities established by a law;
18. the heads of public-financed organisations established by a law, by a resolution of the National Assembly or by an act of the Council of Ministers;
19. the members of the Supervisory Board, the Manager of the National Health Insurance Fund and the directors of the regional health insurance funds;
20. the judges, the prosecutors and the investigating magistrates;
21. the recording magistrates and the public enforcement agents;
22. the representatives of the State or the municipalities on the management or supervisory bodies of commercial corporations wherein the State or a municipality holds an interest in the capital or of not-for-profit legal entities;
23. the managers and the members of the management or supervisory bodies of municipal-owned or state-owned enterprises, as well as of other legal persons established by a law, by an act of a state body or of a body of local self-government;
24. the members of the political cabinets and the advisors and experts to the political cabinets;
25. the staff in the Administration of the President, of the legislative, executive and judicial authorities, the staff in the local administration, the staff in the bodies established by a law, with the exception of the staff occupying technical positions.

According to art. 5 of the law, Public office holder may not hold any other office or perform any activity which, according to the Constitution or a special law, is incompatible with the status thereof. This regulation of the law is

a general provision which refers to different legal acts - Labour Code, Civil Servants Act, Act for Local Government and Local Administration, Ordinances and others. In that way the legislator managed to compile all requirements for incompatibilities into the provisions of art. 5 of LPACI.

Following the legal definition of incompatibilities, The CPACI treats them as a formal violation of the law which is not a conflict of interest in the meaning of art. 6-11 of Chapter II. However, incompatibilities are an indicator for possible situations of conflict of interest.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide criteria or rules about eligibility or non-eligibility for public office like no prior convictions, no significant debt, nationality, etc.

Law on civil servants

...

Conditions of Appointment

Article 7. (1) To be eligible for appointment as a civil servant, a person must:

1. (Supplemented, SG No. 43/2008) be a Bulgarian citizen, a citizen of another Member State of the European Union, of another State which is a Contracting Party to the Agreement on the European Economic Area, or of the Swiss Confederation;
2. have attained majority;
3. be interdicted;
4. have not been sentenced to deprivation of liberty for a premeditated indictable offence;
5. be not disqualified from occupying a specified position according to the established procedure;
6. possess the specific qualifications for occupation of the respective position as provided for in the statutory instruments.

(2) The following persons shall be ineligible for appointment as civil servants:

1. (Amended, SG No. 95/2003, supplemented, SG No. 94/2008, effective 1.01.2009) any person who would come in a hierarchical relationship of direction and control with a spouse, with a de facto cohabitee therewith, a lineal relative up to any degree of consanguinity, a collateral relative up to the fourth degree of consanguinity inclusive, or an affine up to the fourth degree of affinity inclusive;
2. (Supplemented, SG No. 95/2003, amended, SG No. 94/2008, effective 1.01.2009) any person who is a sole trader, an unlimited partner in a commercial corporation, a managing director, a business attorney, a commercial agent, a managerial agent, a broker, a liquidator or a trustee in bankruptcy, a member of a management or supervisory body of a commercial corporation or cooperative;
3. any person who is a National Representative;
4. (Amended, SG No. 95/2003) any person who is councillor in a Municipal Council - applicable solely to the relevant municipal administration;
5. any person who occupies a senior or supervisory position in a political party;
6. any person who is employed under an employment contract, excluding faculty at higher educational establishments;

(3) (New, SG No. 94/2008, effective 1.01.2009) A civil servant may represent the State or a municipality on the management or supervisory bodies of any commercial corporations wherein the State or a municipality holds an interest in the capital or of any legal persons established by a law, for which the said civil servant shall not

receive any compensation.

(4) (New, SG No.43/2008, renumbered from Paragraph (3), SG No. 94/2008, effective 1.01.2009) Only Bulgarian citizens shall be eligible for appointment as senior civil servants, as well as to any positions related to performance of functions in the field of defence, public order, foreign policy, national security and safeguarding state secrets.

(5) (Renumbered from Paragraph (3), SG No. 43/2008, renumbered from Paragraph (4), SG No. 94/2008, effective 1.01.2009) Appointment to managerial positions shall be limited to persons holding a degree of higher education.

(6) (Renumbered from Paragraph (4), SG No. 43/2008, renumbered from Paragraph (5), SG No. 94/2008, effective 1.01.2009, supplemented, SG No. 108/2008) Any discrimination, privileges or restrictions based on race, nationality, ethnicity, sex, origin, religion, persuasions, membership of political, trade union or other public organizations or movements, personal, social and property status, or the existence of a disability, shall be inadmissible upon entry of civil service.

...

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures prescribing criteria concerning candidature for and election to public office?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

14. Paragraph 3 of article 7

3. Each State Party shall also consider taking appropriate **legislative and administrative measures**, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to **enhance transparency in the funding of candidatures for elected public office** and, where applicable, the **funding of political parties**.

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

(Y) Yes

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

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

Please attach the text(s)

Please cite the text(s)

Such measures are provided under the Law on the political parties (promulgated in SG 28/2005) and the Election code (promulgated in SG 9/2011)

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review and related court or other recent cases (e.g., funding rules and

regulations)

If information about the funding of political parties is publicly available, how can it be obtained?

Have you ever assessed the effectiveness of the measures adopted to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

The political party financing was examined within the Third evaluation round of GRECO. The report on Bulgaria could be found on the Internet (both on the pages of GRECO and the Bulgarian Ministry of Justice).

The Bulgarian authorities have already taken on board most of the recommendations of the GRECO report in this regard while elaborating the new Election Code, adopted on 19 January 2011 (promulgated in the State Gazette, No. 9 of 28 January 2011). More specifically, Chapter 8 of the Election Code reflects the following 11 recommendations in the GRECO report:

- clarify the ban on fundraising events,
- improved accountability of beneficiaries in financing election campaigns by third persons;
- adequate use of the banking system for revenues and expenditures, including introducing the requirement for bank account to service the election campaign;
- detailed regulation of permissible revenues and expenditures in election campaigns;
- a clear ban on donations by legal persons in election campaigns for all types of elections;
- a clear requirement for providing accounts for all revenues and expenditures related to election campaign;
- a common obligation to publish in a timely manner the financial reports of election campaign;
- clear criteria on the use of public means for purposes of election campaigns;
- rules for preservation of the financial reports of elections campaigns;
- ensuring subsequent control over financing of election campaigns and respective clear responsibility of the Auditing Authority; and
- additional sanctions for violations of the rules for financing election campaigns, including with regard to physical persons.

Currently, competent bodies and experts in the National Assembly are studying possibilities for additional legislative changes to achieve even greater transparency in the area of financing of political parties, including through amendments to the Law on Political Parties.

The Bulgarian authorities will present their report on the implementation of all recommendations included in the third GRECO report as required, by 20 April 2012.

15. Paragraph 4 of article 7

4. Each State Party shall, in accordance with the fundamental principles of its domestic law, endeavour to adopt, maintain and strengthen **systems that promote transparency and prevent conflicts of interest.**

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 cite the text(s)

With regard to this provision the Law on Prevention and Ascertainment of Conflict of Interest (LPACI) applies.

Certain activities are banned in the performance of public officials in order to avoid conflicts of interest as well as an obligation to declare the incompatibility and the private interests of public office holders. The law imposes specific actions (duties) of public office holders in order to prevent conflicts of interest, as well as procedures to identify conflicts of interest. The law determines the rules for whistleblowers' protection and regulates the penalties for conflict of interest, and administrative penalties for its violation. In additional provisions the term

"connectivity of persons" is defined.

According to Chapter Two "Prohibitions upon execution of public office", Articles 6-11 of LPACI:

A public office holder may not represent the State or a municipality in the cases where the said office holder has a private interest in the taking of a particular decision.

A public office holder shall not have the right, in the execution of the duties thereof, to vote in a private interest. He or she shall not have the right to use the official status thereof in order to exert influence in a private interest on other authorities or persons in the preparation, adoption, issuance or rendition of any acts or in the fulfillment of any control or investigating functions

A public office holder shall not have the right to participate in the preparation, discussion, adoption, issuance or rendition of any acts, to fulfill any control or investigating functions or to impose any sanctions in a private interest. Any such person shall not have the right to conclude any contracts or to perform any other activities in a private interest upon execution of the official powers or duties thereof.

A public office holder shall not have the right to dispose of any state or public property, to spend any on-budget or off-budget resources, including resources from funds belonging to the European Union or made available by the European Union to the Bulgarian State, to issue any certificates, authorization or licences, or to exercise control over any such activities in the interest of any not-for-profit legal entities, commercial corporations or co-operatives wherein the said office holder or any persons having close links therewith are members of a management or supervisory body, managing directors, partners, or holders of interests or shares.

A public office holder shall furthermore not have the right to perform any activities mentioned in the previous paragraph in the interest of any not-for-profit legal entities, commercial corporations or co-operatives wherein the said office holder has been a member of a management or supervisory body, a managing director, a partner or a holder of interests or shares twelve months prior to the date of election or appointment of the said office holder or for the duration of holding office.

A public office holder shall not have the right to use or to authorise the use in a private interest of any information obtained in the execution of the official powers or duties thereof, for the duration of holding office and one year after vacating office, unless otherwise provided for in a special law.

A public office holder shall not have the right to engage in consulting activity in respect of any persons who are interested in the acts of the said office holder issued in implementation of the official powers or duties thereof.

A public office holder shall not have the right to grant consent or to use the official status thereof for commercial advertising.

Last but not least, further to the requirements of Chapter III of the act, the legislator has provided a system of declarations, to be filed by public office holders. That system of declarations complies with the requirement of art. 8, para. 5 of the Convention.

The public office holders, mentioned above have the obligation to submit the following declarations:

1. A declaration of incompatibility, by which the public office holder declares that is not holding any other office and/or performing any activity which, according to the Constitution or a special law, is incompatible with his/her status. The public office holder is obliged to submit this declaration within seven days after the election or appointment thereof. Where such incompatibility is present, the person should take the actions necessary for elimination of the incompatibility within one month after submission of the declaration.
2. A declaration of private interests which has to be submitted within 30 days after the election or appointment thereof. In this declaration, the person declares the circumstances which would lead to the occurrence of a conflict of interest, such as:
 - 2.1. participation in commercial corporations, in management or supervisory bodies of not-for-profit legal entities or of co-operatives, as well as carrying on business as a sole trader at the date of election or appointment and twelve months prior to the date of election or appointment;
 - 2.2. obligations assumed to credit or financial institutions, as well as to other persons, to a value exceeding BGN 5,000; the person shall state the amount and type of the obligation assumed and the creditor thereof;
 - 2.3. contracts with any persons who or which carry out any activity in areas related to the decisions made by the public office holder within the range of the official powers or duties thereof;
 - 2.4. particulars of any persons having close links with the public office holder, in whose activity the public office holder has a private interest; particulars of any persons having close links
3. A declaration of occurrence of a change in the circumstances referred to in Declaration 1 and Declaration 2 which has to be submitted within 7 days after occurrence of the change
4. A declaration of a private interest on a particular occasion which has to be submitted when the public office holder has a private interest in connection with an official power or duty thereof.

The public office holder submit these four declarations to the electing/appointing authority or to the relevant parliamentary or municipal standing committee established under the provisions of the LPACI. The declarations are published on the Internet sites of the authorities mentioned above in compliance with the Personal Data Protection Act <apis://ANGL|40144|0||>. Upon non-fulfillment of this obligation the committees and the electing/appointing authorities should send an alert to the Commission for Prevention and Ascertainment of

Conflict of Interest for the issuance of a penalty decree.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review (e.g. legislative or other measures governing incompatibilities of public functions or of public-private functions, etc.)

From the date of entering into force of LPACI (01.01.2009) to the date of establishing CPACI (01.04.2011), conflicts of interest cases were ascertained by different bodies, specifically entrusted with obligations under the LPACI. These were - special committees to Municipal Councils, inspectorates to the various ministries, committee to the National Assembly or persons appointed by the employer.

That legal mechanism was amended in 2011 by establishing an independent, permanently standing state body, which is the only competent not only for establishment of conflicts of interest, but also to conduct the state policy of prevention of conflict of interest. By that legal solution, the legislator united all competences into one body, and achieved a higher level of expertise and competence.

Since its constitution, for the period of about 8 months of working, the commission has taken about 40 decisions. The chairman has issued 7 penal decrees for administrative violations of LPACI.

Further to its competences in the field of prevention, the commission has issued about 30 statements and answers of questions filed by the citizens.

Have you ever assessed the effectiveness of the measures adopted to promote transparency and prevent conflicts of interest?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

Since its establishment as a state body, the Commission is a part of the European Commission Cooperation and Verification Mechanism for Bulgaria and Romania.

Based on that, in December 2011, experts to the European Commission made a visit in connection with the interim report in February 2012. The experts were acquainted with the way the commission works, with its proceedings and some of its decisions and signals were commented.

The assessment of the work of CPACI in the interim report of the European Commission to the European Parliament and the Council is as follows:

"The Commission for the prevention and detection of conflict of interest set up in June 2011 is now operational. It has received 146 signals and issued 25 decisions, with conflict of interest established in 12 cases. Its ability to have a dissuasive impact will depend inter alia on the number of cases concluded, its capacity to pursue conflict of interest in a pro-active manner and its ability to deliver sound and well motivated decisions in sensitive cases. Effective measures against conflict of interest also require unitary practice regarding the publication of conflict of interest declarations by different administrative bodies, and a streamlined legal basis for the Conflict of Interest Commission regarding sanctions and statutes of limitation."

16. Paragraph 1 of article 8

1. In order to fight corruption, each State Party shall promote, inter alia, **integrity, honesty and responsibility among its public officials**, in accordance with the fundamental principles of its legal system.

Is your country in compliance with this provision? (Check one answer)

(Y) Yes

Please cite, summarize and attach the applicable policy(ies), ethics codes, whistleblower rules, or other measure(s):

Please cite the text(s)

The Integrated strategy to prevent and counter corruption and organised crime prescribes for high level of transparency of government and enhanced civil control, increased transparency in public services delivery, management and disposal of state and municipal property, public procurement, concessions, EU funds management and absorption, transparent appointments of officials and strict observation of clearly defined rules of professional conduct, performance appraisal and career development.

One of the instruments for executing the Integrated Strategy for Fight against Organized Crime and Corruption the Complex Model for Prevention and Counteraction of Corruption and Organized Crime, the so called BORKOR Project.

On July 29th 2010 an Ordinance of Council of ministers was adopted for the formation of a Center for Prevention and Counteraction of Corruption and Organized Crime (BORKOR). Regulation of the activity, structure, organization of the work and number of the personnel of the Centre was adopted on 24.11.2010. The Regulation is adapted to the Project goals. Thus, the legal and institutional framework of the Complex model BORKOR has been finalized.

The idea of the BORKOR Project is that representatives of various institutions involved in the fight against corruption unify their efforts in an integrated structure by proposing solutions of legislative, administrative and organizational nature in the area of prevention and counteraction of corruption. The Center is assigned with primarily analytical functions. Its main tasks are interconnected with analysis, planning and development of measures and complex decisions, aiming at preventing the possibility of establishment of corruption practices and counteraction of corruption as a whole. The Center is going to assist the central and decentralized administration by the elaboration and adoption of preventive measures. It will further assist the coordination efforts in this area between the state bodies, the civil society and the business. The first project of the BORKOR center is dealing with examination of the public procurement framework in Bulgaria.

The activity of the Centre is under the methodological guidance of an Advisory Council consisting of representatives of the legislative, the executive and judicial authorities. Chair of the Advisory Council is the Deputy Prime Minister and Minister of Interior.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If you have an ombudsman office, please provide information on the organization structure, tasks, responsibilities, output, and web address of the office

If applicable and available, please provide information on awareness seminars and continuous education, including annual number of public officials in attendance

Have you ever assessed the effectiveness of the measures adopted to promote integrity, honesty and responsibility among public officials?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

17. Paragraph 2 of article 8

2. In particular, each State shall endeavour to apply, within its own institutional and legal systems, **codes or standards of conduct** for the correct, honourable and proper performance of public functions.

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

(Y) Yes

Please cite, summarize and attach the applicable code(s), standard(s) or other measure(s)

Please cite the text(s)

Code for the conduct of the employees in the state administration (prom. SG. 53/22 Jun 2004) and the Law for the civil servant are relevant for this provision.

Article 2 of the abovementioned code prescribes that the activity of the employees shall be carried out in compliance with the principles of legality, loyalty, honesty, impartiality, political neutrality, responsibility and accountability. Further it requires that the employees perform their activity competently, objectively, conscientiously and in accordance with the law striving continuously to improve their work in the interest of citizens.

One of the Basic Principles upon Performance of Civil Service, according to art. 18 of the Law for the civil servant is that the performance of civil service shall be based on the principles of lawfulness, loyalty, accountability, stability, political neutrality, and chain of command.

Law for the civil servant

"Chapter Three

CIVIL SERVANT STATUS

Section I
GENERAL PROVISIONS

Basic Principles upon Performance of Civil Service

Article 18. Performance of civil service shall be based on the principles of lawfulness, loyalty, accountability, stability, political neutrality, and chain of command.

Conditions for Performance of Civil Service

Article 19. The State shall create the conditions necessary for execution of the duties of any civil servant by protecting the said servant in the legally conforming execution of the official duties and by indemnifying the said servant and the family thereof for any detriment inflicted thereon in the course of, and in connection with, the performance of civil service.

Section II
CIVIL SERVANT DUTIES

Duties to Citizens

Article 20. (1) The civil servant shall be obligated to rule on citizens' requests without delay. The civil servant must grant accurately and promptly any such requests as shall be legally conforming, and assist in the acknowledgment of citizens' rights and legitimate interests.

(2) The civil servant shall be obliged not to treat the citizens thereby attended in a rude, unmannerly or

disrespectful manner.

Manner of Civil Service Performance

Article 21. (1) Each civil servant shall be obligated to execute the duties thereof accurately, conscientiously and impartially in accordance with the laws of the land and with the rules of organization of the relevant administration.

(2) The duties of each civil servant shall be defined in the job description thereof.

(3) Additional duties may be assigned to a civil servant solely in the cases prescribed by this Act.

Duty to Assist and Cooperate with Bodies of State Power

Article 22. Each civil servant shall be obligated to actively assist and cooperate with the bodies of state power in the implementation of the powers of the said bodies.

Duty to Keep Hours of Work

Article 23. Each civil servant shall be obligated to keep the hours of work as fixed and to spend the said hours executing the duties thereto assigned.

Chain of Command

Article 24. (1) Each civil servant shall be obligated to obey the legally conforming acts and orders of superior authorities and civil servants.

(2) No civil servant shall be obligated to obey any duly issued wrongful order, should the said order contain a breach of law manifest to the said servant.

(3) Each civil servant may request a written confirmation of the official act, should the verbal order given thereto contain a breach of law manifest to the said servant.

(4) No civil servant shall be obligated to obey any order directed against himself or herself, the spouse thereof, any lineal relative up to any degree of consanguinity, any collateral relative up to the fourth degree of consanguinity, or any relative by marriage thereof up to the second degree of affinity inclusive. In such cases, the civil servant shall be obligated to notify immediately the authority wherefrom the order has originated, and the said authority, for his or her part, must assign the execution of the order to another servant or to perform it himself or herself.

Protection of Classified Information Constituting State or Official Secrets

Article 25. (Amended, SG No. 45/2002) (1) Each civil servant shall be obligated to safeguard any classified information constituting a state secret or an official secret as shall come to the knowledge thereof in the course of, or in connection with, the execution of the official duties thereof.

(2) The classified information constituting a state secret or an official secret, as well as the procedure for handling of any such information, shall be determined by law.

Prohibition to Make Statements

Article 26. (Repealed, SG No. 95/2003).

Duty to Notify

Article 27. Should, during the implementation of the civil-service relationship, there occur any of the grounds for ineligibility under Article 7 (2) of this Act, the civil servant affected shall be obligated to notify the appointing authority of the incompatibility with the service performed within seven days after occurrence of any such ground.

Duty to Safeguard Civil Service Prestige

Article 28. (1) (Redesignated from Article 28 and supplemented, SG No. 95/2003) In the course of execution of the official duties thereof and in the public life thereof, each civil servant shall be obligated to maintain a conduct which does not degrade the prestige of the civil service and which conforms to the Code of Conduct of State Administration Staff.

(2) (New, SG No. 95/2003) The Code of Conduct of State Administration Staff shall be adopted by the Council of Ministers and shall be promulgated in the State Gazette.

Duty to Disclose Financial Interests

Article 29. (Amended, SG No. 15/2012) (1) Upon assumption of position, each civil servant shall be obligated to disclose the financial interests thereof to the appointing authority.

(2) Annually, on or before the 30th day of April, each civil servant shall be obligated to disclose to the appointing authority the financial interests thereof, as well as the remunerations received during the last preceding calendar year in connection with the performance of work outside the civil-service relationship and the grounds for the receipt of the said remunerations.

(3) Disclosure under Paragraph (2) shall be effected in a standard form endorsed by the ordinance referred to in Article 8 (2) herein.

Duty to Disclose and to Avoid Conflict of Interest

Article 29a. (New, SG No. 95/2003, supplemented, SG No. 30/2006, SG No. 43/2008, repealed, SG No. 94/2008, effective 1.01.2009).

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to apply codes or standards of conduct for the correct, honourable and proper performance of public functions?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

18. Paragraph 3 of article 8

3. For the purposes of implementing the provisions of this article, each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, take note of the **relevant initiatives of regional, interregional and multilateral organizations**, such as the International Code of Conduct for **Public Officials** contained in the annex to General Assembly resolution 51/59 of 12 December 1996.

Is your country in compliance with this provision? (Check one answer)

(Y) Yes

Please provide a brief account of how this provision has been implemented

Bulgaria complies with the requirements of the International Code of Conduct for Public Officials, as well as of other relevant regional and international initiatives through the provisions of its Law on the civil servants, Law on Prevention and Ascertainment of Conflict of Interest and Law on the Political Parties.

19. Paragraph 4 of article 8

4. Each State Party shall also consider, in accordance with the fundamental principles of its domestic law, establishing measures and systems to **facilitate the reporting by public officials of acts of corruption** to appropriate authorities, when such acts come to their notice in the performance of their functions.

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 summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

This issue is regulated by different pieces of legislation in Bulgaria.

More specifically, Article 8, paragraph 1, of the Code for the conduct of the employees in the state administration obliges public officials to oppose corruption acts and other unlawful acts in the state administration. The text creates obligation for "reporting" upon suspicion for crimes falling within the scope of UNCAC. There is no superiority of the loyalty obligation over this one. The provision of Article 205 of the Penal Procedure Code should also be taken into consideration, as it stipulates that citizens and officials are obliged to inform competent institutions in case they became aware of a committed crime of general nature.

Moreover, the Law for the civil servant stipulates that the inspectors are carrying out the so-called "Alert function", according to which they are obliged to notify the prosecution for violations, and provide them with data about committed crime or other violation of law (Article 132).

Similar rules with regard to the employees are contained in the relevant provisions of the Labour Code (Articles 403, 406 and 407). Overall control of the observance of labour legislation in all sectors and activities is exercised by the Executive Agency "Chief labour inspectorate" to the Minister of Labour and Social Policy. When the controlling bodies establish violations involving data of a criminal offence or other violations of the law, they must inform the public prosecutor's office.

The procedure for admission and examinations of signals made by citizens and organizations to the administrative bodies, as well as to other bodies, which carry out public and legal functions are laid down in the Administrative Procedure Code (Articles 1, 107 et seq. and 119 et seq.). Organization of the work with the proposals and the signals is determined in the structural regulations of the bodies. The signals shall be filed to the bodies, which directly manage and control the bodies and the official, whose unlawful or inexpedient actions or inactions is announced for. Anonymous signals shall not be taken in notice by the relevant bodies. The decision upon the signal shall be taken no later than within a two months period after its receipt. If there is sufficient evidence that a crime has been committed, the competent authority referred with the signal shall immediately inform the prosecutor's office.

Please attach the text(s)

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If needed, exact data on that practice could be requested from the respective Inspectorates to the different ministries and other public bodies.

If available, please provide information and statistics on acts of corruption reported by public officials while performing their functions

Have you ever assessed the effectiveness of the measures adopted to to facilitate the reporting by public

officials of acts of corruption which have come to their notice in the performance of their functions?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

20. Paragraph 5 of article 8

5. Each State Party shall endeavour, where appropriate and in accordance with the fundamental principles of its domestic law, to establish **measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result** with respect to their functions as public officials.

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 cite the text(s)

Such obligations are prescribed by art.29 of the Law on civil servants, as well as by art. 107a, para.5 of the Labour code.

See also the information given under point 15 of the self-assessment software, on art. 7, para.4 UNCAC with regard to the declarations on conflict of interest.

Labour Code

Article 107a (New, SG No. 95/2003)

...

(5) (New, SG No. 15/2012) By the 30th day of April each year the office worker shall declare to the person referred to in Paragraph (6) his/her property status, as well as his/her income earned during the previous calendar year based on additional work agreements under Article 111, income from remuneration based on non-labour relations, as well as the employer/client whereby such income was paid.

Law on the civil servants

...

Article 29. (Amended, SG No. 15/2012) (1) Upon assumption of position, each civil servant shall be obligated to disclose the financial interests thereof to the appointing authority.

(2) Annually, on or before the 30th day of April, each civil servant shall be obligated to disclose to the appointing authority the financial interests thereof, as well as the remunerations received during the last preceding calendar year in connection with the performance of work outside the civil-service relationship and the grounds for the receipt of the said remunerations.

(3) Disclosure under Paragraph (2) shall be effected in a standard form endorsed by the ordinance referred to in Article 8 (2) herein.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review, including recent court or other cases related to public officials' failure to declare or to make truthful declarations when requested to do so:

If information about the declarations by public officials is publicly available, how can it be obtained?

Have you ever assessed the effectiveness of the measures requiring public officials to make declarations as prescribed by the provision under review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

21. Paragraph 6 of article 8

6. Each State Party shall consider taking, in accordance with the fundamental principles of its domestic law, **disciplinary or other measures against public officials who violate the codes or standards** established in accordance with this article.

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 cite the text(s)

Law on the civil servants

Section II
DISCIPLINARY LIABILITY

Grounds for Incurrence of Disciplinary Liability

Article 89. (1) Any civil servant, who has culpably breached the official duties thereof, shall be punishable by the sanctions provided for in this Act.

(2) The following shall be treated as a breach of discipline:

1. dereliction of official duties;
2. delay in the execution of official duties;
3. non-compliance with the scope of official powers;
4. breach of the duties to citizens referred to in Article 20 herein;

5. (Amended, SG No. 95/2003) non-observance of the Code of Conduct of State Administration Staff.

(3) (Amended, SG No. 95/2003) The failure of a head to consider a complaint by citizens about a breach referred to in Article 20 herein, committed by subordinates of the said head in respect of the complaining citizens, shall likewise be treated as a breach of discipline.

(4) Any civil servant shall incur disciplinary liability, irrespective of whether his or her act may be ground for incurrance of another type of liability as well.

Types of Disciplinary Sanction

Article 90. (1) The following disciplinary sanctions may be imposed:

1. reprimand;
2. censure;
3. (Amended, SG No. 43/2008) deferral of promotion to a higher rank for one year;
4. demotion to a lower rank for a period ranging from six months to one year;
5. discharge.

(2) Only one disciplinary sanction may be imposed for one and the same breach of discipline.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review, including recent cases of disciplinary or other measures adopted against public officials

Have you ever assessed the effectiveness of the measures adopted to introduce disciplinary or other measures against public officials who violate the codes or standards established in accordance with this article?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

22. Subparagraph 1 (a) of article 9

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate **systems of procurement, based on transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

(a) The **public distribution of information relating to procurement procedures and contracts**, including information on invitations to tender and relevant or pertinent information on the award of contracts, allowing potential tenderers sufficient time to prepare and submit their tenders;

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 cite the text(s)

The Public procurement Law (PPL) contains several provisions aiming at ensuring openness and transparency, and fair competition as a measure for fighting and preventing bid rigging. This law establishes the principles, terms and procedure for the award of public procurements for the purpose of ensuring efficiency in the spending of on-budget and off-budget resources, as well as of the resources associated with the carrying out of relevant public activities specified in the Act.

A Public Procurement Register, open for public consultation has been established (Article 21 PPL). The contracting authorities are obligated to send to the Executive Director of the Agency the information envisaged for entry into the Public Procurement Register in Bulgarian language. The Executive Director of the Agency determines by an order the electronic format and the technical requirements regarding the information to be published in the register.

The Public Procurement Register contains:

1. the decisions to initiate, to modify and to terminate public procurement award procedures;
2. the notices envisaged for entry into the Register;
3. the information on public procurement awards;
4. information on the performed public procurement contracts;
5. information on the progress of the procedure in an appeal proceeding;
6. any other information as shall be specified in the Regulations for Application of this Act.

As a Member State of the European Union, Bulgaria is also party to the Agreement on Government Procurement (GPA) of the World Trade Organization and applies its rules.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If information relating to procurement procedures and contracts is publicly available, how can it be obtained?

Have you ever assessed the effectiveness of the measures adopted to establish systems of procurement that are effective in preventing corruption as prescribed by the provision under review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

23. Subparagraph 1 (b) of article 9

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate **systems of procurement, based on transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

...

(b) The **establishment, in advance, of conditions for participation**, including selection and award criteria and tendering rules, and their **publication**;

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 cite the text(s)

In order to prevent the subjective approach in evaluation of tenders when applying the most economically advantageous tender (MEAT) criteria, it is mandatory to mention in the notice for opening the procurement procedure the indicators for the overall assessment and their relative weight or when, for objective reasons, it is impossible to define their relative weight, their sorting in decreasing order (Article 25 (2), item 10 PPL).

The evaluation committee in procurement procedures conducted under the PPL has at least five members, one of whom must be lawyer and the remainder should own the necessary professional qualification and practical experience according to the subject-matter and complexity of the particular procurement (Article 34 (2) PPL). In this way, the principle of collective decision-making is introduced, where the decisions taken do not depend upon a single person.

Pursuant to Article 7, items 1 to 4 of PPL contracting authorities should include in the evaluation committee an external expert whose name is taken from the external expert list maintained by the Public Procurement Agency (PPA) and who has qualification relevant to the subject-matter of the public contract (Article 34 (5) PPL). Thus, a higher degree of independence is achieved, as the evaluation committee should include as its own member an expert who does not have subordinate relations with the contracting authority;

Further guarantee for ensuring openness and transparency of the public procurement procedures is the introduction of the three envelope system in tender submission: envelope No 1 bearing the words 'Selection Documents', envelope No 2 bearing the words 'Proposal for Contract Implementation' and envelope No 3 bearing the words 'Proposed Price' (Article 57 (2) PPL, in force from 13 July 2010).

Public opening of the tenders in the presence of tenderers or their authorized representatives, as well as media representatives and non-profit legal entities and non-government organizations (Article 68 (3) PPL);

In case of the most economically advantageous tender (MEAT) - the ranking is publicly announced prior to opening the price envelopes (Article 69a (4) PPL).

These rules aim to ensure coherence of the acts performed by the tender evaluation committee and publicity of its operation, so that no elements of the tenders could be changed.

In order to ensure stricter reporting and easier planning of public expenditure, the Public Procurement Law (PPL) obliges the contracting authorities to adopt their internal rules on the award of public contracts, which should contain the step-by-step rules and order for planning and organizing procurement procedures and controlling the implementation of the awarded contracts (Article 8 (7) PPL). The internal rules could foresee the existence of internal controls, ethics and compliances systems or measures as an additional condition for granting public procurement.

Article 47, para.1 of the Public Procurement Law (PPL) explicitly prohibits the participation in public procurement of persons who have been convicted with an effective sentence of bribery under Articles 301 to 307 of Penal Code.

The Executive director of the PPA maintains a list of the persons who have failed to fulfil a public procurement contract, this being established by a final court ruling (art.19, para.2). The contracting authorities are obliged to submit information for such persons to the PPA within a 14 days term from the entry into force of the court decision.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or

legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If information about the conditions for participation is publicly available, how can it be obtained?

Have you ever assessed the effectiveness of the measures adopted to establish conditions for participation?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

24. Subparagraph 1 (c) of article 9

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate **systems of procurement, based on transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

...

(c) The use of **objective and predetermined criteria for public procurement decisions**, in order to facilitate the subsequent verification of the correct application of the rules or procedures;

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

(Y) Yes

Please cite, summarize and attach the applicable criteria

Please cite the text(s)

See the answer under the previous point (art. 9, para.1, letter "b")

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to establish objective and predetermined criteria for public procurement decisions?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

25. Subparagraph 1 (d) of article 9

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate **systems of procurement, based on transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

...

(d) An **effective system of domestic review**, including an effective system of appeal, to ensure legal recourse and remedies in the event that the rules or procedures established pursuant to this paragraph are not followed;

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 summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

The Law on public procurement assigns some tasks to the Public Procurement Agency (PPA), which allow the Agency to act, in particular, when doubts of bid rigging arise, in the following manner:

1. Bringing the case before the competent authorities in order to exercise their controlling tasks over the observance of the law (Article 19 (2) item 2 PPL). This task allows PPA to address the competent authorities and request them to perform a check when any doubts of lawfulness of the public procurement procedure arise.
2. Upon a received signal, PPA may appeal to the Commission for Protection of Competition (CPC) asking for review of the decisions approving the procurement notices that contain conditions or requirements favoring or unreasonably limiting the participation in the procedure for the award of a public contract (Article 19 (2), item 3 PPL). This task allows PPA to actively attack procurement procedures that have been found corrupt, possibly resulting from contracting authority's try of bid rigging.
3. Bringing for review before CPC contracting authority's decisions in which disregard of procurement rules which, prior to conclusion of the contract, has been established by the European Commission and included in the notification under Article 122p (1) (Article 19 (2), item 4 PPL effective as of 13 July 2010);
4. Performing control over the negotiated procedures without prior publication of a notice pursuant to Article 90 (1), items 3 to 9 and item 12 PPL. The assignment of this task aims to restrict the unlawful conduct of this type of negotiated procedures, which have resulted to be the most opaque and susceptible to bid rigging. The conduct of such award procedure supposes extraordinary and clearly defined in the law circumstances (for instance events of force majeure). PPA checks whether these circumstances have been really come into being or they have just being used to conduct a non-transparent procedure.

With a Decree № 112 of June 4, 2010, the minister of finance is designated as the central authority for public procurement (CAPP). According to the Decree contracts for supply of stationery, toner and automobile fuel (by card for cashless payments) as well as ongoing and thorough cleaning of buildings and the purchase of tickets shall be awarded only through the Central Authority. Some of the goals are to hinder the development of corrupt practices by centralizing the supply, to guarantee maximum transparency by the awarding of the procurement, to provide greater control and greater cost efficiency.

Directorate Chief Inspectorate accomplishes general administrative checks in the administration of the Council of Ministers and the administrations of the state agencies - Council of Ministers' second-level budget spending authorities. The compliance of the internal acts adopted for implementation of the current legislation also constitutes part of the checks. After the amendment of the Public Procurement Act (SG, issue 52 of 2010) the Chief Inspectorate performs checks for inclusion in these acts of provisions which ensure the implementation of Article 68, paragraph 3 of the Public Procurement Act (awareness of the citizens and the business of the public procurement through the mass media).

After the entry into force of the Decree № 229/2009 of the Council of Ministers for adoption of the current Rules of procedure of the Council of Ministers and its administration the regional governors have the status of second-level budget spending units with the Council of Ministers' budget. Having regard to it, our directorate also accomplishes general administrative checks in the regional administrations. Internal acts adopted for the implementation of the Public Procurement Act, updated provisions respectively, are also part of the checks.

Please attach the text(s)

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If available, please provide information (statistics, types of cases, outcome) on related legal (civil, administrative or criminal) cases or other processes. Please provide per annum figures since the year 2003 (or further back, if available)

Have you ever assessed the effectiveness of the measures adopted to establish an effective system of domestic review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

26. Subparagraph 1 (e) of article 9

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate **systems of procurement, based on transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

...

(e) Where appropriate, **measures to regulate matters regarding personnel responsible for procurement**, such as declaration of interest in particular public procurements, screening procedures and training requirements.

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

(Y) Yes

Please cite, summarize and attach the applicable screening procedure(s), training requirement(s) or other measure(s)

Please cite the text(s)

According to the Law on public procurement tender evaluation committee members and consultants should declare that they are not 'related persons' within the meaning of Law on prevention and disclosure of conflict of interests (LPDCI) and bear no links with any candidate or tenderer in the award procedure or any of the proposed subcontractors or members of their management or controlling boards, as well as that, within the meaning of LPDCI, they have no private interest of the award of the public contract (Article 35 (1), items 2 and 3 PPL). Accordingly, candidates or tenderers are debarred to participate in award procedures, if they are related persons within the meaning of § 1, item 1 of Supplementary Provision to the LPDCI in respect to the contracting authority or high rank official within its structure, and so are the persons who have concluded a contract with a person under Articles 21 or 22 of LPDCI (Article 47 (5 PPL))
These provisions do not allow access to procurement procedures of persons in respect of whom reasonable doubts exist of having the possibility to influence the choice of contractor.

With regard to the training: PPA organizes and participates in numerous trainings, aiming to enhance understanding and ensure correct award of public contracts. Some of the trainings are held in partnership with

Financial Intelligence Department of State Agency for National Security, dealing with Management of corruption risk in public administration and application of anti-money laundering measures.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review (e.g., concrete rules and measures)

If publicly available, please attach them or provide web links to access the information

If information about the declarations of interest by personnel responsible for procurement is publicly available, how can it be obtained?

Have you ever assessed the effectiveness of the measures adopted to regulate matters related to personnel responsible for procurement?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

27. 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

Please cite, summarize and attach information on accessibility and transparency of public finances and the procedures for the adoption of the national budget

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

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

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 trilateral 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 expenses 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 preceding 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 the Minister of 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 program 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.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide rules, processes, measures that relate to how citizens can access that information (e.g. public information on budget procedures and other details):

See the answer above.

Have you ever assessed the effectiveness of your country's procedures for the adoption of the national budget?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

28. 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

Please cite, summarize and attach the applicable rules on the reporting of revenue and expenditure

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

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 funded 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.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please explain when such reports become available and from where:

See the answer above.

Have you ever assessed the effectiveness of the measures providing for reporting of revenue and expenditure?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

29. 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

Please cite, summarize and attach the applicable accounting and auditing standard(s) or other measure(s)

Please cite the text(s)

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 to 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.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If available, please provide information on the type, sector and number of audits performed

Have you ever assessed the effectiveness of your country's systems of accounting, auditing and oversight?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

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 bye-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.

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the efficiency and effectiveness of your risk management and internal control systems?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

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

Please cite, summarize and attach the relevant action(s), policy(ies) or measure(s)

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

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.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review and recent court or other related cases

If available, please provide information on failure to comply with requirements and corrective action taken against such failure:

Have you ever assessed the effectiveness of the measures providing corrective action in the case of failure to comply with the requirements established in this paragraph?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

32. 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

Please cite, summarize and attach the applicable measure(s)

Please cite the text(s)

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 fulfil 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.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If there have been any recent relevant legal cases or other instances where such rules were actually applied, please provide any information available on such case(s)

Information not available at the time when filling the questionnaire.

Have you ever assessed the effectiveness of the measures adopted to preserve the integrity of documents related to public revenue and expenditure and to prevent their falsification?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

33. Subparagraph (a) of article 10

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to **enhance transparency** in its **public administration**, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

(a) Adopting procedures or regulations allowing members of the **general public to obtain**, where appropriate, **information on the organization, functioning and decision-making processes of its public administration** and, with due regard for the protection of privacy and personal data, on **decisions and legal acts that concern members of the public**;

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

(Y) Yes

Please cite, summarize and attach the applicable procedure(s), regulation(s) or other measure(s)

Please cite the text(s)

The Law on Access to Public Information is regulating the access to information in Bulgaria. Within the meaning of this Law "public information" shall be any information pertaining to public life in the Republic of Bulgaria and enabling members of the society to form their own opinion regarding the operation of the entities obligated under the law. The law applies to the access to any public information which is created or is stored by State bodies, local administration or local self-government in the Republic of Bulgaria. The right of access to public information is based on the following basic principles:

1. openness, truthfulness and comprehensiveness of the information;
2. ensuring access to public information on equal terms;
3. ensuring legality in seeking and obtaining public information;
4. protection of the right to information;
5. protection of personal data;
6. safeguarding the security of the society and the State.

For the purpose of ensuring transparency of the operation of the administration and of best facilitating access to public information, each head of an administrative structure within the system of the executive branch of government shall periodically publish up-to-date information. The public information is accessible at no charge.

Records and protocols from sessions of the Council of Ministers as well as all decisions taken are published on the web-site of the Government and are generally accessible. The same applies to the records and decisions of the Municipality Councils.

Bulgaria has joined the Global Initiative "Partnership for open governance" and has created a web page for public consultations: www.strategy.bg

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review and recent related court or other recent cases

How can information on the organization, functioning and decision-making processes of public administration and on decisions and legal acts that concern members of the public be obtained?

If available, please indicate how many requests for information were made by the public, how many received a response, how long it took for responses to be given. Please provide per annum figures since the year 2003 (or further back, if available)

Have you ever assessed the effectiveness of the measures adopted to comply with the provision under review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

34. Subparagraph (b) of article 10

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to **enhance transparency in its public administration**, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

...

(b) **Simplifying administrative procedures**, where appropriate, in order to facilitate public access to the competent decision-making authorities; and

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s)

Please cite the text(s)

See the answer under the previous point 33 (art. 10, letter "a")

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to facilitate public access to competent decision-making authorities?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

35. Subparagraph (c) of article 10

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to **enhance transparency in its public administration**, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

...

(c) **Publishing information**, which may include periodic reports on the risks of corruption in its public administration.

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

(Y) Yes

Please cite, summarize and attach the applicable publication(s), report(s) or measure(s)

Please cite the text(s)

See the information under point 33 (art.10, letter "a")

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please describe action taken to increase awareness of the risks of corruption in public administration

The institute for public administration is holding anticorruption trainings for the public administration.

If there have been any concrete changes or new measures in response to previous reports, please provide a brief account of such changes or measures

No data available at the time of filling the questionnaire.

Have you ever assessed the effectiveness of the measures adopted to publish information on the risks of corruption in public administration?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

36. Article 10

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to **enhance transparency in its public administration**, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia: *(Please include here only what was not included in paragraphs (a), (b) and (c).)*

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 summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

Each head of an administrative structure within the system of the executive branch of government shall periodically publish up-to-date information containing:

1. a description of the powers of the said head and particulars of the organization, functions and responsibilities of the administration headed thereby;
2. a list of the acts issued in the exercise of the powers of the said head;
3. a description of the data files and resources used by the relevant administration;
4. designation, address, telephone number and opening hours of the unit in the relevant administration which is in charge of accepting applications for granting access to information.

The head of such structures are also preparing an annual report on the applications for access to public information.

This information is to be published on the Internet sites of the administrative structures within the system of the executive power.

The existing internal rules regarding access to public information and the procedure for access to the public registers kept by the administrative structures within the system of the executive branch of government shall be announced in an Access to Information Section on their Internet sites.

Please attach the text(s)

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to enhance transparency in public administration?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

37. Paragraph 1 of article 11

1. Bearing in mind the independence of the judiciary and its crucial role in combating corruption, each State Party shall, in accordance with the fundamental principles of its legal system and without prejudice to judicial independence, take measures to **strengthen integrity and to prevent opportunities for corruption among members of the judiciary**. Such measures may include rules with respect to the conduct of members of the judiciary.

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

(Y) Yes

Please cite, summarize and attach the applicable policy(ies), code(s) of conduct, rule(s) or other measure(s):

Please cite the text(s)

In 2007 a new Law on Judiciary (LJ) was adopted (SG issue 64/2007). The constitutional principle of magistrates' independence is reproduced and further developed in the regulations of art. 2, 4 and 6 of the law, which are ensuring the legal and impartial application of the law by magistrates. Based on the changes made in 2006 and 2007 in the Constitution of Republic of Bulgaria the new LJ improves and develops an acting judicial system as a further development of the priorities of judicial reform. The law sets the purpose of consolidation, independence and effectiveness of judiciary whose reform is aiming to ensure full protection of the principles of the constitutional state and effective application of European standards in jurisdiction including with requirements for transparency and high level of professional qualification. The law introduces additional guarantees for the independence of judiciary; stipulates the permanent activity of the Supreme Judicial Council (SJC); creates legal opportunities to ensure reporting, transparency and effectiveness in the activities of judiciary. SJC approves decisions for election, promotion and release of magistrates based on the proposals of the Permanent Commission on Proposals and Attestation of Judges, Prosecutors and Investigators, criteria for attestation being settled in the law for the purpose of transparency and control over career growth of magistrates.

An additional guarantee for the magistrates' (prosecutors, judges and investigators) independence are the rules, set out in the general Code of ethics of the magistrates (from the year 2009), which forbids all unwarranted contacts. Beside the aforesaid the LJ provides for the possibility of bearing disciplinary responsibility, including imposing the most severe disciplinary penalty - dismissal for violating the rules of the Code of ethics.

Furthermore, the Law on Judiciary created a permanent Inspectorate within the SJC as a fundamentally new structure which observes the activities of all organs of the judiciary without effecting the essence of their judicial activities. This structure is independent both from legislative and executive authorities. The verification and analysis of the activities of the judiciary by the Inspectorate (art. 132a, para 8 and 9 of the Constitution) are performing an important function: elaboration of greater transparency for society regarding the accomplished and pending activities by the judiciary. By the Inspectorate's verification and analysis of judicial activities the public announcement of information for judiciary work makes such judiciary activities more transparent and known to society.

In order to strength efforts for prevention and combating of corruption among law enforcement and magistrates the SJC enlarged the monitoring on cases of high public interest.

The legal principle of independence is further guaranteed by means of random assignment of files and cases in the courts, prosecutor's offices and investigation services by the Life Choice software, developed by the Supreme Judicial Council (SJC).

The LJ also stipulates provisions for incompatibility of magistrates' positions with holding, respectively practicing other professions and activities. (Chapter Nine „Statute of judges, prosecutors and investigators“, Section III „Incompatibility, art.195 LJ). Magistrates shall be dismissed on the grounds of art. 165, sec.7 of the LJA, if such incompatibility is discovered.

Moreover, a Strategy to continue the judicial system reform in the conditions of European Union membership was drawn up by the Ministry of Justice in partnership with leading non-governmental organisations. The most important goals of the Strategy are better management of the judicial system; quality justice, placing the citizens' point of view in the focus of the debate about the judicial reform; combating corruption in the judiciary. The priorities which will make the achievement of the strategic goals of the reform realistic were also formulated. The amendments to the Judiciary System Act which are prepared at present and which aim at the strengthening of its independence and effectiveness, and introduce high criteria for professional qualification and transparency of the judicial system, are in compliance with these priorities.

The Prosecutor's Office of the Republic of Bulgaria is part of the judicial system (arg. of art. 117, par. 2 of the Constitution).

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

The disciplinary practice of the SJC regarding the sanctioning of trade in influence and breach of ethical standards has been activated. The Code of ethics of the magistrates is traditionally applied as an instrument for removing the magistrates, who are harming the image of the profession. For grave breaches criminal proceedings against magistrates are instituted. For the year 2011 12 criminal proceedings against 13 magistrates (3 judges, 7 prosecutors and 3 investigators) have been concluded by a verdict.

Have you ever assessed the effectiveness of the measures adopted to strengthen integrity and to prevent opportunities for corruption among members of the judiciary?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

The results of the assessment of the effectiveness of the respective provisions led to numerous amendments in the Law on Judiciary.

38. Paragraph 2 of article 11

2. **Measures to the same effect** as those taken pursuant to paragraph 1 of this article may be introduced and applied within the **prosecution service** in those States Parties where it does not form part of the judiciary but enjoys independence similar to that of the judicial service.

In your country, does the prosecution service form part of the judiciary?

(Y) Yes

39. Paragraph 1 of article 12

1. Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to **prevent corruption involving the private sector, enhance accounting and auditing standards** in the private sector and, where appropriate, provide **effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply** with such measures.

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s) and penalty(ies)

Please cite the text(s)

The Ministry of Justice has translated and uploaded to its web page (both in English and Bulgarian) all the documents related to different anti-corruption monitoring mechanisms - the phase 1-3 reports for Bulgaria by OECD, the Phase 1 executive summary under UNCAC (chapters 3 and 4), as well as the GRECO reports on Bulgaria.

All the International treaties in this field are also published on the MoJ's web page. Different documents on the Prevention of corruption in the private sector, such as the Good practice Guidance on companies of the OECD, advising companies on the development of ethics programmes, have also been translated and uploaded.

All these materials have been submitted to different NGO's and Business Associations, the Ministry of Economics,

Energetic and Tourism (MEET), the Bulgarian Executive Agency for Small and Medium Enterprises and other stakeholders.

The most of the approached Business Associations have also make information on the anticorruption reports and activities on their web pages and have desiminated information trough brochures or newsletters to their member companies.

On the 9th March 2011 An Anti-Corruption Seminar has been held in Sofia, co-organised by the Bulgarian - Nordic Chamber of Commerce and the Swedish Trade Council, aiming at making companies familiar with the International anti-corruption standards. Participants were more than 30 companies, 3 business associations and 2 NGO's.

With regard to the sanctions - The Bulgarian legislation provides for a variety of sanctions for accounting and oditing misconduct - civil, administrative and criminal. The civil and administrative sanctions are prescribed under the Law on accounting, La on Independant Financial Audit, International audit standarts, the Law on administrative offences and sanctions.

The Bulgarian legislation has been changed in the recent years in accordance with the European Directives in the following most important directions:

- Obligatory application of the International Financial Reporting Standards by all the entities, effecting activities of public interest as well as entities which answer to certain criteria, specified by law;
- Obligatory application of the International Standards on Auditing by the registered auditors;
- The IFAC Code of Ethics for professional accountants is approved and applied by the Institute of Certified Public Accountants in Bulgaria;
- The Bulgarian legislation which regulates the measures against money-laundering, financing or terrorism and financing of political parties provides additional requirements towards the Bulgarian auditors;
- A Commission of Public Oversight over the Registered Auditors was established;
- A Commercial Register Law was approved, according to which all the entities registered under the Bulgarian commercial legislation have the obligation to publish information about all the important decisions of the owners, annual financial statements, detailed disclosure of material information included in the financial statements - annual report of management activity and auditor's report for those subject to independent financial audit.

The Institute of Certified Public Accountants in Bulgaria has published a book which treats the issues of detecting errors and fraud in the audit of financial statements.

The Bulgarian registered auditors are applying the International Standards on Auditing, including these dealing with the detection of errors and fraud. It is common practice while effecting an audit engagement to include procedures of testing the internal control systems and marking the risk parts of it. In case a fraud is detected the registered auditors are obliged to discuss the case with the management or a representative of the owner. If the fraud is substantial the registered auditors usually discuss the case with their legal advisors and decide how to inform the respective authorities.

a/ these measures are included in the Anti-Money Laundering Law and also the International Standards on Auditing deal with the procedures the auditors have to apply to detect errors and fraud as well as suspicious deals;

b/ these measures include an authorization and an obligation to report to the respective authorities;

c/ in case of insufficient management action upon receipt by management of such report, the registered auditors discuss the problems with monitoring bodies independent of management such as audit committees, supervisory boards etc.;

d/ the Anti-Money Laundering Law requires the registered auditors to pay a special attention to transactions which answer the criteria described in the law as well as to pay a special attention to transactions which seem suspicious. Besides that, following the requirements of the International Standards on Auditing the registered auditors specify a level of materiality for each audit engagement - of the financial statement as a whole and of the separate items of the financial statement;

e/ the Bulgarian legislation pays attention to the anonymity of the reporting registered auditor. We consider the legislation requirements not sufficient in respect of auditor's protection.

f/ the Anti-Money laundering Law requires the management as well as the responsible accountants to report about such information.

A lot of non-government organizations of representatives of Bulgarian business were established in the recent years. The members of these organizations exchange their experience about the elements of internal control, ethics and the types of their internal regulations. For example the Bulgarian Business Leaders Forum , which has more than 200 members - all of them leading Bulgarian companies - made a proposal to the Bulgarian government all the payments over 5000 BGN to be effected only by bank transfers and the companies not to encourage cash payments.

All the Bulgarian companies of public interest are obliged by the regulation authorities as well as by the specific Bulgarian legislation to disclose important information related to the owners' decisions, the annual financial statements, detailed disclosure of the material information in the financial statements - annual report of management activity and audit report for those subject to an independent financial audit. According to the Commercial Register Law such information is published by all the companies in their websites as well as in the Commercial Register which is public;

The relationships between the business organizations and the professional organizations are on high level. For example the Institute of Certified Public Accountants in Bulgaria always invites representatives of business to

participate in its conferences, roundtables and other events. The Institute has a body which gives methodological directions and professional opinions to interested parties.

In addition, the Institute of Certified Public Accountants in Bulgaria has a Professional Ethics Committee, a Disciplinary Committee and a Committee for Control over the Quality of Audit Services, which control the observance of professional and ethic norms. In our opinion this is a good example for the steps which have been taken to encourage companies to provide mechanisms for communication by and protection of persons not willing to violate professional standards or ethics and willing to report the breaches of law or professional standards or ethics.

Furthermore, grave instances of such behaviour are criminalized under the following provisions of the Criminal code ("false accounting") : Art. 209-212, 255, 255a, 256, 258, 260 and 313.

The Criminal Code takes into consideration that the main aim of false accounting is to present the results and affairs of an organisation in a better light than in real and it is geared to the different ways in which the false accounting can be accomplished. False accounting may be accomplished for example through fraud (Art. 209-210) or documentary fraud (Art. 212) when using a document of untrue content or an untrue or falsified document with the aim to obtain without legal grounds movable or immovable property. If a person destroys, conceals or fails to store accounting documents or registries within the statutory timelines, or carries out or allows accounting to be carried out in violation of accounting legislation requirements in order to avoid the assessment or payment of large scale tax obligations, then the provision of Art. 255 shall apply. The CC goes even further and foresees criminal liability for auditor who certifies an untrue annual accounting report (which in substance is an accounting document) of a merchant, being aware of that fact (Art. 260).

The corruption in private sector is also criminalized under art. 225 c of the Criminal Code.

Criminal Code

Article 209

(1) (Amended, SG No. 28/1982, SG No. 10/1993, SG No. 26/2010) A person who for the purpose of acquiring material benefit for himself or for another evokes or maintains in somebody a misleading idea, and thereby causes material damage to that person or to another, shall be punished for deceit by deprivation of liberty from one to six years.

(2) (Amended, SG No. 10/1993, SG No. 26/2010) A person who for the same purpose takes advantage of the misleading ideas, the inexperience or the lack of information of another and causes thereby material damage to that person or to another, shall be punished by deprivation of liberty for up to five years.

(3) In minor cases under the preceding paragraphs, the punishment shall be deprivation of liberty for up to one year, or probation.

Article 210

(1) For deceit the punishment shall be deprivation of liberty for one to eight years:

1. if the perpetrator has presented himself as an official, or as a person who acts on orders by the authorities;

2. (amended, SG No. 28/1982) if the deceit has been committed by two or more persons who had conspired in advance for its perpetration;

3. (amended, SG No. 26/2004) if the deceit has been perpetrated by an official or by an attorney within the scope of his office or authorisation or by a person directly dealing in his business with liquid currency;

4. if the deceit has been committed for a second time in cases other than minor;

5. (new, SG No. 28/1982) if the damage inflicted is on a large scale.

(2) (New, SG No. 28/1982) In the cases of sub-paragraphs 4 and 5, the court may rule confiscation of up to one half of the culprit's property.

Article 211

(Supplemented, SG No. 28/1982, SG No. 10/1993, SG 92/2002, effective 1.01.2005 with respect to the punishment of probation - amended, SG No. 26/2004, effective 1.01.2004, SG No. 103/2004)

Where the deceit under Article 209, paragraphs (1) and (2), and under Article 210 has been on particularly large scale, constituting particularly grave case or constituting a case of dangerous recidivism, the punishment shall be deprivation of liberty for three to ten years. The court may rule confiscation of up to one half of the culprit's property

Article 212

(Supplemented, SG No. 95/1975, amended, SG No. 28/1982)

(1) (Amended, SG No. 10/1993, amended and supplemented, SG No. 26/2010) A person who, by using a document of untrue content or an untrue or falsified document, obtains without legal grounds movable or immovable property of another person with the intention to appropriate it, shall be punished by deprivation of liberty from two to eight years.

(2) (Amended and supplemented, SG, No. 27/2009) The punishment under paragraph (1) shall also be imposed on a person who, by drawing up a document of untrue contents or an untrue or falsified document, consciously provides opportunity for another natural person or legal entity to obtain such property without legal grounds.

(3) (New, SG No. 92/2002) Where the property comes from funds, which are owned by the European Union or

that has been granted to the Bulgarian State by such funds, punishment shall be deprivation of liberty from three to ten years.

(4) (Renumbered from Paragraph 3, SG No. 92/2002) If the property under the preceding paragraphs is of large scale or the act constitutes dangerous recidivism, the punishment shall be deprivation of liberty for three to fifteen years.

(5) (Renumbered from Paragraph 4, SG No. 92/2002) For documentary deceit of particularly large scale, constituting a particularly grave case, the punishment shall be deprivation of liberty for ten to twenty years.

(6) (Renumbered from Paragraph 5, SG No. 92/2002) In minor cases under paragraphs (1) and (2) the punishment shall be deprivation of liberty for up to two years or probation.

(7) (Renumbered from Paragraph 6, SG No. 92/2002, amended, No. 27/2009) In the cases of paragraph (1), the court may rule confiscation of up to one half of the culprit's property and may deprive him of rights under Article 37 (1), sub-paragraphs 6 and 7, and in the cases under paragraphs (3), (4) and (5), the court shall rule confiscation of part or of the whole property of the culprit and shall deprive him of rights under Article 37 (1), sub-paragraphs 6 and 7.

Article 225c

(New, SG No. 92/2002)

(1) The individual performing a job for a legal entity or a sole trader under the Commercial Act, who requests or accepts a gift or any benefit, that appears undue, or accepts an offer or a promise for a gift or benefit in order to perform an act, or fail so to do, in breach of his/her obligations with regard to commercial activities, shall be punished by imprisonment of up to five years or by a fine from up to BGN 20,000.

(2) The individual performing commercial activities, who offers, promises or provides a gift or any benefit to a person performing a job with a legal entity or a sole trader, in order to perform an act, or fail so to do, in breach of his/her obligations, shall be punished by imprisonment of up to three years or by a fine from up to BGN fifteen thousand.

(3) Punishments under the preceding paragraphs shall also be imposed, where the gift or benefit have been offered, promised or given to another upon consent of the individual under Paragraph 1.

(4) (Amended, SG No. 26/2004) The individual who acts as intermediary with regard to some acts under the preceding paragraphs, where his conduct does not qualify under more serious crimes, shall be punished by deprivation of liberty up to one year or a fine from up to BGN 15,000.

(5) The object of crime shall be expropriated to the benefit of the State, and where it may not be found or has been disposed of, the money equivalent thereof shall be awarded.

Article 255

(Amended, SG No. 28/1982, SG No. 89/1986, repealed, SG No. 10/1993, new, SG No. 62/1997, effective 5.11.1997, amended, SG No. 75/2006)

(1) A person who avoids the assessment or payment of large-scale tax obligations by:

1. failing to file a tax return;
2. confirming a lie or withholding the truth in a statement filed by him/her;
3. failing to issue an invoice or another accounting document;
4. destroying, concealing or failing to store accounting documents or registries within the statutory timelines;
5. carrying out or allowing accounting to be carried out in violation of accounting legislation requirements;
6. compiling or making use of a document with untrue content, a false or counterfeited document in economic operations, in accounting or in providing information to revenue authorities or public enforcement agents;
7. obtaining undue input tax,

(amended, SG No. 26/2010) shall be punished by deprivation of liberty from one to six years and a fine of up to BGN 2,0000.

(2) (Amended, SG No 67/2008, SG No. 12/2009, effective 1.05.2009) Where the act under para 1 has been committed with the participation of a border police, customs administration, National Revenue Agency official or a registered auditor, the punishment shall be deprivation of liberty from two to six years and a fine of up to BGN 5,000, as well as by deprivation of rights under Art. 37, para 1, subparas 6 and 7.

(3) Where particularly large-scale tax obligations are at stake, the punishment shall be deprivation of liberty from

three to eight years and confiscation of a part or the whole property of the guilty person.

(4) If the undeclared and unpaid tax obligation together with the interest due is paid to the budget prior to completion of the judicial inquiry at the court of first instance, the punishment under paras 1 and 2 shall be deprivation of liberty of up to two years and a fine of up to BGN 500, and under para 3 - deprivation of liberty of up to three years and a fine of up to BGN 1,000.

Article 255a

(New, SG No. 75/2006)

(1) Anyone avoiding the assessment or payment of large-scale tax obligations through the transformation of a commercial company or another legal entity, through a transaction involving a business, or related parties, within the meaning of the Tax and Social Insurance Procedure Code, shall be punished by deprivation of liberty from one to six years and a fine of up to BGN 10,000.

(2) Where particularly large-scale tax obligations are at stake, the punishment shall be deprivation of liberty from three to eight years and confiscation of a part or the whole property of the guilty person.

(3) Where, until completion of judicial inquiry at the first-instance court, undeclared or unpaid tax obligations are paid into the budget together with the interest due, the punishment shall be deprivation of liberty of up to three years and a fine of up to BGN 1,000.

Article 256

(Repealed, SG No. 10/1993, new, SG No. 62/1997, amended, SG No. 75/2006)

(1) Anyone, making use of a document with untrue content, a false or counterfeited document, who obtains from the state budget undue large-scale moneys or allows another to obtain such moneys, shall be punished by deprivation of liberty from two to eight years and a fine from BGN 1,000 to BGN 5,000.

(2) Where the act under para 1 has been committed with the participation of a person under Article 255, para 2 or by a person acting on the orders or in execution of a decision of an organised criminal group or where the sum obtained is of a particularly large-scale value, the punishment shall be deprivation of liberty from three to ten years and confiscation of a part or the whole property of the guilty person, as well as deprivation of the rights under Article 37, para 1, subpara 6 and 7.

(3) Where, until completion of judicial inquiry before the first-instance court the sum obtained is repaid into the budget together with the interests due, the punishment under para 1 shall be deprivation of liberty of up to three years and a fine of up to BGN 1,000, and under para 2 - deprivation of liberty of up to five years and a fine of up to BGN 3,000.

Article 258

(Amended, SG No. 28/1982, repealed, SG No. 10/1993, new, SG No. 62/1997)

(1) A person who unlawfully creates obstructions to the tax authorities in implementation of their lawful duties, shall be punished by deprivation of liberty for up to three years and a fine of BGN one thousand to two thousand.

(2) Should the deed under paragraph (1) be committed by force or threat, the punishment shall be deprivation of liberty from one to six years and a fine of BGN two thousand to five thousand.

Article 260

(Amended, SG No. 95/1975, SG No. 28/1982, repealed, SG No. 10/1993, new, SG No. 62/1997)

(1) A certified appraiser who makes untrue appraisal or conclusion about the value of property under appraisal, causing in such way damages in cases of material importance, shall be punished by deprivation of liberty for up to three years and deprivation of rights under Article 37, paragraph (1), subparagraphs 6 and 7.

(2) (Amended, SG No. 67/2008) A registered auditor who certifies an untrue annual financial report of a trader, being aware of that fact, shall be punished by deprivation of liberty for up to one year and deprivation of rights under Article 37, paragraph (1), subparagraphs 6 and 7.

Article 313

(Amended, SG No. 28/1982)

(1) (Amended, SG No. 10/1993, amended and supplemented, SG No. 92/2002) A person who asserts an untruth or holds back a truth in a written declaration or an electronic message which by virtue of a law, decree or regulation of the Council of Ministers are submitted to a state authority for certifying the truth about certain facts, shall be punished by deprivation of liberty for up to three years or by a fine of BGN one hundred to thirty hundred.

(2) (New, SG No. 10/1993, amended, SG No. 50/1995, SG No. 26/2010) Where the act under paragraph (1) has been committed for the purpose to avoid payment of due taxes, the punishment shall be deprivation of liberty for up to three years or a fine of up to BGN one thousand.

(3) (Renumbered from Paragraph 2, amended, SG No. 10/1993, amended and supplemented, SG No. 92/2002) The punishment under paragraph (1) shall also be imposed on a person who asserts an untruth or holds back a truth in a private document or an electronic message in which under an express provision of a law, decree or regulation of the Council of Ministers he is especially obliged to certify the truth, and uses these documents as proof of the untrue certified facts or statements.

(4) (New, SG No. 62/1997) A person who, with reference to public offering of securities in a prospectus or review of the economic position uses untrue beneficial data, or holds back unfavourable data, which is of material importance in making decisions on acquisition of securities, shall be punished by deprivation of liberty for up to three years and a fine of up to BGN five hundred.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If available, please provide information (statistics, types of cases, outcome) on related legal (civil, administrative or criminal) cases or other processes. Please provide per annum figures since the year 2003 (or further back, if available)

Have you ever assessed the effectiveness of the measures adopted to prevent corruption involving the private sector, enhance accounting and auditing standards and provide penalties for failure to comply?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

40. Subparagraph 2 (a) of article 12

2. Measures to achieve these ends may include, inter alia:

(a) Promoting **cooperation between law enforcement agencies and relevant private entities;**

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s)

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or

legislation pending official publication):

Please cite the text(s)

The Bulgarian registered auditors are applying the International Standards on Auditing, including these dealing with the detection of errors and fraud (ISA 240). It is common practice while effecting an audit engagement to include procedures of testing the internal control systems and marking the risk parts of it. In case a fraud is detected the registered auditors are obliged to discuss the case with the management or a representative of the owner. If the fraud is substantial the registered auditors usually discuss the case with their legal advisors and decide how to inform the respective authorities. In case of insufficient management action upon receipt by management of such report, the registered auditors discuss the problems with monitoring bodies independent of management such as audit committees, supervisory boards etc.

Furthermore, similar measures are included in the Law on the Measures against Money Laundering (LMML), which deal with the procedures the auditors have to apply to detect errors and fraud as well as suspicious deals. The LMML requires the registered auditors to pay a special attention to transactions which answer the criteria described in the law as well as to pay a special attention to transactions which seem suspicious. Besides that, following the requirements of the International Standards on Auditing the registered auditors specify a level of materiality for each audit engagement - of the financial statement as a whole and of the separate items of the financial statement.

With regard to the Tax authorities the following rules apply:

Ethical standards providing concrete explanations of the acts of revenue authorities in the counteraction and fight against corruption apply in the National Revenue Agency (NRA) in accordance with the Code of Ethics of public officials.

Under Art. 34, para.2 of the Tax Insurance Procedure Code (TIPC) where in the course of the tax proceedings a criminal offence relevant to the outcome of the proceedings is found, the proceedings shall be suspended and the case records shall be transmitted to the competent prosecutor. After termination of the criminal proceedings, the case records thereon shall be transmitted to the revenue authorities for a resumption of the suspended proceeding. At the same time if in the course of a criminal proceedings further information is needed, it may be requested and the tax authorities are obliged to cooperate. (Art. 215 LJ)

Under Article 26 of the National Revenue Agency Act (NRAA) the NRA, Ministry of Interior bodies and the Public Prosecution Office, Ministry of Finance control bodies, as well as other state and municipal bodies, shall take joint actions in relation to the discharge of their given functions. The procedure and modalities of cooperation shall be specified in a joint instruction of the Heads of the respective bodies.

LAW ON JUDICIARY

Art. 215. When exercising their functions, the judges, prosecutors and investigators may request assistance from all state authorities, officials, legal persons and citizens, which shall be obliged to render such assistance.

TAX-INSURANCE PROCEDURE CODE

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.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If applicable, please list any joint conferences or seminars, secondment policies, task forces, partnerships or other joint activities to promote cooperation between law enforcement agencies and private sector entities

Have you ever assessed the effectiveness of the measures adopted to promote cooperation between law enforcement agencies and private sector entities?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools

and resources utilized:

41. Subparagraph 2 (b) of article 12

2. Measures to achieve these ends may include, inter alia:

...

(b) Promoting the **development of standards and procedures designed to safeguard the integrity of relevant private entities**, including codes of conduct for the correct, honourable and proper performance of the activities of business and all relevant professions and the prevention of conflicts of interest, and for the promotion of the use of good commercial practices among businesses and in the contractual relations of businesses with the State;

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

(Y) Yes

Please cite, summarize and attach the applicable standard(s), procedure(s), code(s) of conduct or other measure(s)

Please cite the text(s)

See the answer under point 39, regarding art.12, para.1

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the standards and procedures designed to safeguard the integrity of relevant private entities?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

42. Subparagraph 2 (c) of article 12

2. Measures to achieve these ends may include, inter alia:

...

(c) Promoting **transparency among private entities**, including, where appropriate, measures regarding the **identity of legal and natural persons involved in the establishment and management of corporate entities**;

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s)

Please cite the text(s)

In accordance with the Law on Commercial Register, the information contained in the Commercial register is public and anyone has the right to request a check-up as regards the existence or lack of an entered circumstance or disclosed act in the Commercial Register (Article 32). According to the Commercial Law amongst the circumstances, subject to entry are also natural and/or legal persons - partners in the company, founders, as well as data on the management and manner of representation.

Law on the Commercial Register

Circumstances Subject to Entry

Article 4. Traders, branches of foreign traders and circumstances related thereto, for which there are provisions of a law that they are subject to entry, shall be entered in the Commercial Register.

Publicity

Article 11. (Amended, SG No. 50/2008, SG No. 34/2011, effective 1.01.2013 - amended No. 105/2011, effective 31.12.2011) (1) The Commercial Register shall be public. Any person shall have the right to access the data base constituting the Commercial Register without restrictions and free of charge.

(2) The Agency shall ensure registered access to any trader's file.

(3) The access referred to in Paragraph (2) may be provided at the Agency's territorial units after an application and an identity document are produced. A person requesting access electronically shall prove his/her identity through an electronic signature or a digital certificate issued by the Agency, or, in the cases of ex officio access, in accordance with the procedure provided for by the ordinance referred to in Article 12, Paragraph (4).

Check-ups

Article 32. (1) Anyone shall be entitled to request a check-up as regards the existence or lack of an entered circumstance or disclosed act in the Commercial Register.

(2) Check-ups in the Commercial Register may be made by:

1. (amended, SG No. 50/2008) the business name, or SIC of the trader or branch of a foreign trader;

2. (supplemented, SG No. 50/2008) the name or the Personal Identification Number (PIN), respectively business name, or SIC of the partner or sole owner of capital;

3. (supplemented, SG No. 50/2008) the name or PIN, respectively business name, or SIC of a member of the organs of the legal person - trader.

(3) Check-ups on any circumstance entered or disclosed act may be made in the file of the separate trader, respectively branch of foreign trader, and of the authorizing parties and legal successors thereof.

Commercial Law

Article 115

The Articles of Association shall state:

1. (amended and supplemented, SG No. 124/1997) the company's trade name, seat, and head-office address;

2. the purposes and the time period for which the company is being set up;

3. (supplemented, SG No. 38/2006, effective 1.07.2007 - amended, in relation to becoming effective, SG No. 80/2006) the name or, respectively, the trade name, the seat and standard identification code, as well as the address of each partner;

4. (supplemented, SG No. 84/2000, amended, SG No. 82/2009, supplemented, SG No. 34/2011, effective 3.05.2011) the amount of the capital; in the event that the whole amount of the capital has not been paid in at the time of incorporation, the Memorandum shall determine the deadlines and conditions for paying it in; the

deadline for additional paying in of the whole amount of the capital may not be longer than two years of the registration of the company, respectively the capital increase.

5. the interests of the partners;
6. the management and manner of representation;
7. the privileges of the partners, where agreed upon;
8. other rights and obligations of the partners.

etc.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to regulate the identity of legal and natural persons involved in the establishment and management of corporate entities?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

43. Subparagraph 2 (d) of article 12

2. Measures to achieve these ends may include, inter alia:

...

(d) **Preventing the misuse of procedures regulating private entities**, including procedures regarding subsidies and licences granted by public authorities for commercial activities;

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

(Y) Yes

Please cite, summarize and attach the applicable procedure(s) or other measure(s)

Please cite the text(s)

In order to ensure stricter reporting and easier planning of public expenditure, the Public Procurement Law (PPL) obliges the contracting authorities to adopt their internal rules on the award of public contracts, which should contain the step-by-step rules and order for planning and organizing procurement procedures and controlling the implementation of the awarded contracts (Article 8 (7) PPL). The internal rules could foresee the existence of internal controls, ethics and compliances systems or measures as an additional condition for granting public procurement.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to prevent the misuse of procedures regulating private entities?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

44. Subparagraph 2 (e) of article 12

2. Measures to achieve these ends may include, inter alia:

...

(e) **Preventing conflicts of interest by imposing restrictions**, as appropriate and for a reasonable period of time, **on the professional activities of former public officials or on the employment of public officials by the private sector after their resignation or retirement**, where such activities or employment relate directly to the functions held or supervised by those public officials during their tenure;

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 other measure(s)

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

Chapter V of LPACI provides different limitations for public office holders after vacationing of public office.

A former public office holder, who has been released from office on the basis of an effective act whereby a conflict of interest has been ascertained, shall not have the right to occupy public office within one year after the release. This prohibition shall not apply to any office occupied on the basis of the exercise of direct suffrage.

Within one year after vacating office, any public office holder, with the exception of a person referred to in Items 1, 2, 3, 6, 11, 12 and 12 of Article 3 herein, shall not have the right to conclude employment contracts or other contracts for the fulfilment of management or control functions with any commercial corporations or co-operatives in respect of which the said office holder has performed any actions involving disposition, regulation or control or has concluded any contracts there with during the last year of execution of the official powers or duties thereof, nor to be a partner, to hold interests or shares, to be a managing director or member of a management or supervisory body of any such commercial corporations or co-operatives. The above limitations shall further more apply to any commercial corporations having close links with the corporations

referred to above.

Public office holder who, in the last year of execution of the official powers or duties thereof, has participated in the conduct of any public procurement procedures or in any procedure related to the provision of resources from any funds belonging to the European Union or made available by the European Union to the Bulgarian State, shall not have the right to participate or to represent any natural or legal person in any such procedures before the institution wherein the said office holder held office within one year after vacating office. The prohibition of participation in public procurement procedures or in procedures related to the provision of resources from any funds belonging to the European Union or made available by the European Union to the Bulgarian State shall further more apply to any legal person wherein the person referred to above has become a partner, holds interests, or is a managing director or member of a management or supervisory body after vacating office.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Have you ever assessed the effectiveness of the measures adopted to impose restrictions on the professional activities of public officials as prescribed by the provision under review?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

45. Subparagraph 2 (f) of article 12

2. Measures to achieve these ends may include, inter alia:

...

(f) Ensuring that private enterprises, taking into account their structure and size, have **sufficient internal auditing controls** to assist in preventing and directing acts of corruption and that the accounts and required financial statements of such private enterprises are subject to **appropriate auditing and certification procedures**.

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

(Y) Yes

Please cite, summarize and attach the applicable procedure(s) or other measure(s). Please specify which agencies are responsible for the implementation of measures related to this provision and their web-addresses, if available

Please cite the text(s)

See the information under art.9, para. 2, letters "b","c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

If available, please provide information (statistics, types of cases, outcome) on related legal (civil, administrative or criminal) cases or other processes. Please provide per annum figures since the year 2003 (or further back, if available)

Have you ever assessed the effectiveness of the measures providing for private entities' internal auditing controls and appropriate auditing and certification procedures?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

46. Subparagraph 3 (a) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

*(a) The establishment of **off-the-books accounts**;*

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analysis of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures adopted to comply with the provision under review and prohibit the acts mentioned therein?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

47. Subparagraph 3 (b) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

...

(b) The making of **off-the-books or inadequately identified transactions**;

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analyses of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures prohibiting off-the-books or inadequately identified transactions?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

48. Subparagraph 3 (c) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

...

(c) The recording of **non-existent expenditure**;

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analyses of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures prohibiting the recording of non-existent expenditure?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

49. Subparagraph 3 (d) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

...

(d) The entry of **liabilities with incorrect identification of their objects**;

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analyses of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures prohibiting the entry of liabilities with incorrect identification of their objects?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

50. Subparagraph 3 (e) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

...

(e) The **use of false documents**;

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analyses of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures prohibiting the use of false documents?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

51. Subparagraph 3 (f) of article 12

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the **maintenance of books and records, financial statement disclosures and accounting and auditing standards**, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

...

(f) The intentional destruction of bookkeeping documents earlier than foreseen by the law.

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

(Y) Yes

Please cite, summarize and attach the applicable measure(s), including possible sanctions in the event of non-compliance

Please cite the text(s)

See the information under art.9, para. 2, letters "c" and "e", as well as the information under art.9, para.3 UNCAC.

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or

legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

Please provide any available reports, statistics or analyses of compliance and non-compliance instances and rates

Have you ever assessed the effectiveness of the measures prohibiting the intentional destruction of bookkeeping documents earlier than foreseen by the law?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

52. Paragraph 4 of article 12

4. Each State Party shall **disallow the tax deductibility of expenses that constitute bribes**, the latter being one of the constituent elements of the offences established in accordance with articles 15 and 16 of this Convention and, where appropriate, other expenses incurred in furtherance of corrupt conduct.

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

(Y) Yes

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

Please cite the text(s)

Bribes are not recognized for tax purposes in Bulgaria, they are not tax deductible. Under the existing legislation there is no possibility whatsoever for those to be tax deductible.

The disallowance of tax deductibility of bribes originates from the provisions of art.10 and art. 26 of the Law on corporate income taxation (LCIT), which introduce a general prohibition for definite types of expenses to be recognised for tax purposes by the tax authorities. Expenses, which could not be interconnected with the activity of the tax obliged persons, can not be recognized for tax purposes.

Furthermore, art. 16, para.3 of the law is regulating another hypothesis, whereby a fictitious agreement is masking the actual one and in such cases, according to the law, the rules should apply to the covered agreement. The law is also regulating the situations where a bribe or other corruption related crime could be masked as a donation. In this regard art.31, para.6 prescribes that: "the entire expense on a donation shall not be recognized for tax purposes where the donation benefits, whether directly or indirectly, the managers who make it or those who dispose of the said donation, or where there is evidence that the gift has not been received". The non tax deductibility of bribes is further regulated by the provision of art. 16, para.2, point 4, according to which a tax evasion is considered when there is charging of any remunerations or compensations for any services which have not been actually performed.

It is important to mention also that a new tax law legislation is planned for the year 2012, according to which there will be an express denial for tax purposes of bribe/corruption expenses.

LAW ON CORPORATE INCOME TAXATION effective since 01.01.2007

Documentary grounds

Article 10. (1) The accounting expenses shall be recognized for tax purposes where they are grounded on a primary accounting document within the meaning of the Accounting Law, this document presenting fairly the business operation.

(2) The accounting expenses shall also be recognized for tax purposes where a part of the primary document's information required under the Accounting Law is missing, provided that there are documents available which certify the missing information.

(3) Apart from the cases under para. 2, the accounting expenses shall also be recognized where the primary

document is issued by a person that is not an establishment within the meaning of Art. 1, para. 2 of the Accounting Law and a part of the primary document's information required under the Accounting Law is missing, provided that the document presents fairly the business operation documented.

(4) The taxable persons shall be obligated to get registered and to report the sales they have made, as well as the services they have provided, by way of issuing a fiscal cash-register slip from a fiscal device in accordance with the procedure set forth in an Ordinance of the Minister of Finance, except where the payment is made through the bank or by way of a set-off. Where the issue of a fiscal cash-register slip from a fiscal device is obligatory, the absence thereof forms grounds for the non-recognition of the accounting expenses for tax purposes.

(5) As for the international air transport, the accounting expense shall be documentarily grounded where it is documented by way of a primary accounting document and the boarding pass for the respective flight. Where the primary accounting document (record) is issued by a person who has performed the sale on behalf of and at the account of the carrier, the said person is assumed to be the issuer of the document.

(6) (new - SG 110/07, in force from 01.01.2008) Documentary proof for the expenses under Art. 204, Items 1 and 3, which have been levied an expenses tax, shall be deemed available also where they have been documented only in a fiscal receipt from a fiscal device. The expenses under Art. 204, Item 3, levied an expenses tax, shall be recognized for taxation purposes also in case of lack of a travel list.

Article 16. (1) (Amended, SG No. 95/2009, effective 1.01.2010) Where one or more transactions, inter alia between unrelated parties, has been concluded under terms whereof the fulfilment leads to tax evasion, the taxable amount shall be determined ignoring the said transactions, certain terms thereof or the legal form thereof and taking into consideration the taxable amount that would be obtained upon the effecting of a customary transaction of the relevant type at market prices and intended to achieve the same economic result but which does not lead to tax evasion.

(2) The following shall furthermore be treated as tax evasion:

1. any substantial excess of the quantities of raw and prime materials used as production inputs and other production costs over the customary quantities and costs for the activity carried out by the person, where any such excess is not due to reasons beyond the control of the person;

2. any contracts of loan for use or other gratuitous provision for use of tangible and intangible benefits;

3. any borrowing or lending at interest diverging from the market rate of interest as applicable at the time of conclusion of the transaction, including in the cases of interest-free loans or other temporary gratuitous financial assistance, as well as the write-off of debts or repayment of non-business debts for own account;

4. (amended, SG No. 94/2010, effective 1.01.2011) the charging of any remunerations or compensations for any services which have not been actually performed.

(3) Where a transaction is concealed by another, colourable transaction, the tax liability shall be assessed under the terms of the concealed transaction.

Chapter seven.

TAX PERMANENT DIFFERENCES

Expenses unrecognized for tax purposes

Article 26. The following accounting expenses shall not be recognized for tax purposes:

1. expenses that are not connected with the activity;

2. expenses that are not documentarily grounded within the meaning of this Law;

3. expenses of the tax charged or the tax input used in accordance with the Law on Value Added Tax in those cases where the expenses of the business operation relating to the value added tax have not been recognized for tax purposes;

4. (amend. - SG 110/07, in force from 01.01.2008) expenses accounted by a supplier under the Law on Value Added Tax in respect of a value added tax levied by him or by the revenue authority for a completed delivery, except the tax levied in case of gratuitous deliveries and deliveries in connection with deregistration under the Law on Value Added Tax; this Item shall not apply to expenses accounted in result of a taxation credit correction under the Law on Value Added Tax;

5. (amend. - SG 110/07, in force from 01.01.2008) subsequent expenses accounted for in connection with a receivable that has occurred as a result of the tax charged or the tax input used under items 3, 4, 8 and 10;

6. expenses of fines, confiscations and other sanctions imposed in connection with violation of statutory instruments, and interest on delayed payments for public liabilities or municipal ones;

7. expenses of donations except for those specified in Art. 31;

8. expenses of a tax which is subject to being withheld at the source and is at the account of the payer of the income;

9. those expenses of salary in the commercial companies having over 50 percent of State or municipal participation which exceed the expenses fixed in the statutory instruments;

10. (new - SG 110/07, in force from 01.01.2008) expenses accounted during realization of responsibility for due and not deposited value added tax in the cases of Art. 177 of the Law on Value Added Tax;

11. (new - SG 110/07, in force from 01.01.2008) expenses, representing hidden distribution of revenue.

Article 31. (1) The accounting expenses on donations to a total amount of up to 10 per cent of the positive accounting financial result (accounting profit) shall be recognized for tax purposes where the expenses on donations are incurred in favour of:

...

(6) The entire expense on a donation shall not be recognized for tax purposes where the donation benefits, whether directly or indirectly, the managers who make it or those who dispose of the said donation, or where there is evidence that the gift has not been received.

...

Please attach the text(s)

Please attach summary(ies) in English - obligatory, if the text(s) previously provided are not in one of the following languages: Arabic, Chinese, English, French, Russian or Spanish. Highly desirable if the text(s) previously provided are in Arabic, Chinese or Russian.

If applicable, please provide copies of draft bills or other measures related to the provision under review which are about to be adopted (e.g. legislation in final formal stages of enactment or legislation pending official publication):

Please provide examples of the successful implementation of domestic measures adopted to comply with the provision under review:

On the ground of the Instruction for cooperation between the Prosecution office and the National Revenue Agency in the year 2009 921 notifications have been filled by the revenue officials when they have established in the course of the administrative proceedings the existence of doubts for a crime committed under the Criminal code.

For the period 01.01.2010 until 30.11.2010 144 meetings of the regional coordination centers have been held, where 245 concrete cases of committed offences have been discussed. On those meeting the basic kinds and mechanisms for committing tax fraud have been discussed.

Have you ever assessed the effectiveness of the measures that disallow the tax deductibility of expenses that constitute bribes, or other expenses incurred in furtherance of corrupt conduct?

(Y) Yes

Please outline (or, if available, attach) the results of such an assessment including methods, tools and resources utilized:

The effectiveness of existing tax legislation is being analyzed on an annual basis, tax evasion provisions inclusive. Where the analysis of the administrative and legal practices shows tax evasion, the results of the analysis are made available to all persons that participate in the audit proceedings in order to ensure uniform implementation of the tax legislation. Where necessary, changes to the tax legislation are initiated.

The National Revenue Agency (NRA) has prepared and every year updates manuals on the implementation of material tax laws - VAT Act, LCIT and Personal Income Taxes Act. These manuals are published on the NRA Internet and the Intranet sites and are used both by the NRA employees and all taxpayers.

The manuals draw attention to the expenses not recognized for tax purposes, including bribes to public officials.

In the event of reported expenses that are not justified by documents, the tax authority investigates in depth the nature of the economic operation, including whether it might constitute bribery, money laundering or other crime.