

# PUBLIC FINANCIAL INSPECTION ACT

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## Chapter one. GENERAL PROVISIONS

Art. 1. This Act shall regulate the goals, objectives, principles and the scope of activities related to public financial inspection as well as the statute and the functions of the Public Financial Inspection Agency, called hereinafter "the Agency".

Art. 2. (1) The basic objective of the public financial inspection shall be to protect the public financial interests.

(2) The objective of para 1 shall be implemented by the agency by fulfilment of the following basic tasks;

1. (suppl. - SG 60/11) implementing of follow up financial inspections for observing the normative acts providing the budget, financial – economic or accounting activity, as well as the activities of assigning and performance of public procurement by the organisations and the persons of art. 4;

2. establishing of breaches of the normative acts providing the budget, financial – economic or accounting activity as well as indicators for implemented frauds;

3. revealing of caused damages of the property of the organisations and the persons of art. 4;

4. bringing to administrative punitive and proprietary responsibility of the guilty persons upon existence of the respective lawful grounds.

5. (new – SG 86/07) detection of frauds and violations, affecting the financial interests of the European Communities.

Art. 3. The public financial inspection shall be guided by the principles of lawfulness, objectivity, official principle and confidentiality.

Art. 4. Public financial inspection shall be implemented in:

1. the budget organisations;

2. (suppl. SG 15/13, in force from 01.01.2014) the state enterprises of art. 62, para 3 of the Commerce Act, as well as municipal enterprises;

3. the commercial companies with blocking quota state or municipal participation in the capital;

4. the commercial companies in which capital participates with blocking quota a person of item 2 or 3;

5. the corporate bodies having liabilities guaranteed with state or municipal property;

6. the corporate bodies of the Non-Profit Legal Entities Act and the unregistered partnerships under the Obligations and Contracts Act in which the state or the municipality participate directly or indirectly in their property;

7. (suppl. – SG 86/07; amend. SG 15/13, in force from 01.01.2014) the beneficiaries of state aid, the persons financed with resources from the state or the municipal budgets, international agreements or programmes of the European Union, as well as the persons financed with resources from the state enterprises of art. 62, para 3 of the Commerce Act – with regard to the spending of these resources.

Art. 5. (1) (prev. text of Art. 05 - SG 60/11) Financial inspections shall be carried out:

1. upon received applications, complaints and signals about breaches of the budget, financial – economic or accounting activity of the organisations and the persons of art. 4, submitted by state bodies, individuals and corporate bodies;
2. (amend. - SG 60/11) at the request of the Public Procurement Agency or of the Audit Office in cases provided for in the law;
3. (suppl. – SG 86/07) for check of the utilization of state aid and the spending of purposed subsidies conceded under the Act on the State Budget of the Republic of Bulgaria for the respective year and decree of the Council of Ministers;
4. on request by the Council of Ministers or the Minister of Finance;
5. (amend. – SG 64/07) at assigning by the bodies of prosecution by the order of art. 145 of the Judiciary System Act;
6. (new – SG 86/07; amend. - SG 98/08; amend. - SG 60/11; amend. – SG, 14/2015) upon signals of violations, affecting the financial interests of the European Communities, detected by the Directorate "Protection of the Financial Interests of the European Union AFCOS" at the Ministry of Interior;
7. (new – SG 86/07) with regards to observing the instructions and the terms referred to in Art. 18, para 1, item 1 and para 2.
  - (2) (new - SG 60/11) Apart from the cases referred to in Para 1 financial inspections of the activities of assigning and performance of public procurement shall be carried out periodically according to an approved annual plan, which shall be mandatory.
  - (3) (new - SG 60/11) The frequency of the financial inspections referred to in Para 2 and the concrete public procurement contractors subject to control during the year shall be determined on the basis of analysis of the information of the activity of assignment and performance of public procurement, assessment of risk factors and according to the administrative capacity of the Agency.
  - (4) (new - SG 60/11) The procedure for drawing up the plan referred to in Para 2 and the assessment criteria of risk factors shall be governed in the regulations on the implementation of this Act.

## **Chapter two. PUBLIC FINANCIAL INSPECTION AGENCY**

### **Section I. Structure and functions of the Public Financial Inspection Agency**

Art. 6. (1) The Public Financial Inspection Agency shall be administration at the Minister of Finance and it shall be corporate body at budget maintenance.

(2) The structure, the members and the organisation of work of the agency shall be determined with structural regulation approved by the Council of Ministers.

Art. 7. Bodies of the agency shall be the director and the financial inspectors.

Art. 8. (1) The Agency shall fulfil the following functions:

1. manage, conduct and control the implementation of the inspection activity;
2. (amend. - SG 60/11) plan and implement follow up control for lawfulness of the activities related to the assigning and the fulfilment of public procurement orders;
3. (new - SG 60/11) collect and analyse the information of the activity of the persons referred to in Art. 4 related to the assignment and performance of public procurement;
4. (prev. text of Item 03 - SG 60/11) analyse the reasons and the conditions for the breaches of the financial discipline and propose measures for their removal before the competent bodies;
5. (suppl. – SG 86/07; prev. text of Item 04 - SG 60/11) give methodical instructions to the financial

inspectors for implementing the activities under this Act and shall exercise control with regards to the quality of the inspection activity;

6. (prev. text of Item 05 - SG 60/11) organise training for initial professional skills of the newly appointed employees, for maintaining and increase of the qualification as well as for acquisition of new professional knowledge and skills by the employees of the agency;

7. (prev. text of Item 06 - SG 60/11) implement interaction and exchange of information with other state bodies;

8. (prev. text of Item 07 - SG 60/11) cooperate with the financial – control bodies and organisations of other states and international organisations;

9. (new - SG 98/08; prev. text of Item 08 - SG 60/11) render assistance to the inspectors of the European Commission, further referred to as "the Commission", for granting access to premises and/or documentation and carriers of computer information data, for performing on-the-spot control and checks - in case of refusal of the inspected organisation and of a person under Art. 4, Para 7, financed by funds from international treaties or programmes of the European Union.

(2) The agency shall present annual report of the results from its activity to the Council of Ministers through the Minister of Finance till May 31 of the following year. The report shall be sent as information to the National Assembly.

(3) The bodies of the prosecution, the Ministry of Interior and the agency shall render cooperation at implementing the financial inspections.

(4) (suppl. - SG 60/11) The agency and the Audit Office shall cooperate with objective protection of the public financial interests, including through exchange of information about the inspected and subject to financial inspections or audit assignors of public procurement.

(5) (new - SG 60/11) The Agency and the Audit Office shall coordinate their activities of control of the assignors of public procurement as set out in an agreement.

Art. 9. (1) The agency shall be represented and managed by director who shall be appointed by the Minister of Finance in coordination with the Prime Minister with employment legal relation for term of 4 years without limitation in the number of re-appointing.

(2) As director of the agency may be appointed a person who meets the following requirements;

1. to be legally capable
2. to have Bulgarian citizenship;
3. to have acquired education – qualification degree "master" in the specialties of professional direction "economy" or of professional direction "law" with acquired legal capacity;
4. to have practice in the specialty 10 years out of which at least two years at managerial position;
5. to have not been convicted to imprisonment for intentional indictable offence regardless he has been rehabilitated.

(3) The director of the agency shall be discharged by the Minister of Finance in coordination with the rime Minister before the elapse of the term of para 1:

1. on his written application;
2. upon durable factual impossibility to fulfil his obligations lasted more than 6 months;
3. upon entered into force verdict with which penalty imprisonment for intentional offence has been imposed;
4. at grave breach or systematic non fulfilment of the obligations.

(4) The deputy director of the agency shall be employee with legal relation of employment who shall be appointed and discharged by the director of the agency in coordination with the Minister of Finance.

(5) The director of the agency shall appoint and discharge from position the financial inspectors and the other employees of the agency who must meet the requirements of art. 11.

## **Section II.**

### **Authorities of the agency**

Art. 10. (1) The director of the agency shall:

1. manage and control the activity of the agency;
2. approve methodical instructions for implementing the inspection activity;
3. assign with order the implementation of financial inspections and reverse checks;
4. be responsible for the quality of the inspection activity;
5. (amend, - SG 60/11) organise the professional qualification and training of the employees of the agency according to art. 8, para 1, item 6;
6. represent the agency and organise its international connections;
7. conclude agreements for cooperation with other state bodies in connection with the implementation of the activity of the agency;
8. fulfil also other functions assigned to him with a law or with other normative acts;
9. (new - SG 60/11) approve an annual plan of the financial inspections of the activities of assignment and performance of public procurement.
10. (prev. text of Item 08 - SG 98/08; prev. text of Item 09 - SG 60/11) carry out other functions assigned by a law or other normative acts.

(2) The director of the agency or officials authorised by him may appoint for the account of the agency experts under conditions and by order determined with the regulation for implementation of the law.

(3) (amend. - SG 59/06, in force from entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union) On the basis of written request by the director of the agency or officials authorised by him the banks shall be obliged to concede information about the number and the numbers of the existing and the closed accounts of the checked organisations and persons and under the conditions of art. 62, para 6, item 5 of the Credit Institutions Act – also about the changes in these accounts.

(4) The director of the agency or officials authorised by him may concede information connected with implemented financial inspections only after they are finished when the information is requested by the respective order.

(5) (new - SG 98/08) When in an act of an authority of the Agency has been established a refusal of the inspected organisation or of a person under Art. 4 to provide to the financial inspector or to the controllers of the Commission documentation required for carrying out the inspection or the check, the director of the Agency or officials authorised by him shall file with the court a request for search of the premises and/or seizure of the documentation and with the authorities of the Ministry of Interior for assistance with the search and/or seizure.

(6) (new - SG 60/11) Upon a written request by the director of the Agency or officials authorised by him, the Agency of Public Procurement, the rest of the state authorities and the management bodies of the operative programmes of the European Union shall be obliged to provide information of the assignors of public procurement, of the number, type and value of the procedures carried out by them, as well as other information at their disposal.

(7) (new - SG 60/11) Upon a written request by the director of the Agency or officials authorised by him, the Audit Office shall provide information for the public procurement assignors for the respective year that have been included in the annual audit programme.

(8) (new - SG 60/11) Upon a written request by the director of the Agency or officials authorised by him, all assignors of public procurement shall be obliged to provide information of the public procurement carried out by them, as well as of the signed contracts for supply, construction and services during the respective year.

(9) (prev. text of Para 04 - SG 98/08; prev. text of Para 06, amend. - SG 60/11) The director of the Agency or officials authorised by him shall inform the society of the activities of the Agency and of the

results from carried out financial inspections only after their end.

(10) (new - SG 60/11) By the 10th day of the month, following every quarter, on the internet site of the Agency shall be published a list of the sites, where the financial inspections have ended, as well as information thereof.

Art. 11. (1) (amend. – SG 86/07) The positions in the agency shall be taken accordingly following the procedure laid down in the Civil Servants Act and the Labour Code.

(2) The financial inspectors shall fulfil their authorities with legal relation of employment and they must meet the following requirements:

1. to have acquired educational – qualification degree "master" in the specialties of professional direction "economy" or of professional direction "law" with acquired legal capacity;

2. to have practice in the specialty pointed out in the structural regulation of the agency.

(3) (amend. - SG 60/11; repealed – SG 38/2012, , in force from 01.07.2012)

(4) (repealed – SG 38/12 , in force from 01.07.2012)

(5) (new - SG 60/11) The duration of service of persons with higher legal education acquired as a "financial inspector" at the Agency shall be calculated as service under Art. 146, Para 1 - 7 of the Judiciary System Act and under Art. 8, Para 1, Item 3 of the Notaries and Notary Activity Act.

Art. 12. The employees of the agency, determined with the regulation for implementation of the Act shall be insured with insurance "Life" and "Accident" by the agency for the account of its budget.

Art. 13. At fulfilling their official obligations the bodies of the agency shall have right:

1. to free access to the whole information, including classified, according to their level of access observing the principle "need to know" as well as to all documents, including on electronic carrier which are preserved by the checked organisation or person;

2. to free access to the official premises and to all employees of the checked organisation or person;

3. to check the assets and the liabilities, the established accounting system and all documents, including on electronic carrier;

4. to require in terms determined by them from officials in the checked organisations and persons documents, certified copies of documents, information and references and other documents having importance for the implemented financial inspections;

5. to require within terms defined by them from officials in the checked organisations and persons declarations for all bank accounts in the country and abroad;

6. to require within terms defined by them from officials in the checked organisations and persons written explanations on issues connected with the implemented financial inspections;

7. to require within terms defined by them and to acquaint with the reports of the internal auditors, the Audit Office and of other control bodies preserved at the checked organisation or person;

8. to require certified copies of documents, information and references from corporate bodies and sole entrepreneurs out of the checked organisation or person, connected with the implementation of financial inspection;

9. to implement reverse checks in corporate bodies and sole entrepreneurs out of the checked organisation or person when this is necessary at the implementation of financial inspection;

10. to acquaint with materials collected in judicial procedures as well as with court decisions having importance for the inspection activity;

11. to terminate the access of persons accountable for assets to the checked cash rooms, storehouses etc. through sealing them in the presence of official from the checked site;

12. (new - SG 98/08) to search premises, means of transport, and any other place, where documents of the inspected organisation or person under Art. 4 are kept, and to seize documents, records of

computer information data and carriers of computer information data for securing evidence - with the assistance of the authorities of the Ministry of Interior after a permission granted by the Court.

Art. 14. (1) At fulfilling their official obligations the financial inspectors shall be obliged:

1. to identify themselves with official card and order for assigning of financial inspection;
2. on the basis of the facts and circumstances checked officially by them to reflect objectively and precisely the established results of the implemented inspection activity, the established breaches and damages, the reasons for their occurrence and the guilty persons;
4. not to divulge facts and circumstances that have become known to them at or on occasion of fulfilment of their official obligations except in the cases provided with a law.

(2) The financial inspectors and the experts appointed by the director of the agency or by officials authorised by him shall be obliged to ask to be struck off the list when during the last three years:

1. they have worked in the checked organisation or person;
2. they have participated in the managerial or the control bodies of the organisations and/or the persons of item 1;
3. they have personal interest in the checked activity;
4. (suppl. – SG 42/09) their spouse, cohabitant, relative of direct line without limitation, of lateral line up to fourth degree inclusive and by marriage line up to fourth degree inclusive have worked as accountants or have been in the managerial or control bodies of the checked organisation or person.

(3) At occurring and establishing of the circumstances of para 2 the financial inspector or the expert shall notify in writing the director of the agency or the official authorised by him.

(4) The assessment of the grounds of the challenge in the cases of para 2, item 3 shall be made by the director of the agency or the officials authorised by him.

Art. 15. (1) Each person from the checked organisations or persons of art. 4 shall be obliged to:

1. render cooperation and not hamper the financial inspectors at fulfilment of their obligations;
2. ensure free access for the financial inspectors to the official remises and to the whole documentation;
3. to concede within terms defined by the financial inspectors documents, information, references, declarations about the bank accounts and written explanations as well as the reports of art. 13, item 7;
4. present within terms defined by the financial inspectors precise information, references, declarations, documents and certified copies of documents;
5. (new - SG 60/11) provide within time limits determined by the financial inspectors documents in foreign languages accompanied by certified translation in Bulgarian.

(2) A person of para 1 shall have right to refuse access to information basing arguments before the financial inspectors on own or other's commercial or bank secret as well as information classified as state or official secret, observing the requirements of the Protection of Classified Information Act.

(3) The persons of art. 13, item 8 shall be obliged to present in the defined terms to the bodies of the agency certified copies of documents, information and references when they are required.

### **Section III. Implementing of financial inspection**

Art. 16. (1) The financial inspections shall be implemented by the financial inspectors of the agency on the basis of order of the director of the agency or officials authorised by him.

(2) The order of para 1 shall not be subject to appeal.

Art. 17. (1) The respective financial inspector shall work out report on the results of the financial

inspection which contains the findings made, supported with proofs.

(2) After handing over of the report the chief of the checked organisation or person may give written statement in 14 days term after the delivery of the report.

(3) By the order and within the term of para 2 a copy of the respective findings in the report and the proofs for them shall be conceded for written statement to the persons whose activity has been subject to the financial inspection.

(4) (amend. – SG 86/07) The financial inspector implemented the financial inspection shall present motivated written conclusion in 14 days term after receiving the written statements of para 2 and 3. The motivated written conclusion shall be presented to the chief of the checked organisation or person as well as to the persons of para 3 in 14 days term.

(5) (amend. - SG 60/11) The report of para 1, the motivated written conclusion of para 4 and the written statements of para 2 and 3 shall be presented in three working days term to the body issued the order of art. 16, para 1 for undertaking follow up measures.

#### **Section IV. Follow up measures**

Art. 18. (1) The director of the agency or officials authorised by him, depending on the results of the implemented inspection activity, shall:

1. give written instructions to the chief of the checked organisation or person for termination of implementing breaches and/or removal of the harmful consequences from them;

2. make proposals before the competent bodies for stopping activities leading to breaches or causing of damages to the checked organisations and persons;

3. make proposals before the competent bodies for revoking of unlawful acts of chiefs of the checked organisations and persons;

4. propose to the competent bodies requesting of proprietary and/or disciplinary responsibility by the respective order;

5. propose to the Minister of Finance to terminate the transfer of subsidies determined with the Act on the state budget of the Republic of Bulgaria for the respective year or to block the accounts of budget organisations till removal of the breaches.

(2) The chiefs of the checked organisations or persons in the cases of para 1, item 1 shall in two months term after the instructions are given be obliged to notify the director of the agency in writing about the undertaken actions.

(3) (new – SG 86/07) The competent authorities referred to in para 1, items 2, 3 and 4 shall be obliged to inform in writing in two months term the director of the Agency of the actions being undertaken. The term shall start from the date of receiving the proposal.

Art. 19. (amend. – SG 86/07; amend. - SG 60/11) If there are data about committed crime a copy of the report of art. 17, para 1 together with the proofs to it, the statements of art. 17, para 2 and 3 and the conclusion of art. 17, para 4 shall be sent to the bodies of the prosecution in 7 working days term.

Art. 20. (1) Information shall be sent to the superior organisation about the results of the implemented financial inspection of the organisations of art. 4, item 1 upon established breaches.

(2) Information shall also be sent to the respective municipal council at financial inspection of municipalities and administrators with resources from the municipal budgets and established breaches.

(3) Information shall be sent to the body exercising the rights of ownership of the state or the municipalities in the checked person about the results of financial inspection of the persons of art. 4, items 2 and 3 at established breaches.

(4) Information shall be sent to the corporate body possessing blocking quota in the capital about the results of the financial inspection of commercial companies of art. 4, item 4 at established breaches.

(5) When financial inspection has been implemented for commercial company being in procedure of insolvency or liquidation at established breaches information shall be sent to the body exercising the rights of ownership of the state or the municipality.

(6) (amend. SG 15/13, in force from 01.01.2014) Information shall also be sent to the financing body about persons financed from the state budget, the municipal budgets, from international agreements or programmes of the European Union as well as about persons financed with resources from the state enterprises of art. 62, para 3 of the Commerce Act at established breaches.

### **Chapter three.** **PROPRIETARY LIABILITY**

Art. 21. (1) For unlawfully caused damages to the organisations or the persons of art. 4, items 1 – 3, established at financial inspections under this Act which are direct and immediate consequence of the conduct of the guilty persons they shall bear full proprietary responsibility when the damage is:

1. intentionally caused;
2. from deficiency, or
3. caused not at or on the occasion of fulfilment of the official obligations.

(2) When the damage is caused by several persons they shall be jointly responsible.

(3) (suppl. – SG 86/07) The persons obtained something without legal ground or as donation as result of the action of the causer of the damage shall owe its returning being jointly responsible with the causer of the damage. In case the received item is remuneration or compensation under employment or official legal relation, the receivers shall not be obliged to return it, if they have acted in good faith. Good faith shall be presumed until proven otherwise.

(4) Persons who have ordered illegal payments shall bear full proprietary responsibility jointly with the persons of para 3.

Art. 22. (1) When the conditions for seeking full proprietary responsibility under this Act exist the financial inspectors shall compile statement of defalcation.

(2) The factual findings in the statement of defalcation must be supported with proofs.

(3) The persons charged with deficiency in the statements of defalcation shall make written objections in term defined by the financial inspector which cannot be shorter than 14 days after the statement is delivered.

(4) The financial inspectors shall present written motivated conclusion on the grounds of the objections in 14 days term after receiving the objections of para 3.

(5) (new – SG 59/07, in force from 01.03.2008) The factual findings in the statement of defalcation shall be deemed valid until the evidencing to the contrary.

(6) (prev. par. 5 – SG 59,/07, in force from 01.03.2008) When after additional check telecommunications is established that the objections made are grounded and in essence change the findings in the statement of defalcation the procedure formed after the statement of defalcation shall be terminated by order determined in the Rules for Implementation of the Act.

(7) (new – SG 86/07) Following the conclusion of the procedure referred to in paras 1 to 4, the statement of defalcation and the appendices thereto shall be sent to the public prosecution office in 14-days term in order to be established whether there is data of committed crime of general nature.

Art. 23. To proprietary responsibility under this Act may be brought the persons who:

1. receive, collect, preserve, spend or account property;



2. exercise control over the persons of item 1;
3. exercise control over the budget, the financial – economic and the accounting activity of the checked organisation or person;
4. manage or dispose with property;
5. are pointed out in art. 21, para 3.

Art. 24. The extent of the damage under this Act shall be determined by the day of causing it and when this day can not be established – by the day of discovering the damage. The extent of the damage shall be determined as the higher of the market price or the account value.

Art. 25. A damage caused in foreign currency shall be restored in the same currency or in levs at the highest exchange rate of the Bulgarian National Bank by the day of causing the damage, the discovery or the restoration.

Art. 26. The persons liable for the damages shall owe the legal interest from the day of the cause, and where this day cannot be established - from the day of its discovery to the day of its restoration.

Art. 27. (1) The proprietary responsibility, including the interest, shall be redeemed with the expiry of 5 years prescription from the day of causing the damage and if this day can not be established – from the day of discovering it.

(2) The prescription period of para 1 except under the conditions of the Obligations and Contracts Act, shall also be interrupted with the compiling of statement of defalcation.

(3) Regardless of stopping and interrupting of the prescription proprietary responsibility under this Act shall not be sought if 10 years have elapsed after causing the damage.

(4) (amend. – SG 59/07, in force from 01.03.2008) On the grounds of the statement of defalcation an order for immediate execution pursuant to the provisions of Art. 418 of the Civil Procedure Code shall be issued.

(5) (new - SG 60/11) The organisations and the persons under Art. 4, Items 1 - 3 shall be obliged to request from the court to order immediate execution of the receivables under the statement of defalcation and to issue a writ of execution.

(5) The organisations and the persons of art. 4, items 1 – 3 cannot make refusal from the claim of the statement of defalcation, including for the interest.

Art. 28. The officials shall not bear proprietary responsibility at fulfilment of unlawful or incorrect order of the chef in the cases they have objected in writing against this order unless the fulfilment of the order constitutes a crime.

Art. 29. The proprietary responsibility shall be excluded when the caused damages have occurred due to: natural waste, insurmountable force or incidental event, normal production – economic risk, unavoidable defence within the necessary limits or established by the due order harmful actions of third persons.

Art. 30. The persons accountable for assets shall be exempt from proprietary responsibility when the established deficit may be compensated with excess established at the financial inspection if the following conditions exist:

1. (amend. – SG 86/07) the excess and the deficit to have been established at material check of the material assets subject to accounting;
2. to exist causal – effect dependence between the deficit and the excess, i.e. the harmful fact to

have also caused benefit which must be deducted from the damage.

Art. 31. (1) (amend. and suppl. - SG 61/15, in force from 01.11.2015) The Minister of Defence, the Minister of Interior and the Head of the National Service for Protection shall organise units for material checks in the structures subordinated to them.

(2) (new – SG 86/07; amend. and suppl. - SG 61/15, in force from 01.11.2015) The control bodies under para 1 shall inspect the activity of the materially responsible persons at the Ministry of Defence, the Ministry of Interior and the National Service for Protection with regards to the collecting, keeping, spending and accounting of the assets entrusted to them by carrying out material checks.

(3) (prev. text of para 2 – SG 86/07) The control of para 1 shall not exclude the control implemented by the bodies of the agency.

(4) (prev. text of para 3 – SG 86/07; amend. - SG 61/15, in force from 01.11.2015) The provisions of this chapter shall also be applied in the cases when the employees of the units of para 1 shall implement material checks in the structures of the respective department.

### **Chapter three.**

#### **"a". RENDERRING ASSISTANCE TO THE INSPECTORS OF THE EUROPEAN COMMISSION FOR GRANTING ACCESS TO PREMISES AND/OR DOCUMENTATION FOR CARRYING OUT ON-THE-SPOT INSPECTIONS AND CHECKS UNDER COUNCIL REGULATION (EURATOM, EC) NO 2185/96 OF 11 NOVEMBER 1996 CONCERNING ON-THE-SPOT CHECKS AND INSPECTIONS CARRIED OUT BY THE COMMISSION IN ORDER TO PROTECT THE EUROPEAN COMMUNITIES' FINANCIAL INTERESTS AGAINST FRAUD AND OTHER IRREGULARITIES (NEW - SG 98/08)**

Art. 31a. (new - SG 98/08) Under the order of this Chapter shall be rendered assistance to the inspectors of the Commission for carrying out on-the-spot inspections and checks, in case of:

1. denied access to premises, means of transport, and also other places used for keeping documents, recordings of computer information data, carriers of computer information data of the checked organisation or of a person under Art. 4, Item 7, financed by funds under international treaties or programmes of the European Union;

2. denied provision of documents, recordings of computer information data, carriers of computer information data, necessary for the check, where access under Item 1 has been granted.

Art. 31b. (new - SG 98/08) (1) (amend. - SG 60/11; amend. – SG, 14/2015) The assistance shall be rendered by order of the Director of the Agency based on a reasoned written request by the Director of Directorate "Protection of the Financial Interests of the European Union AFCOS" at the Ministry of Interior.

(2) The request referred to in Para 1 shall contain data for the checked organisation or person under Art. 4, Item 7, financed by funds under international treaties or programmes of the European Union, the object and purpose of the on-the-spot inspection or check and the grounds for seeking assistance under Art. 31a.

(3) To the request referred to in Para 1 shall be attached copies of the authorisation of the Commission's inspector and of the document stating the object and purpose of the on-the-spot inspection or check.

Art. 31c. (new - SG 98/08) (1) The order referred to in Art. 31b, Para 1 shall contain: the name or seat of the checked organisation or person; the names and office position of the assisting financial inspector; the name and office position of the assisted Commission's inspector; the grounds for rendering assistance and the time limit for performance.

(2) The order under Para 1 shall not be subject to appeal.

Art. 31d. (new - SG 98/08) The financial inspector shall establish the availability of the grounds under Art. 31a through an on-the-spot check at the checked organisation or person under Art. 4, Item 7, financed by funds under international treaties or programmes of the European Union.

Art. 31e. (new - SG 98/08) (1) Where the financial inspector finds that a Commission's inspector was denied access to premises, means of transportation, and also to other places used for keeping documents, recordings of computer information data, carriers of computer information data of the checked organisation or of a person, he shall draw up a protocol of findings.

(2) In case of denial under Para 1 the Director of the Agency shall submit a request for assistance in writing to the authorities of the Ministry of Interior for granting the Commission's inspector access.

(3) The authorities of the Ministry of Interior shall render the assistance referred to in Para 2 under the order specified in the Ministry of Interior Act.

Art. 31f. (new - SG 98/08) (1) Where the financial inspector finds that the checked organisation or person, financed by funds under international treaties or programmes of the European Union, refuse to provide documents and/or computer information data or the carrier thereof to the Commission's inspector, he shall draw up a protocol of findings and may stop the access to the premises, means of transport, and also to other places used for keeping documents of the organisation or the person by placing a seal. A separate protocol shall be drawn up for the sealing.

(2) In case a refusal under Para 1 is found the Director of the Agency or officials authorised by him shall make a motivated request to the district court at the seat or the address of the checked organisation or person, or where the act of searching the premises, the means of transport, and the other places has been carried out, provided that sufficient information is available, that there are documents and/or computer information data, or carriers thereof in them, which are necessary for the check and for their seizure for securing evidence.

(3) The district court shall decide on the request referred to in Para 2 immediately in the day of its submission in a closed session in a motivated ruling not subject to appeal.

(4) After receiving a permission under Para 3 the Director of the Agency or officials authorised by him shall request from the authorities of the Ministry of Interior assistance for the search and/or seizure.

Art. 31g. (new - SG 98/08) (1) The search and the seizure shall be carried out by the financial inspector assisted by a representative of the Ministry of Interior in the presence of:

1. a representative of the checked organisation or person, financed by funds under international treaties or programmes of the European Union;
2. the Commission's inspector;
3. two witnesses.

(2) The acts of searching and/or seizure shall be certified in a protocol containing a list of the seized documents. The protocol shall be signed by all persons under Para 1. The refusal of the person under Para 1, Item 1 to sign the protocol shall be certified with the signature of one witness.

(3) The protocol referred to in Para 2, translated in English, shall be made in 4 identical copies - for the Commission's inspector, for the financial inspector, for the representative of the Ministry of Interior and for the person under Para 1, Item 1.

(4) The rules of the Penal Procedure Code shall apply to the non-regulated issues accordingly.

Art. 31h. (new - SG 98/08) Copies of the seized documents and/or seized records of computer information data shall be provided by the financial inspector to the Commission's inspector by compiling a

protocol of delivery and acceptance, and the originals and the seized records of computer information data shall be kept in the Agency until conclusion of the on-the-spot inspection and check.

Art. 31i. (new - SG 98/08) The documentation and the computer information data referred to in Art. 31h shall be used by the Commission's inspector only for the purposes of the on-the-spot inspection and check.

Art. 31j. (new - SG 98/08) Within three days from concluding the acts of the assigned assistance the financial inspector shall report in writing to the Director of the Agency.

Art. 31k. (new - SG 98/08) The provisions of Art. 31e - 31h shall apply accordingly to the authorities of the Agency when carrying out inspection activity under this Act.

#### **Chapter four.**

### **ADMINISTRATIVE PUNITIVE PROVISIONS**

Art. 32. (1) (suppl. – SG 86/07) At the exercising inspection activity under this Act the guilty officials, as well as the persons, working under management and control civil service contracts, if the action does not constitute crime, shall be punished:

1. (amend. SG 15/13, in force from 01.01.2014) for breach of normative act providing the budget, the financial – economic or the accounting activity if penalty is not provided in the respective normative act – with fine from 200 to 2000 levs;

2. for not ensuring access of the financial inspectors to the official premises and to the documentation – with fine from 200 to 1000 levs;

3. for not presenting in the defined terms to the bodies of the agency documents, certified copies of documents, information, references, declarations about the bank accounts and written explanations – with fine from 200 to 300 levs;

4. for presenting imprecise information, references, declarations, documents and certified copies of documents – with fine from 200 to 400 levs;

5. for other actions or lack of actions out of the cases of items 2 – 4 which hamper the financial inspectors at fulfilment of their authorities – with fine from 200 to 1000 levs;

6. (new – SG 86/07) for non-fulfillment of the instructions under Art. 18, para 1, item 1 – by a fine from 200 to 1000 BGN;

7. (new – SG 86/07) for non-observing the term laid down in Art. 18, para 2 - by a fine from 100 to 500 BGN.

(2) In the cases of para 1, item 1 to the organisations and the persons of art. 4, items 2 – 6 shall be imposed proprietary sanction in extent from 500 to 2000 levs.

(3) (amend. – SG 86/07) At implementing reverse checks under this Act the guilty persons shall bear administrative punitive responsibility for breaches of para 1, items 2 – 5.

Art. 32a. (new - SG 98/08) In case of failure to grant the Commission's inspectors access to premises, means of transport, and also other places used for keeping documents, recordings of computer information data, carriers of computer information data of the checked organisation or of a person under Art. 4, Item 7, financed by funds under international treaties or programmes of the European Union, the guilty officials and the persons working under civil contracts for management and control shall be fined from BGN 1000 to 5000.

Art. 32b. (new - SG 98/08) In case of failure to provide documents and/or computer information

data necessary for the inspection of the Commission's inspectors, the guilty officials and the persons working under civil contracts for management and control shall be fined from BGN 1000 to 5000.

Art. 33. (supp. - SG 98/08) When the breaches of art. 32, 32a and 32b are repeated to the offender shall be imposed fine, respectively proprietary sanction in double extent.

Art. 34. Who as body or employee of the agency breaches or does not fulfil obligation ensuing from this Act or exceeds his rights if the action does not constitute crime shall be punished with fine from 200 to 1000 levs.

Art. 35. (1) (supp. - SG 98/08) The breaches of art. 32, 32a, 32b and 33 shall be established with acts compiled the financial inspectors and the punitive decrees shall be issued by the director of the agency or officials authorised by him.

(2) For the breach of art. 34 the act for establishing of administrative breach shall be compiled and the punitive decree shall be issued by officials determined by the Minister of Finance.

(3) The compiling of the acts, the issuing, appealing and fulfilment of the punitive decrees shall be implemented by the order of the Administrative Violations and Penalties Act.

Art. 36. The fines and the proprietary sanctions imposed under this Act shall be collected by the order of the Tax-Insurance Procedure Code.

### **Additional provisions**

§ 1. In the meaning of this Act:

1. (amend. SG 15/13, in force from 01.01.2014) "Budget organizations" are budgetary organizations under § 1, item 4 of the Additional provisions of the Public Finance Act.

2. "Blocking quota" is participation of the state or the municipality in the capital of a commercial company in extent not less than 34 percent or such participation that ensures for them the opportunity to frustrate the taking of one of the following decisions: for increase or reduction of the capital, for transformation or termination of the company, for amendment or supplement of the statutes or the establishing contract.

3. "Guaranteed with state or municipal property" are all liabilities of corporate bodies in favour of which guarantees have been undertaken by the state and/or the municipal budget, including with resources of centralised funds as well as with resources and property of corporate bodies with over 34 percent state or municipal participation in their capital.

4. "Confidentiality" is prohibition for the bodies of the agency to divulge or concede to third persons information that has become known to them at or on the occasion of fulfilment of their official obligation unless this is provided with a law.

5. (new – SG 86/07) "Material check" is a factual inspection by means of counting, weighing out and measuring the available material assets and monetary resources, their comparison with the accountancy data and establishment of the result thereof.

6. (prev. text of item 5 - SG 86/07) "Objectivity" is principle requiring impartial, full and precise establishing of all facts and circumstances subject to the implemented financial inspection.

7. (prev. text of item 6 - SG 86/07) "Official principle" is the principle for establishing on initiative of the financial inspectors of all facts and circumstances connected with the checked financial and economic activity of the inspected organisations of persons.

8. (prev. text of item 7 - SG 86/07; amend. SG 15/13, in force from 01.01.2014) "Financed with resources from the state or the municipal budgets, from international agreements or programmes of the European Union, as well as the persons financed with resources from the state enterprises of art. 62, para 2 of

the Commerce Act" are the individuals and the corporate bodies received gratuitously resources with general or purposed designation from the state budget or the municipal budgets, from international agreements or programmes of the European Union as well as the persons financed with resources from the state enterprises of art. 62, para 3 of the Commerce Act.

9. (prev. text of item 8 - SG 86/07) "Indicator of fraud" is mark from which grounded conclusion can be made about intentional untrue or imprecise presentation of facts.

10. (prev. text of item 9 - SG 86/07) "Repeated" is the breach implemented in one year term after the punitive decree with which the person has been punished for the same kind of breach as entered into force.

§ 1a. (new - SG 98/08) This Act shall implement the requirements of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

### **Transitional and concluding provisions**

§ 2. This Act shall revoke the Act on State Internal Financial Control (prom. SG 92/00; amend. SG 28, 101/02, SG 31/03, SG 38/04, SG 105/05).

§ 3. The procedures started and not finished, including seeking of proprietary responsibility, shall be finished by the previous order.

§ 4. (1) The Public Financial Inspection Agency shall be legal successor of the archive, the liabilities, the assets and the other rights and obligations of the Agency for state internal financial control.

(2) The legal relations of the employees of the Agency for state internal financial control shall be arranged according to art. 123 of the Labour Code and art. 87a of the Civil Servants Act and in compliance with the structure and the number defined with the structural regulation of the Public Financial Inspection Agency.

(3) The provision of para 2 shall not be applied for the delegated internal auditors whose official legal relations are provided by the order of § 2 of the transitional and concluding provisions of the Internal Audit in the Public Sector Act.

(4) Till the appointment of director of the agency by the order of art. 9, para 1 the position shall be taken by a person determined with an order by the Minister of Finance for a term not longer than 6 months.

§ 5. The units of art. 31, para 1 shall be legal successors of the existing audit directorates at the Minister of Defence and the Minister of Interior organised under the revoked Act on the state internal financial control.

§ 6. In the Civil Procedure Code (prom. Izv 12/52; amend. 92/52, 89/53, 90/55, 90/56, 90/58, 50, 90/61; corr. 99/61; amend. SG 1/63, SG 23/68, SG27/73, SG 89/76, SG36/79, SG 28/83, SG 41/85, ASG 27/86, SG 55/87, SG 60/88, SG 31, 38/89, SG 31/90, SG 62/91, SG 55/92, SG 61., 93/93, SG 87/95, SG 12, 26, 37, 44, 104/96, SG 43, 55, 124/97, SG 21, 59, 70, 73/98, SG 64, 103/99, SG 36, 85, 92/00, SG 25/01, SG 105, 113/02, SG 58, 84/03, SG 28, 36/04, SG 38, 42, 43, 79, 86, 99, 105/05, SG 17/06) in art. 299, para 1 the words "the Act on the state internal financial control" shall be substituted by "the Act on the state financial inspection" and the words "state internal financial control" shall be substituted by "public financial inspection".

§ 7. In the Tax – Insurance Procedure Code (SG 105/05) in art. 74, para 1, item 3 the words "the

Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Agency".

§ 8. In the Insurance Code (prom. SG 103/05; amend. SG 105/05) in art. 253, para 2 the words "the Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Agency".

§ 9. In the Act on the state budget of the Republic of Bulgaria for 2006 (SG 105/05) in § 22, para 7 of the transitional and concluding provisions the words "the Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Agency".

§ 10. In the Administrative Violations and Penalties Act (prom. SG 92/69; amend. SG 54/78, SG 28/82, SG 28, 101/83, SG 89/86, SG 24/87, SG 94/90, SG 105/91, SG 59/92, SG 102/95, SG 12, 110/96, SG 11, 15, 59, 85, 89/98, SG 51, 67, 114/99, SG 92/00, SG 25, 61, 101/02, SG 96/04, SG 39, 79/05) in art. 34, para 2 the words "art. 41. item 1 of the Act on the state internal financial control" shall be substituted by "art. 32, para 1 of the Public Financial Inspection Act".

§ 11. In the Public Procurement Act (SG 28/04; amend. SG 53/04, SG 311, 34, 105/05, SG 18/06) the following amendments shall be made:

1. In art. 123:

a) in para 1 the words "the Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Agency";

b) in para 3 the words "the Act on state internal financial control, shall be checked by the dies of the Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Act, shall be checked by the bodies of the Agency for state financial inspection" and the words "implemented internal audit" shall be substituted by "financial inspection";

c) in para 4 the words "internal audit under the Act on the state internal financial control" shall be substituted by "financial inspection under the Public Financial Inspection Act" and the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection";

d) in para 5 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection";

e) in para 7 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

2. In art. 124, para 1 and 2 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

3. In art. 126:

a) in para 1 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection" and the words "conclusions and recommendations" shall be deleted;

b) in para 5 the words "the audit report and" shall be substituted by "the report for implemented financial inspection or";

c) in para 6 the words "implemented checks" shall be substituted by "the results of exercised control" and the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

4. In art. 127, para 1 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 12. In the Banks Act (prom. SG 52/97; amend. SG 15, 21, 52, 70, 98/98, SG 54, 103, 114/99, SG 24, 63, 84, 92/00, SG 1/01, SG 45, 91, 92/02, SG 31/03, SG 19, 31, 39, 105/05) the following amendments shall be made

1. In art. 52, para 5, item 3 shall be changed to:

"3. the director of the Agency for state financial inspection when with an act of a body of the agency it has been established that:

a) the management of the checked organisation or person frustrates the implementation of inspection activity by the bodies of the agency;

b) in the checked organisation or person accounting is not kept or it is incomplete or untrue";

c) there are data about deficit;

d) with an act of state body it has been established the occurrence of accidental event lead to destroying of accounting documentation of the checked organisation or person."

2. In § 45, para 2 of the transitional and concluding provisions of the Act on Amendment and Supplementation of the Banks Act (prom. SG 54/99; amend. SG 103/99, SG 1, 92/00) the words "to be implemented financial audits by the order of the Act on the state internal financial control" shall be substituted by "the implementation of financial inspection by the order of the Public Financial Inspection Act".

§ 13. In the National Audit Office Act (prom. SG 10901; amend. SG 45/02, SG 31/03, SG 38/04, SG 34, 105/05, SG 24, 27/06) in art. 7, para 1, item 1 the words "state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 14. In the Accountancy Act (prom. SG 98/01; amend. SG 91/02, SG 96/04, SG 102, 105/05) the following amendments shall be made:

1. In art. 35, para 1 and 2 the words "the external and the internal financial audit" shall be substituted by "the external, the internal audit and the financial inspection";

2. In art. 48, para 1 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 15. In the Independent Financial Audit Act (prom. SG 101/01; amend. SG 91/02, SG 96/04, SG 77, 105/05) in art. 16 in the text before item 1 the words "the external and the internal financial audit" shall be substituted by "the external, the internal audit and the financial inspection".

§ 16. In the

Act on Liability for Damages Incurred by the State and the Municipalities (prom. SG 60/88; amend. SG 59/93, SG 12/96, SG 67/99, SG 92/00, SG 105/05) in art. 2 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 17. In the Confiscation by the State of Proceeds of Crime Act (prom. SG 19/05; amend. SG 86, 105/05) in art. 16, para 1 the words "the Agency for state internal financial control" shall be substituted by "the Public Financial Inspection Agency".

§ 18. In the Public Offering of Securities Act (prom. SG 114/99; amend. SG 63, 92/00, SG 28, 61, 93, 101/02, SG 8, 31, 67, 71/03, SG 37/04, SG 19, 31, 39, 103, 105/05) in art. 71, para 6, item 3 the following amendments shall be made:

1. Everywhere the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection" and the words "of the agency and the directors of the territorial directorates" shall be deleted.

2. In item "a" the words "the audited object" shall be substituted by "the checked organisation or person" and the words "the internal audit or check" shall be substituted by "financial inspection".

3. In item "b" the words "the audited object" shall be substituted by "the checked organisation or person".



4. In item "d" the words "from the internal audit" shall be substituted by "at financial inspection".

5. In item "e" the words "the audited object" shall be substituted by "the checked organisation or person".

§ 19. In the Religions Act (SG 120/02) in art. 25, para 3 the words "state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 20. In the Healthy and Safe Working Conditions Act (prom. SG 124/97; amend. SG 86/99, SG 64, 92/00, SG 25, 111/01, SG 18, 114/03, SG 70/04, SG 76/05) in art. 50 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 21. In the Integration of Persons with Disabilities Act (prom. SG 81/04; amend. SG 28, 88, 94, 103, 105/05, SG 18/06) in art. 55, para 1, item 1 the words "the executive director of the Agency for state internal financial control" shall be substituted by "the director of the Agency for state financial inspection".

§ 22. In the Cooperatives Act (prom. SG 113/99; amend. SG 92/00, SG 98/01, SG 13/03, SG 102, 105/05) in art. 63, para 2 the words "chapter four "Proprietary responsibility and measures for removal of the breaches" of the Act on the state internal financial control" shall be substituted by "chapter two, section four "Follow up measures" and chapter three "Proprietary responsibility" of the Public financial inspection Act".

§ 23. In the Employment Promotion Act (prom. SG 112/01; amend. SG 54, 120/02, SG 26, 28, 114/03, SG 52, 81/04, SG 27, 38/05, SG 18/06) in § 3 of the transitional and concluding provisions the words "the State internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 24. In the Health Insurance Act (prom. SG 7098; amend. SG 93, 153/98, SG62, 65, 67, 69, 110, 113/99, SG 1, 31, 64/00, SG 41/01, SG 1, 54, 74, 107, 112, 119, 120/02, SG 8, 50, 107, 114/03, SG 28, 38, 49, 70, 85, 111/04, SG 39, 45, 76, 99, 102, 103, 105/05, SG 17, 18/06) in art. 70, para 2 the words "the Act on the state internal financial control" shall be substituted by "the Public financial inspection act".

§ 25. In the State Fees Act (prom. Izv. 104/51; amend. 89/59, 21/60, SG 53/73, SG 87/74, SG 21/75, SG 21/90, SG 55/91, SG 100/92, SG 69, 87/95, SG 37, 100, 104/96, SG 82, 86/97, SG 133/98, SG 81/99, SG 97/00, SG 62, 63, 90/02, SG 84, 86/03, SG 24, 36, 37/04, SG 43/05, SG 18/06) in art. 7, para 1, second sentence the words "departmental control" shall be substituted by "the Agency for state financial inspection".

§ 26. In the Agricultural Property Protection Act (prom. SG 54/74; amend. SG 22/76, SG 36/79, SG 28/82, SG 45/84, SG 6595, SG 44, 86/96, SG 11/98) the following amendments shall be made:

1. in art. 6, para 1, item 3 the words "the Act on financial control and the Act on state and public control" shall be substituted by "the Public Financial Inspection Act".

2. In art. 15, para 1 the words "the state and public control" shall be substituted by "the Public financial inspection Agency".

3. In art. 40, para 5 the words "the Act on financial control and the Act on state and public control" shall be substituted by "and the Public Financial Inspection Act".

§ 27. In the Family Allowances for Children Act (prom. SG 32/02; amend. SG 120/02, SG 112/03, SG 6/04, SG 105/05, SG 21/06) in art. 11 the words "the Agency for state internal financial control" shall be

substituted by "the Agency for state financial inspection".

§ 28. In the Act on arrangement of not serviced credits contracted till December 31, 1990 (prom. SG 110/93; amend. SG 112/95, SG 55/97, SG 12, 90, 103, 111/99, SG 1, 92/00, SG 28, 46/02, SG 115/04) in art. 15, para 2 the words "the Agency for state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 29. In the Non-Profit Legal Entities Act (prom. SG 81/00; amend. SG 41, 98/01, SG 25, 120/02, SG 42, 102, 105/05) in art. 46, para 3 and art. 48, para 1 the words "the state internal financial control" shall be substituted by "the Agency for state financial inspection".

§ 30. The Council of Ministers shall approve regulation for implementation of the Act in term up to three months after it enters into force.

§ 31. The Council of Ministers shall approve structural regulation of the Agency for state financial inspection up to three months after the Act enters into force.

§ 32. The implementation of the Act shall be assigned to the Council of Ministers.

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The Act was passed by the 40th National Assembly on April 6, 2006 and is affixed with the official seal of the National Assembly.

### **Transitional and concluding provisions TO THE CREDIT INSTITUTIONS ACT**

(PROM. – SG 59/06)

§ 36. This Act shall enter into force from the date of entering into force of the Treaty of Accession of the Republic of Bulgaria to the European Union except § 35, Item 2 which shall enter into force from the day of promulgation of this Act in the State Gazette.

### **Transitional and concluding provisions TO THE CIVIL PROCEDURE CODE**

(PROM. – SG 59/07, IN FORCE FROM 01.03.2008)

§ 61. This code shall enter into force from 1 March 2008, except for:

1. Part Seven "Special rules related to proceedings on civil cases subject to application of European Union legislation"

2. paragraph 2, par. 4;

3. paragraph 3 related to revoking of Chapter Thirty Two "a" "Special rules for recognition and admission of fulfillment of decisions of foreign courts and of other foreign bodies" with Art. 307a – 307e and Part Seven "Proceedings for returning a child or exercising the right of personal relations" with Art. 502 – 507;

4. paragraph 4, par. 2;

5. paragraph 24;

6. paragraph 60,

which shall enter into force three days after the promulgation of the Code in the State Gazette.

### **Transitional and concluding provisions**

## **TO THE ACT ON AMENDMENT AND SUPPLEMENTATION OF THE CIVIL SERVANTS ACT**

(PROM. - SG 38/12, IN FORCE FROM 01.07.2012)

§ 84. (In force from 18.05.2012) Within one month from the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall make the Classification of Offices in the Administration compliant with this Act;
2. the competent authorities shall make the structural acts of the respective administration compliant with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Act on Access to and Disclosure of the Documents and Announcing Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army, the Confiscation by the State of Proceeds of Crime Act, the Act on Prevention and Findings of Conflict of Interests, the Code of Social Insurance, the \ Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under terms and conditions of § 36 of the Transitional and Concluding Provisions of the Act Amending and Supplementing the Civil Servants Act (SG 24/06).

(2) The act of appointment of the civil servant shall:

1. determine the lowest rank for the position specified in the Classification of Offices in the Administration, unless the officer holds a higher rank;
2. determine an individual basic monthly salary.

(3) The additional funds for insurance installments for the persons referred to in Para 2 shall be made available within the limits for expenses for salaries, remunerations and insurance installments in the budgets of the budget credit administrators.

(4) The Council of Ministers shall amend as required by this act the non-budget account of State Fund "Agriculture".

(5) The governing bodies of the National Insurance Institute and the National Health Insurance Fund shall amend as required by this act the respective budget credits.

(6) Any non-used days of leave under employment relations shall be preserved and shall not be subject to pecuniary compensation.

§ 86. (1) Within one month from entry into force of this Act the individual basic monthly salary of the officer shall be so calculated that the said salary, reduced by the due taxes and the mandatory insurance installments due by the insured person, if available, shall not be lower than gross monthly salary received before, reduced by the mandatory insurance installments due by the insured person, if available, and the due taxes.

(2) The gross salary referred to in Para 1 shall include:

1. the basic monthly salary or the basic monthly remuneration;
2. the additional remunerations paid on permanent basis together with the due basic monthly salary or the basic monthly remuneration and dependent only on the working time.

§ 87. This Act shall enter into force from 1 July 2012 except for § 84, which shall enter into force from the day of the promulgation of the Act in the State Gazette.

### **Transitional and concluding provisions**

## **TO THE PUBLIC FINANCE ACT**

(PROM. SG 15/13, IN FORCE FROM 01.01.2014)

§ 123. This Act shall enter into force on 1 January 2014 with the exception of § 115, which enters into force on January 1, 2013, and § 18, § 114, § 120, § 121 and § 122, which came into force on 1 February in 2013.

## **Transitional and concluding provisions TO THE NATIONAL SERVICE FOR PROTECTION ACT**

(PROM. SG 61/15, IN FORCE FROM 01.11.2015)

§ 15. The Act shall enter into force from 1st of November 2015.