



*REPUBLIC OF BULGARIA*



***CHAMBER OF PRIVATE ENFORCEMENT AGENTS***

**ANNUAL REPORT**

**2 0 2 0**



Distribution and number of private enforcement agents /192/ on the territory of the Republic of Bulgaria by judicial areas of action as of 31/12/2020

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	11	Montana	2	Sofia City	40
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	4	Stara Zagora	10
Veliko Tarnovo	8	Plevan	7	Targovishte	1
Vratsa	4	Plovdiv	19	Haskovo	4
Gabrovo	4	Razgrad	3	Shumen	5
Dobrich	6	Ruse	5	Yambol	2
Kardzhali	2	Silistra	2		
Kyustendil	4	Sliven	3		

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## ADDRESS BY THE CHAIRPERSON



DEAR COLLEAGUES,

Over the last year and a half, the world has changed dramatically. The pandemic has put the economy, health systems and society to the trial. As one of the professions that first indicated impending social, economic and financial turmoil, the pandemic also severely affected private enforcement. In this crisis year of 2020, **private enforcement agents were the only profession that demanded a restriction of its**

**activity.** While some of the economically active subjects stopped working compulsorily, we, PEAs, did so deliberately. Restrictions on public sales, inventories and distraints of bank accounts were in place for 4 months. Due to the emergency situation, we register the weakest year in terms of results for private enforcement. However, I am convinced that the decision to freeze some of the work was the right one. We have shown exceptional maturity as a community and an institution. If we had chosen to act as 'debt collectors', we would not only turn the mood against us, but also upset a fair balance that we are called to keep. At the same time, we have publicly insisted that, in response to the crisis, a solution be found to the problem of small debts by introducing an out-of-court procedure for voluntary and deferred enforcement of claims. As an institution, we also stood behind the introduction of a 10-year absolute statute of limitations for the debts of individuals.

In an emergency, our profession turned 15 years old. Instead of the traditional way, we celebrated the anniversary with remote events, but the format did not prevent us from successfully holding a large international conference dedicated to 15 years of PEA activity and involving participants from the International Union of Judicial Officers (UIHJ), ministers, representatives of the judiciary and many our colleagues.

Due to the legal restrictions related to the pandemic, we postponed by 5 months the reporting and election meeting to elect the new governing bodies of the Chamber in the next three years. We have an important choice ahead of us - both because of the complex situation in a global aspect, but also because of the internal challenges - a change in the environment in which we work, the poor financial health of many offices. The election of new governing bodies will also be a choice for the development of private enforcement. In other words - **we are looking for a motivated, but also experienced team to work with pragmatism and dedication in an insecure and often unfriendly environment.**

I remember the first years when we were still "the youngest profession in Bulgaria". We had to prove ourselves - to business, to state authorities, to citizens. We are now an institution that is important to all of them. At the same time, being an institution is not just a privilege, but a constant struggle in defence of what has been achieved. Being an institution requires you to have the proper

ambition and a reasonable approach to ensure further development of the profession.

It is a tradition for our reports to start with figures from the annual statistics on cases, so this report will start that way. The tendency for cases to decrease started back in 2013, and last year the number was the smallest - only 194,000 newly formed cases. The state and municipalities are creditors of 68,000 of them, traders and legal entities - 85,000 each, and banks - 21,000 each, which is almost equal to the citizens who have 20,000 cases with PEAs. A record number of sales were also made - 460 of movables and 4,700 of real estates, the entries in possession are only 630. This is understandable - our offices have not been open for 4 months. We are registering another anti-record - the amount collected is only BGN 655 million. In favour of the state and municipalities - BGN 65 million, in business - BGN 233 million, in favour of banks - BGN 207 million, and in favour of citizens - BGN 151 million. Over the years, there have been changes in the distribution of creditors. Banks retreated, the share of state institutions and municipalities increased significantly, and the percentage of citizens seeking PEAs grew. And the current figures show it - the amounts collected for the benefit of citizens are increasing. Despite the record low collection as a whole, their share is growing and is now 23% of all amounts collected by PEAs. The figures in recent years show the same trend. Every year PEAs reimburses BGN 150 million to citizens - money from unpaid salaries, alimony, rents, unpaid loans and other amounts under contracts, compensation to victims of road accidents and serious crimes. I have said it many times, but I emphasize it again, because this fact is another confirmation that the public function we have as a profession is already very tangible.

I can't help but comment on the worrying trend regarding the financial condition of the profession. After the next legislative changes from 2017, which drastically reduced the implementation fees and set all possible ceilings, the offices have great difficulties. Layoffs are not news to anyone. We are not able to influence objective factors, but before there was a general closure of offices, we alerted the then Minister of Justice about the difficult situation. Both the state and the society should have known that in almost 30% of the cases PEAs fully finance the implementation, and in the remaining 70% the simple fees (determined on the basis of economic analysis in the distant 2005) have not corresponded to the real cost for years. In a letter to the Ministers of Finance and Justice in May 2020, we informed about the extremely difficult situation of law offices and proposed measures in the field of taxation, which would not allow a profession like ours, which performs public state functions, to lose contractors and potential. Apart from that, we in the National Assembly tried to solve the problem of taxation, but the parliament did not want to accept our proposals in its last days before the elections. The issue of incorrect and unfair taxation of PEAs should be a priority for the new team, especially since it is the same for notaries and lawyers. In this regard, with the assistance of the UIHJ, we received information from most countries in Europe on the taxation of PEAs, which shows that in our country the state treats our professions extremely wrong by not recognizing the actual costs incurred for the activity. We also held meetings with the new Minister of Justice Mr.

Yanaki Stoilov and Deputy Minister Ivan Demerdzhiev, where we introduced them to the difficult situation in the PEAs system. Given the lack of a functioning parliament and the limited tenure of the caretaker government, few issues could be resolved, especially in the area of regulations.

Colleagues, you will allow me in my address to you to report not only on the last term of the Council as its Chairperson, but also on the whole six-year period from 2015, when I took over the leadership of the Council and worked with its members for two terms, and a rather ambitious program. Of course, its performance did not always go according to plan, and reality rearranged its priorities. In the crisis situations we have seen over the past years, we had to refocus from one task to another. We faced many difficulties, we had situations in which we even went so far as to defend the legislative successes we had already achieved, and on several occasions, we were on the verge of a complete catastrophe. The unprecedented scale and force of the attack in 2017, driven by purely political, populist and lobbyist arguments, turned judicial execution from a "sword of justice" into a feather for mediation, and the PEAs - into a profession with fading functions. Despite everything, we managed to cope and save not only our profession, but also the enforcement in our country. But not only that, in a period in which our liquidation was essentially proposed, we came out of it with new powers such as voluntary sales, electronic auctions, the service of private documents. We also focused on strategic work. It was important for us not to miss any opportunity **for a reasonable expansion of the scope of our activity, in order to guarantee sustainability in the work of the offices in the future.** It was also important for us to impose the understanding that private enforcement works in the interest of the functioning of basic social systems, i.e., it itself has a strong public function.

With the decree of 2014 passed literally at "five to 12" for the abolition of the proportional fee of the PEAs in the period of voluntary execution, a "series" of strikes against us had begun. This decision, adopted on the last working day of the government, violated any procedure and without coordination, was applied for a month. Our appeal stopped its action and so our struggle continued until the end of 2015, when a five-member panel of the SAC revoked the absurd decree. In addition to being incompetent and defending corporate interests, this decision showed something else - **the less the will to tackle poverty in the country, the stronger the pressure on us.** When elections are added to the picture, it becomes clear why PEAs were part of the rhetoric of politicians from different political spectrums in both terms. Yes, there was a short period of "normalization" in which politicians did not deal with us. We used this time to return constructivism to dialogue with institutions. Once again, this confirmed for us that when we do not have to fight lobbying, populism or another crisis, our system works normally and is able to develop.

**We had ambitious priorities - strategic and operational.** The first task was to move **the changes in the Civil Procedure Code to improve the enforcement process.** The debtor's figure as a "victim" had become permanently in the focus of media and public attention, and this affected not only the image of the profession, but also the daily work of the offices. We were widely perceived as "bad" because we

were doing our job. The reasons - populism, poverty, illiteracy. But some of us also broke the rules and poured water into the mill of attacks. The public crises caused by individual PEAs affected the attitude towards everyone, the communication with the debtors, with the experts, with the ministers and the politicians. Therefore, it was very important to look for the mechanism for improvement, and not just for tightening the control over the offices, so that we all follow the rules equally.

Another urgent task on the agenda was the **electronification of more implementation processes**. On the one hand, this was related to our internal projects such as the record keeping system, the website and the registers of the Chamber. The more difficult part of the task referred to delayed inter-institutional projects, whose progress is beyond our control. Following the notorious e-distraints, the actual introduction of which is still pending, we have devoted a lot of work to the e-tendering regulation and then to voluntary enforcement. We worked in parallel on the regulations for the activity of PEAs, which have not been changed since 2006. Our expert work did not stop even in the tensest periods, when from the rostrum of the National Assembly there were speeches about "putting the reins on PEAs" and the closure of private enforcement. We had to work on different fronts - so, if in 2016 we implemented information campaigns to raise public awareness of the rights and obligations of debtors and creditors, the next year in a much more tense situation "educated" MPs, experts and their associates in an enforcement process so as not to allow them to succumb to suggestions of curtailment of our powers. This was the working move when we had 4 bills against us in parliament, openly lobbying, an ombudsman, public negativism and an open desire of individual parties to demonstrate to the public that they are ready to punish the "bad guys".

Fighting this type of populism took a lot of time and energy during both terms. It would not be an exaggeration to say that the **Chamber in such an environment acted as the complete opposite of populism**. Alone, without outside pressure, we offered solutions for the benefit of all parties in the enforcement process. In order to support the state, based on the public interest and the awareness of the state functions assigned to us, we made an extremely important gesture, little known to the public. We ourselves proposed the change in Article 81 of the Private Enforcement Agents Act, according to which the creditors on receivables for maintenance, labour legal relations, for the transfer of a child, as well as on public state and municipal receivables are exempt from advance fees. In this way, by bearing the costs, the PEAs are deprived of significant revenues, but funds are released in the public budgets and the normative and administrative obstacles to the development of the process of awarding public receivables are removed.

We have put a lot of effort into the prospect of new powers such as voluntary implementation. We studied and presented the experience of European countries in which it is successfully applied. We organised an international conference with the participation of colleagues from Europe and the Balkans. These events received a wide public and professional response. I am convinced that this measure is correct and the work must continue, especially since our ideas have outstripped even the measures set out in the Action Plan for

Improving the Investment Environment, adopted by the Council of Ministers in 2019

As our way of working, we have to deal with many different tasks on a daily basis, and we must thank you for the support that the Council has not stopped receiving from the Chamber administrative team.

### **What we achieved**

**Amendments to the Civil Procedure Code.** We started working on this priority immediately after the new leadership took office in 2015. A large working group is formed in the Council of Ministers with representatives of the executive and the judiciary, BCPEA members and lawyers. After months of exhausting discussions, we managed to convince our colleagues that our changes were good and they were included in the proposal of the Council of Ministers. Our texts on voluntary sales and electronic auctions were included in the law adopted in 2017. Finally, there were the legal guarantees for non-collectible receivables. The scope of actions of PEAs to be appealed in court has been expanded. Debtors received additional protection with the right to control the valuations of movable and immovable property, PEA fees, attorney's fees. They were also given the opportunity to buy real estate on credit, the changes were implemented in favour of those citizens who have to receive maintenance and see their children.

Many of the changes were a serious step in procedural terms, such as the implementation on a trademark and on industrial and intellectual property objects, as well as electronic auctions. **With the latter, Bulgaria ranks among the most advanced countries in Europe.** Another major breakthrough was the right of PEAs to serve private documents, which was entirely within the prerogatives of notaries. **But a special relief for us was the change in social payments. We have seen a lot of criticism that we are seizing benefits and pensions without being actually in charge of it.** The subsequent problem with the volume of written communication between PEAs and banks should be eliminated with the introduction of electronic distraints, when instead of paper, these messages will be exchanged through an electronic system.

A big disappointment was the cancellation of the texts for voluntary auctions, which happened in 2020. For us, this was a gross mistake, of which the "big losers" are all - debtors, creditors, courts. Obviously, this issue should also be resolved with the participation of notaries.

### **Collection of public receivables**

Granting the power to serve papers was an undeniable success for the profession, but we had to continue to broaden our prospects. Our focus was on the institutions and bodies of the state, and the task was to perceive us not as private subjects, but as a professional class, created and controlled by the state itself, in order to decide the issues with the execution of court decisions. **Therefore, it is most natural for the state through its bodies to use the PEAs to collect its own receivables.** In the communication we motivated our proposal not only with fiscal benefits but also with the protection of justice and the preventive role that our profession plays in relation to unscrupulous debtors.



Work on this priority began in 2015 with dozens of meetings with NAMRB, Ombudsman, CEM, SJC, NRA, Council of Ministers, National Assembly, agencies and ministries, business, banks, the legal profession and notaries. We presented our readiness to collect public receivables from the position of an effective and legal instrument. The first agreements were signed with the Supreme Judicial Council, the Financial Supervision Committee, the Electronic Media Council. Municipal administrations also strongly prefer to collect their receivables with the help of PEAs because of the speed and efficiency with which colleagues work in the field. During these years, municipalities have increased collection rates many times over.

Despite numerous talks with the Interior Ministry to collect fines for faulty drivers, there is still no agreement. We have been offering assistance in this sector for years without much financial benefit. Our argument is the same as in the fines for an incorrect parent - more important than the collection is the prevention itself. In support of the initiative, we received a positive opinion from the Ministry of Finance that there is no obstacle to collecting fines from the Traffic Police, and independent experts supported us. Although we do not have a positive answer, I am convinced that our intervention will have a tangible preventive effect and will discipline drivers, especially recidivists.

We can now boast of excellent cooperation with the SJC and the courts. The cases started, despite many difficulties and ongoing attempts to tolerate state PEA. Municipalities continue to prefer us to state PEA. We have high collection rate, we have shown that we are effective in collecting such receivables. The state interest and that of the taxpayers categorically require the state bodies and municipalities to assign to the PEAs the collection of public receivables, as the costs of the cases are borne entirely by the PEAs. When this activity is carried out by state bodies - public executors, state PEAs, in addition to the losses from the lower efficiency, the budget and the taxpayers pay the bill for all expenses on the cases for which there are no receipts. It is known that due to the poverty of the people and the imperfections in the law, the uncollectible receivables in our country exceed 60 percent.

**The issue of the collection of public receivables, in addition to fiscal, has another important dimension - the rule of law, order, tranquillity and even the life and health of Bulgarian citizens.** Because the feeling of impunity is the main reason for the thousands of victims on Bulgarian roads, for the lack of respect not only for the state institutions and control bodies, but also for the law and the rules. Sanctions must be applied effectively, because only in this way can all types of violations of the law be prevented. Therefore, the populism on the topic of PEAs, in addition to having to stop, is high time not to be a tacit excuse for some leaders who are not guided by the interest of the state and citizens on this issue, but by misunderstood own PR.

### **Voluntary debt collection**

Long before the crisis, the Chamber of Private Enforcement Agents launched a debate on the introduction of out-of-court debt collection in Bulgaria, as in many countries around the world. Our position in the many forums, meetings, letters and opinions was that **voluntary enforcement is a strong anti-crisis measure in the field of debt,**

which will relieve the courts of thousands of meaningless cases, will satisfy creditors quickly and without investing significant funds and time in litigation. and enforcement processes, will save debtors from rising debt and allow them to reschedule debts. Voluntary enforcement can solve a serious problem - the increase in debt in the collection of small receivables in court. A problem that makes PEAs the target of dissatisfaction. We measured the benefits for the whole society in hundreds of millions of leva, which would remain with people and businesses in the coming years. An international round table was organised for the voluntary implementation, which the BCPEA and the European School of Enforcement organised in March 2019. We had several goals - to state to the institutions in our country that private enforcement agents are a resource for the state, which it must use more efficiently. To show that against the background of inter-company indebtedness and the workload of the court, we have the competence and potential to do much more work so as to unload the court and be useful to society. In such an international context with guests from 16 countries, the Chamber showed its strategic vision for development by expanding the powers of PEAs, not to win the profession, but to benefit businesses, citizens and institutions. And it is in the way things are happening in other European countries. If in Serbia they can collect "small receivables" without a court, why shouldn't this happen here as well? If in Belgium, the Netherlands or France they can allow enforcement agents to establish facts, why is this not possible in Bulgaria? Our goal was to sound all this, supported by the real foreign experience, to strengthen the place of the Chamber as a forward-looking institution that is developing dynamically, and not a frozen conservative system.

In 2020, the proposal reached the National Assembly, was even adopted at first reading, but ultimately did not become law. Despite our efforts, the out-of-court collection was opposed by bar associations, the Association of Collection Agencies and other organisations. This effective anti-crisis measure was rejected without convincing arguments and unfortunately deepened the feeling that the legislators are very far from the public interest.

**Control over the profession.** We have made great efforts in control and disciplinary activity. They have become one of our main priorities and this is already yielding results. It is already clear to each of us that there can be no personal prosperity without general prosperity of the profession, that the path to them passes only through lawful and professional-ethical behaviour and if we violate the law, we are responsible for it.

Since 2015, we have been working for a better mechanism for internal control of the offices and compliance with the rules by all offices. In April and May 2015, the first round of inspections was carried out in all 164 offices in the country. Their purpose was to establish the current state, possible violations and vicious practices in the profession. All offices with established violations received recommendations for elimination of irregularities within 6 months. The second round of inspections took place in early 2016. The entire disciplinary practice of the Disciplinary Committee and the SCC since 2006 has been summarised in a special report. We created the Electronic System for Statistics, Monitoring and Control, as part of the new record keeping program of the BCPEA.

We have allocated significant human and material resources for inspections and the results of the disciplinary activity of the chamber are impressive - in 193 PEAs only in recent years the disciplinary sanctions have entered into force are 115 fines, of which 32 in excess of BGN 5,000, 4 deprivation warnings of rights and 19 deprivations of rights. We are also the only legal profession for which the penalty of deprivation of rights forever is provided, which happened again at our suggestion in 2017.

### **Electrification of the enforcement process**

We exercise delegated state power and in order to do it qualitatively, legally and as cheaply as possible for the parties to the cases, we need **fast and direct communication with the state bodies**. The main priority from the very beginning of our profession is the maximum of the information about the debtors and the enforcement actions to be administered electronically. However, this priority depends almost entirely on another major electrification process that needs to take place in public administrations and in the justice sector in particular. The example of our long-standing struggle for the introduction of electronic distraints is indicative enough of how even "electrification" already regulated by law can only remain a good wish.

It is clear to everyone that **the benefits of electrification** are more for the parties to the cases, who will pay less costs and the enforcement process will be faster. Therefore, the BCPEA participates constructively and responsibly in all working bodies, which have been established over the years in order to move towards digitalization of the implementation process.

The cooperation with the State Agency for Electronic Government lasted for several years and from 2019 we now officially have access to the **RegiX** - environment for electronic exchange of information between institutions. Unfortunately, we have to admit that the result is below our expectations. First of all, because of the access to the registers. It turned out that some of the controllers of personal data have not yet integrated their registers and currently only inquiries of the National Revenue Agency and the National Social Security Institute are working in the middle. The inclusion of individual PEAs in RegiX also proved to be slow and cumbersome. Although in 2019 it was decided that PEAs will be involved institutionally and in groups in the RegiX environment, this is not happening yet. In this regard, we asked the Minister of Justice for assistance in the inclusion of all PEAs in the environment, as well as the immediate integration of the Traffic Police and the Registry Agency in the electronic environment.

In a letter and meetings with the leadership of the Ministry of Justice in May 2020, we made several proposals to improve the progress in the electrification of the implementation process, which in view of the pandemic are not only good but also necessary because they will save costs. We demanded the launch of e-public sales, e-distraints, e-receipt of encumbrance certificates, electronic bans and changes to the Civil Procedure Code to create the widest possible opportunities for notifying persons and serving papers electronically.

**Very great progress and success on this priority** of the Chamber was adopted in the last days of the 44th National Assembly amendment to Article 431, para. 4 of the Civil Procedure Code (SG, issue 15 of 19/02/2021), by which all information in the enforcement process, received by the order of Electronic Government Act, is exempted from state and local fees. This normative change puts things on a proper principled basis and will be important not only for the present, but also for the future of judicial enforcement in our country. We also managed to eliminate the gaps in the regulation of electronic auctions in Article 501a et seq. The CPC, which we found in our work on the regulations related to them.

In 2016, we finalized the unified record keeping system of the BCPEA. The Chamber's official archive was digitized and a special module "Disciplinary Practice" was created, which collects and summarises the case law in the field of enforcement proceedings, the practice of the Disciplinary Committee and the Supreme Court of Cassation in numerous disciplinary cases.

We provided electronic access to the BNB's Register of Bank Accounts and Safety Vaults. Currently, almost 100% of PEAs have access to it and this solves a number of problems. PEAs do not have to impose excessive restraints or to accumulate unnecessary expenses in relation to the amount of the debt.

The BCPEA new website and the public sales register are ready. They were developed by Information Services AD. An entirely new Integrated Platform for enforcement cases is to be prepared.

At the moment, our main goal is to actually launch e-auctions as soon as possible. We presented at the end of 2020. in the Ministry of Justice, a draft ordinance is ready, together with all annexes to it regarding the operation of the electronic platform, which is also ready. We have the assurances of the new leadership of the ministry that the ordinance will soon be promulgated and our long-term efforts in this direction will finally be realised in practice.

### **Regulations**

At the BCPEA request, in 2016 the activity of a working group in the Ministry of Justice for analysis, evaluation and improvement of the regulations at the Private Enforcement Agents Act began. After nearly 11 years of work, the weaknesses in the regulations on insurance, the official archive and the annual reports were clearly highlighted, they were updated and published in 2019. We have finally solved the problem of the lack of a regulation for the destruction of old cases, which burdened the offices with significant costs for their preservation and protection. We have increased many times the minimum sum insured for which each PEA is obliged to insure and thus the parties and all third parties are protected from coverage in the amount of BGN 1.2 million, as a number of PEAs are insured and for much larger amounts. We have improved transparency, accountability and control by updating the reporting forms of PEAs with much more information and data, which are collected and analysed in the Ministry of Justice and the Chamber.

### **Information campaigns**

The National Association of Municipalities accepted our invitation in 2016 and became our partner in the information campaign **"How to**

**protect our rights as debtors and creditors" In 42 municipalities in the country, from the largest to the smallest, PEAs met with people and answered their questions.** More than 500 citizens visited the receptions, where in addition to talking to PEAs, they received free brochures with answers to many questions related to their rights as creditors and debtors. Of particular importance to us is the feedback from people, which we received through the anonymous questionnaires provided for completion with 15 questions. The results of them are indicative - our previous observation is confirmed that the share of people who do not know the rights and obligations of the parties in the enforcement process is significantly higher.

**As an institution, we conducted other advocacy campaigns.** Electronic auctions and voluntary sales were not something known either among our institutions or after the public. Good practices in European enforcement are a strategic direction in the BCPEA work. In a number of European countries, private enforcement agents also have a wider range of powers, which is a perspective for the profession in Bulgaria. European experience and the latest trends in enforcement, through the prism of ESEing the courts, of quick and cheap protection of the rights of business and citizens, have been the focus of our advocacy campaigns. Our other priority was to continue preparing the ground for new powers for private enforcement agents.

Examples outside Bulgaria have shown that there is room for improvement in the legislative framework for private enforcement. We studied in detail the experience of countries such as Lithuania, Latvia, Estonia in terms of e-auctions. In November 2016 we organised a visit of their delegations to our country, held a round table and meetings with then Minister of Justice Ekaterina Zaharieva and MPs from the Committee on legal issues in the National Assembly. The practice is good not only in the electronic auctions conducted by colleagues, but also in the unified electronic system for access to all information about debtors and the overall legislative framework.

#### **Competition for new private enforcement agents**

In 2015, the third competition for PEAs was held since our establishment in 2005. We are proud of the objective and fair competition, thanks to which the most prepared candidates joined our profession. For the first time, the written tests were prepared immediately, literally minutes before the exam, which neutralized the possibilities for information leakage. The Committee has been under tremendous pressure and has been working non-stop and under video surveillance for days in total.

#### **European School of Enforcement (ESE)**

After more than 11 years of discussions, we managed to create and register the European School of Enforcement (ESE) as a legal and organisational form of a public benefit foundation. The ESE has existed as an idea and project since the creation of private enforcement, but there has been a long way to go for private enforcement agents to be the ones to create an educational institution that has the ambition to help all legal professions. The school held numerous trainings, seminars, round tables and discussions, but unfortunately the pandemic stopped its upward development. After its completion, we hope that it will take its rightful place among the PEAs and the legal professions in our country and in Europe.

## Conclusion

Over the years, we have always been a driver of change aimed at improving the judiciary, the economy and the rule of law. It is a matter of future work in this direction to win small victories in small steps. Each of us must continue to be an advocate of this thesis through his contacts, so that the Bulgarian PEAs can at some point establish facts, conduct voluntary execution and voluntary sales, collect non-collectible for the state public receivables and so many powers, for which we have the competencies and experience to do excellently. All this is not our whim, but is based on the most advanced European practices, because **in Europe PEAs are an instrument of the state, a partner of business and citizens and an indispensable assistant to the court.**

The development of judicial enforcement passes not only through new powers, but also through the achievement of efficiency and improvement of the current ones. Just as an example - a whole way in the Civil Procedure Code - enforcement against movables - vehicles is extremely inefficient, although debtors who claim to be socially disadvantaged own two cars, and others - those of the value of a two-bedroom apartment.

The global health and economic crisis caused by the pandemic changed the world, but even before that there was a steady trend in judicial enforcement in Europe to shift the focus from genuine enforcement to strengthening the functions of PEAs before judicial protection of non-coercive interventions. such as voluntary debt collection, voluntary sales, etc.

I think that the crises we have gone through in recent years have brought good. The unprecedented pressure we were under was consolidating us. For me, an important effect is that the problems and battles managed to "bring us together", to complete a process that began long ago - the establishment of the BCPEA by the organisational structure of offices in an institution that is a proactive advocate not only of PEA and the judiciary, but also of the public interest.

Therefore, my call is - let's keep the team in the Chamber in the next term. To rely on a solid foundation, the experience gained from many battles and pragmatism. It is important that we all be together in this process - not as a collection of offices, but as teammates, on which depends not only whether we participate in the championship, but what role and place we occupy in it.

Dear colleagues, let me thank all the members of the bodies of the Chamber, each of them, including the Committee on Inspections, with whom we not only worked together, but also experienced so much during these 6 years, to each of the wonderful our administrative team and its head Mrs. Glavanova, our assistants in charge of the Chamber's communications, our friends from UIHJ and our colleagues not only from Europe but also from many other countries around the world who have always responded to our appeals to our partners from the notary and the bar, business organisations, banks, municipalities, civic associations and the media, to all these heads and employees of the state administration, ministers and MPs who realised that we protect the public interest and sought to help. Many thanks to all of you colleagues and friends, Bulgarian private enforcement agents. I observe each of his first steps in the profession (some even before that) and I can proudly and with satisfaction share with you that I see the development you have undergone. I see professionalism, but also humanity, firmness, but also balance, I see maturity and

responsibility! The power and authority of any profession does not derive from the laws and powers, but from the people who practice it. Looking at you, I am completely calm about the future of our profession!

Thank you, it was an honour for me to represent and defend your interests!

A handwritten signature in blue ink, appearing to be 'G. Dichev', written over a faint rectangular stamp.

**GEORGI DICHEV,**

CHAIRPERSON OF THE CHAMBER COUNCIL OF PRIVATE ENFORCEMENT AGENTS

## 1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

Fifteen years ago, with the introduction of private enforcement in Bulgaria, our judicial system showed that successful reforms are possible. It was introduced by a special law and after political consensus, support from the judiciary and approval of banks and all business organisations. Today we can confidently say that after a strong start, **the reform has brought both efficiency and sustainability**. There is currently no institution that can deny the role of private enforcement. And not only that - the creditors give a definite assessment, preferring it to the state implementation.

The system of private enforcement is an effective regulator of the business environment, a source of revenue for the state and municipal budgets, a tool for solving problems with funds due to workers, citizens, families. The statistics and figures from our activity are categorical -without the PEAs the return of debts, the stability and the security of the economy and the citizens is impossible. The profession is an extremely important part of the efficient functioning of the judicial systems in Europe and worldwide. At present, private enforcement clearly remains the preferred instrument of creditors to protect their judicially recognized rights. Therefore, the figures speak for themselves: the total amount of funds collected since the creation of our profession until today is BGN 12 billion (EUR 6.14 billion). And in the state budget, without spending a penny for this activity, BGN 1.2 billion (EUR 614 million) have been paid.

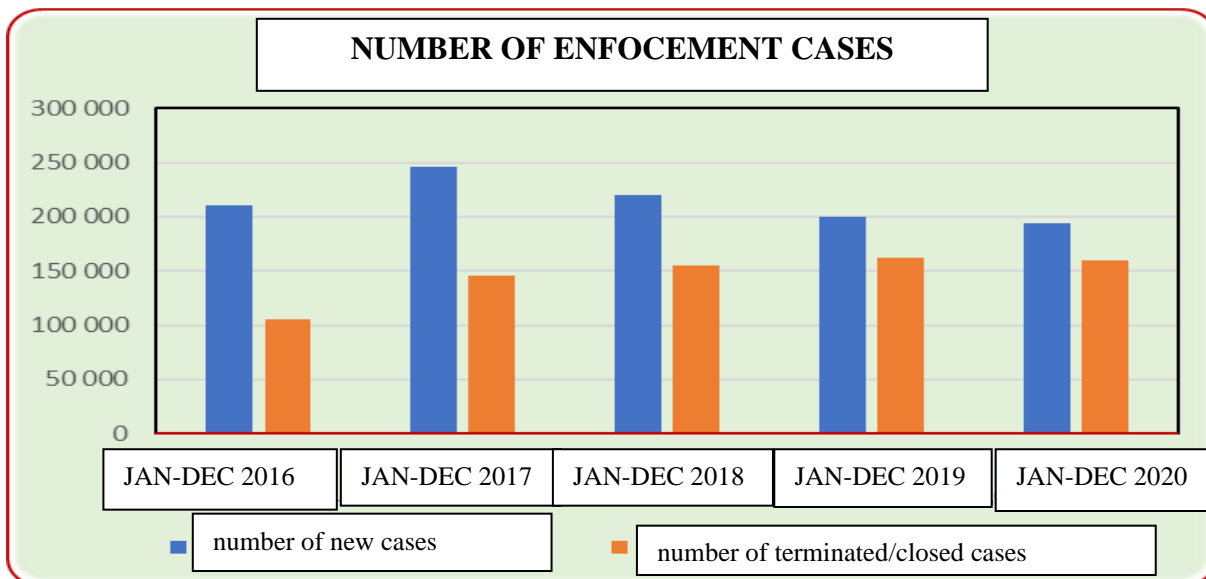
Today, several thousand employees work in the offices of the PEAs. In the first years of the functioning of the profession, there was a lot of talk about the role of PEAs as regulators of the business environment. For the billions of leva that have returned to business and the state budget. Now, in addition to this function, another one is emerging more and more clearly - the social one - alimony, receivables from employment, transfer of children. This is also part of this profession. Therefore, it is not surprising the recognition we receive from the Bulgarian institutions, the court, business organisations, representatives of the academic community and other legal professions.

At the end of 2020, there were **192** offices of PEAs in Bulgaria, employing over 2 100 employees.

The status and development of the private enforcement system in figures for the last 5 years looks like this:

<u>Proceedings:</u>	<u>Cases closed:</u>	<u>Amount collected:</u>
2016 - 229,000	2016 - 105,000	2016 - BGN 1,030 billion
2017 - 246,000	2017 - 145,000	2017 - BGN 1,100 billion
2018 - 225,000	2018 - 155,000	2018 - BGN 1,020 billion
2019 - 205,000	2019 - 165,000	2019 - BGN 900 million
2020 - 194,000	2020 - 160,000	2020 - BGN 655 million





For fifteen years since the establishment of the private court enforcement so far **2,400 million cases** have been formed at PEAs, **1,130 million cases** have been closed, and the collected amount exceeds **BGN 12 billion**.

Enforcement cases are declining to less than 200,000 a year. There is a decline in material interest in them. The largest share of newly formed cases falls on traders - approximately 45%, followed by the state and municipalities with 34%, in third place are citizens with 12%. Cases in favour of banks are already permanently below 10% of the total.

Sales of real estate in our country are constantly declining. For 2020, which was critical in every respect, the public sales made by the PEAs are a record small - 400. of movables and 4,700 pcs. of real estate. The entries in possession are only 630.

**The amounts collected in favour of citizens are significantly increasing, despite the record low collection as a whole, their share is increasing and is now 23% of all amounts collected by PEAs.**

**Cases of PEAs in favour of the state, municipalities and citizens are approximately 50 thousand cases per year.** This is shown by the statistics of the Chamber of Private Enforcement Agents for the last three years. In 2020, however, their number was even higher - 65,000. The figures indicate a strengthening of the public function of PEAs. We are returning more and more "state money", and in the difficult financial situation in which the Bulgarian municipalities find themselves, they prefer to work with PEAs. Almost all of the municipal administrations already use the services of PEAs.

In recent years, the amount collected by PEAs has decreased to about BGN 1 billion per year, and in the year of the COVID pandemic - 19 the amount collected by PEAs is a record small - BGN 655 million, which is distributed to the creditors in the enforcement cases as follows:

- A) The state and municipalities - BGN 65 million, of which for:
  - Government bodies - BGN 28 million, BGN 21.5 million public receivables and BGN 6.5 million private receivables;

- Municipalities - BGN 33.4 million, BGN 28.5 public and BGN 4.9 million private receivables;
- Courts - BGN 3.4 million.
- B) Traders and other legal entities - BGN 233 million;
- C) Banks - BGN 207 million;
- D) Citizens - BGN 151 million, of which for maintenance - BGN 5 million and for labour disputes - BGN 3 million.

In 2020, the complaints filed through the PEAs to the district courts were about 3,100, of which the court upheld about 460.

More than half of the private enforcement agents have authorised their assistants - as of 31/12/2020 there were 186 assistants - PEAs in the whole country. Creditors in the enforcement cases at the PEAs are not only the companies, the banks and the business in general, the state and the municipalities, but also the Bulgarian citizens with receivables both in civil legal relations and for labour remunerations, alimony and child transfer. Given that the fees for the last receivables are not paid by the creditors, but must be paid from the budget of the respective court, but this does not happen, in practice the private enforcement agents in our country finance with their own funds this type of cases, which they are not few.

The law firms use modern technologies in their office work. Access to information on debtors, much of which is already received electronically, ensures such an important speed of the process.

Private enforcement in our country meets all European criteria for a modern, legal and effective activity.

## **2. DETAILS ABOUT THE BCPEA**

Since its establishment on 26/11/2005, the Chamber of Private Enforcement Agents has managed to establish itself as a good partner for Bulgarian and international institutions. After 15 years of hard work, although they continue to take undeserved negatives from the economic crisis and political controversies in the country, PEAs have proven that they work for the benefit of society as a whole, that they strive to impose high standards of professionalism and ethical behaviour. The Chamber maintains effective working relationships with authorities and institutions and offers a wide range of services to its members.

Private enforcement agents operate on the territory of all district courts in the Republic of Bulgaria and currently there are a total of 192, of which 94 men and 98 women.

During the reporting period, three private enforcement agents with areas of action Municipal Council - Vratsa, Municipal Council - Montana and Municipal Council - Burgas, have lost their legal capacity pursuant to Article 31, para. (1), sec. (7) of the Private Enforcement Agents Act (imposed disciplinary sanction under Article 68, para. (1), sec. (4) of PEA Act) - one PEA for a total of 3 years on two decisions of the SCC in two disciplinary cases on the list of Disciplinary Committee of PEA, the other PEA - for a period of 1 year and 4 months on the basis of decision of the Supreme Court of Cassation, and the third PEA - for a period of 2 years pursuant to a decision of the Supreme Court of Cassation. Two PEAs have lost legal capacity forever (one based on Article 31, para. (1), sec. (1) of the

Private Enforcement Agents Act with area of action SCC, and the other - based on Article 31, para. (1), sec. (2) of the Private Enforcement Agents Act with area of operation of the General Assembly - Kardzhali).

During the reporting period, two private enforcement agents with areas of Sofia City Court and Burgas - lost their legal capacity pursuant to Article 31, para. (1), sec. (7) of the Private Enforcement Agents Act (imposed disciplinary sanction under Article 68, para. (1), sec. (4) of the PEA) - one PEA for a period of 1 year by decision of the SCC, the other PEA - for a period of 5 years pursuant to a decision of the Supreme Cassation Court (SCC).

The circumstances for each private bailiff, subject to entry in the Register of Private Enforcement Agents according to Article 4, para. (3) of the Private Enforcement Agents Act, shall be duly reflected and stored on paper and electronic media in personnel files of all PEAs.

The Chamber is managed by a Council of eleven main and two alternate members, and has administrative staff, which as of 31/12/2020 consisted of eight employees on an employment contract and three employees on civil contracts. It is a financially independent organisation and does not receive funding from the state.

### 3. ACTIVITY OVERVIEW

In order to get an objective picture and take a better account of the unprecedentedly difficult year for all, at the beginning of 2021 a traditional survey was conducted among private enforcement agents, covering key aspects of our activities. The evaluation form included questions about the services provided by the Chamber for the members, their quality, the activity of the management and the organisational skills of the employees in the BCPEA administration.

This year, 30% of the BCPEA members responded to our request to give their opinion. These are nearly a third of the members of our industry. We truly thank all colleagues who, despite the severe problems during the pandemic, took part in the survey and expressed their opinion objectively and critically! It is important for the Chamber management and administration in order to improve the activity. After summarising the collected opinions from the survey cards, the results are as follows:

Please evaluate the activity of the Chamber, according to its contribution to your work and its usefulness in response to your needs and expectations	Below expectations (1-3) Besting expectations (4-6)	
	Average rating	Percentage of satisfied expectations
Are you satisfied with the activity of the Chamber of Private Enforcement Agents as your professional organisation?	5.33	88.78%
How do you rate the services provided by the Chamber?	5.38	89.70%
Administrative services	5.43	90.48%
EAS trainings	4.95	82.44%

<b>How do you rate the Chamber management of Private Enforcement Agents?</b>	5.46	91.00%
Activity	5.45	90.91%
Willingness to communicate with members	5.47	91.19%
Media communications	5.23	87.11%
<b>How do you rate the Chamber administrative staff?</b>	5,65 a	94.14%
Activity	5.62	93.64%
Communication with members	5.68	94.64%
timely	5.68	94.64%
comprehensive	5.69	94.58%
overall attitude	5.71	95.19%
<b>Overall rating of the Chamber activities according to the needs, expectations and usefulness of its members</b>	5.21	86.86%
<b>What is the quality of the materials made by the Chamber?</b>	5.25	87.50%
New website	5.22	86.97%
Register of debtors	5.30	88.39%
Register of public sales	5.25	87.58%
<b>How do you rate trainings organised by ESE?</b>	4.88	81.41%
Teachers	5.16	86.06%
Content of the study material	5.04	83.94%
Quality of teaching materials	5,00	83.33%
Price	4.84	80.61%
Number	\$4.69	78.18%
<b>Public Relations</b>		
Overall work with the media	4.96	82.73%
Quantity of published materials for PEAs in the press	4.91	81.79%
Quality of the materials and their effect on the PEA profession	4.96	82.74%
Interaction with institutions	4.91	81.76%
Electrification of enforcement procedures	4.80	80.05%
Improving the institutional environment for the work of PEAs	4.66	80.95%
<b>How do you rate your personal participation and contribution to the work of the Chamber?</b>	3.87	64.47%

After processing and analysing the results, the general conclusion is that with few exceptions, the overall assessments of the college for the crisis year 2020 keep their levels unchanged compared to the previous reporting year of 2019. The PEA assessment, given for the Chamber administrative staff, is traditionally high in 2020, maintaining the same value **5.65** as the previous reporting year of 2019. All PEAs who have filled in and sent questionnaires /a total of **56** colleagues/, clearly indicate in their answers that they are satisfied with the work of the Chamber, regardless of the difficult year that has passed. The overall assessment received for the services provided by it and its usefulness for the individual PEA is

**5.33** on a six-point scale, and the performance of administrative services for members this year was rated the highest - **5.43**.

A total of 54 participants in the survey described the BCPEA activity as a whole as positive, and two PEAs did not give an opinion on this issue. Regarding the question of whether there was progress in the Chamber's overall work in 2020 compared to 2019, the majority of respondents believe that there is such despite the extremely difficult situation nationally and globally due to the pandemic with COVID - 19. The opinion was expressed that even in the conditions of emergency, one can always rely on the BCPEA administration, which responds in a timely manner wherever an issue arises. However, some PEAs believe that the levels and rates of development remain unchanged compared to the previous year or that there is some progress, but more can always be desired.

The summary takes into account very good results in the work of the BCPEA management and excellent certificates for the Chamber administrative staff. The average score for the management activity in 2020 is **5.46** (for comparison the score received in 2019 is 5.46, in 2018 it is 5.42), and the team of employees in the administration is rated with **5.65** (for comparison: 5.66 for 2019, 5.66 for 2018). Given the unprecedented trials that our country faced in the past 2020, and in particular the Chamber and the profession, the assessment given by the PEAs to the management and BCPEA administration shows once again that trust in us is high, that you support us and show understanding. and resilience even in the most critical moments accompanying our professional path.

As the most useful activities in the service and interest of the members during the reporting period, the largest number of participants in the survey indicate:

- In the situation of crisis due to the pandemic COVID - 19, the Chamber actions were extremely useful, adequate and competent, so that PEAs could not only keep the activity of the offices, but also to improve the image of our profession. The Chamber is doing everything in its capacity in this difficult situation to support the activities of the PEAs offices;

- Maintaining contact with members and public authorities in the difficult conditions of a pandemic;

- There is always a willingness to cooperate; good, timely and correct communication with employees and BCPEA management; taking a principled position on general or individual problems in the profession;

- The development and launch of the new website of the Public Sales Register;

- The online conferences held in 2020;

- Provided electronic access to the Regix inter-register exchange environment, as well as to other national registers;

- Procedural protection by the BCPEA in cases against the PEAs in the SCC against decisions of the Disciplinary Committee (DC);

- Timely awareness of changes in laws. The notification by e-mail about the novelties in the legislation and the change in the normative acts;

- Improving the BCPEA media presence, including the media interviews by representatives of the BCPEA management, which leads to balancing our profession's public image;

- In general, the Chamber and in particular the administrative staff are always available, in case of need for assistance regarding the work of PEAs.

Regarding the adequacy of the membership fee versus the BCPEA activity, a large part of the opinions this year are consolidated around the conclusion that despite the seriousness of the situation with the state of emergency and suspension of the offices for several months, the ratio of membership fee to the Chamber is fair. Here, conformity assessments range from excellent to reasonable, balanced, proportionate to the activity, objective, optimal, to acceptable and satisfactory.

Three out of a total of 56 surveyed PEAs believe that the contribution amount is high - given the financial difficulties of law offices. Assuming that this is a representative sample of the opinion of the members of the entire industry, we can summarise that only 1.6% of colleagues perceive the membership fee as increased.

One of the criteria in the questionnaires refers to public relations, including work with the media and the interaction of the Chamber of Private Enforcement Agents with the institutions of the Republic of Bulgaria. Judging by the final result of the respondents' answers to these questions, they have an improved opinion regarding the relations with the media in the past 2020 (given an average score of 4.96), compared to the previous reporting year of 2019 (average score 4.90) and purposeful efforts in this direction. The negativism that has dominated the activities of the PEAs for years is now much more moderate. The media are already showing more interest in the specifics of the case on enforcement, and journalists are increasingly keeping a balance in their materials.

Regarding the criteria "Interaction with Institutions", "Electronification of Judicial Enforcement Procedures" and "Improvement of the institutional environment for work" the assessments are positive this year, although the opinion of PEA on these indicators remains traditionally sceptical and low compared to other activities and initiatives of the BCPEA. The assessments of the colleagues in this direction can be summarised as follows: good assessment of the interaction with the institutions - **4.91** (for comparison in 2019 - 4.91; in 2018 - 4.79; 2017 - 4.84) and the achievements in the field of electronification of the enforcement procedures - **4.80** (for comparison in 2019 - 4.65; in 2018 - 4.62; in 2017 - 4.77). In terms of improving the institutional work environment, the level of satisfaction is also comparable to 2019, as for 2020. PEAs gave an overall score of **4.66** (compared to 4.65 in 2019).

To the question of what, according to the PEA, the Chamber should do in order to facilitate and support their work, the answers are varied and aimed mainly at:

- The work of each PEA will be significantly supported if the Chamber continues to work hard to gain access to traffic police registers, Bulgarian identity documents, Acts of the registry offices, as well as specific entries in the Central Register of

Special Pledges (CRSP) (descriptions of the pledged property, and not only indication of the relevant entries);

- Improving the institutional environment for the work of PEAs and electrification of more enforcement procedures. Fully electronic reports, distraints, foreclosures and auctions;

- It would facilitate the work of all members of the Chamber, add traffic police and Registry Agency reports to the RegiX system and send the distraints electronically. To assist in ensuring the possibility for PEAs to stop the debtors' vehicles from moving;

- To initiate joint actions with the Notary Chamber for undertaking optimal legislative initiatives regarding the change of the tax treatment regime of the activity of PEAs and notaries (increase of the legally recognized expenses from 25% to 40%);

- To conclude agreements with other public creditors for assignment of receivables;

- Active actions to change the legislation on quite controversial issues;

- Positive image of the profession and protection from incompetent legislative projects that hinder and hinder the profession;

- Arranging of meetings of private enforcement agents from a certain region in connection with efficiency in their joint work;

- To ask the Ministry of Justice to organise a competition for assistant PEAs;

- The Chamber makes sufficient efforts to facilitate the professional activity of its members. The BCPEA to continue the policy pursued in the future;

- The Chamber cannot and is not obliged to assist the PEAs in the daily work of the office. Only if necessary, our professional organisation should stand behind each correctly working colleague and (upholding a principled position) to help him;

- The BCPEA to insist in every possible way to stop and limit all possible changes of normative acts concerning the judicial execution;

- More online free (or at a token price) seminars and discussions on current topics;

- Summarising and unifying the case law;

- Creation and integration of a common office program for all offices of PEAs - property of the Chamber;

- Increasing the organisational and managerial activity. Greater readiness for communication with the BCPEA members and more serious and constant relations with all media;

- The introduction of work from the home office of the Chamber's employees during the pandemic was a good decision in order to protect the health of employees and visitors, but the lack of access of office staff to the office in 2020 was unjustified. An option should be created to receive documents (copies of complaint cases) not only by mail but also on the spot.

We also thank all colleagues who have openly assessed the severity of the past pandemic year for all of us - management, administration and offices of PEAs! There are no critical comments on the BCPEA activity in the past 2020. Only a few recommendations have been made in the following areas to improve the Chamber activities as a whole in 2021:

- To create a unified record keeping program for all PEAs to use, and thus to unify the forms and the overall activity of all members of the Chamber;

- Introduce an administrative fee for handling complaints in the BCPEA;

- Each member of the governing bodies to work on specifically assigned to him commitments and tasks, exercising control over their implementation;

- More publications in the media presenting the BCPEA as an institution with a contribution to society. To deepen the preventive work with the media and NGOs for the formation of public opinion for trust in the judicial implementation, avoiding any campaigning and establishing systematization in these relations;

- More and more diverse seminars. To reduce their price. Permanent introduction of webinars as a form of training;

- The BCPEA achieves high results in carrying out its activities. To continue in the same direction. The people directly involved in the Chamber activities do what is necessary. I have no recommendations

The private enforcement agents themselves this year set a lower score compared to the previous year for their personal participation and contribution to the work of the Chamber - **3.87** (for comparison 3.96 in 2019; 4.13 in 2018; 3.81 in 2017). The BCPEA management thanks all colleagues who are aware of the importance of their personal motivation and commitment and help in any way they can for the common cause. We are confident that in 2021 we will be consolidated and focused on achieving balance, prosperity of our institution and the establishment of core values in the profession.

### **3.1. Conferences and workshops**

During the reporting period, the BCPEA held two national online conferences for PEAs. Due to the extraordinary epidemic situation, which has been operating in the country for almost the entire past 2020, it was necessary, instead of the traditional attendance format, to organise events remotely through the electronic platform Zoom. The conferences were held in a constructive spirit, and the practical focus and topicality of the topics contributed to an active and open dialogue.

**The first national conference** was held on 21/05/2021. The event was a hitherto unknown technical challenge both for the team and the BCPEA management, and for the participants in it. The general conclusion, however, was that we all did very well. More than 150 participants were registered, which is a difficult number of participants in live conferences. At the opening of the forum, the BCPEA Chairperson expressed gratitude to colleagues who, despite their difficult financial situation, joined the donation initiative of the Chamber to collect the amount of BGN 52,300 for MHAT "Alexandrovskia", necessary for the purchase of life-saving equipment for patients with COVID.

The main purpose of the conference was to discuss key issues related to the activities of the industry in the context of the announced unprecedented global pandemic. The private enforcement agents

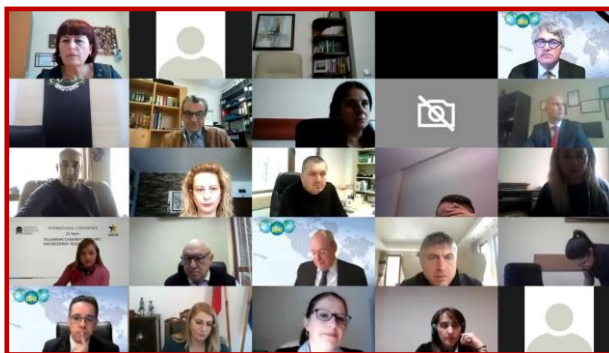


discussed the practical aspects of the restrictions on the activity of the offices requested by the chamber – suspension of all public sales of debtors' property and entry into possession, suspension of inventories, as well as seizure of wages and bank accounts. The BCPEA management also answered a number of important practical questions asked by the PEAs regarding the regime of work and the access regime in the offices during the imposed state of emergency. The main focus of the discussion here was on preserving the health of employees in offices and parties to enforcement cases.



**On 4 декември 2020** The Chamber of Private Enforcement Agents in Bulgaria celebrated 15 years since its establishment and the introduction of private enforcement in the country. The anniversary was marked by an international expert online conference attended by

the Chairperson of the International Union of Judicial Officers (UIHJ) Marc Schmitz, its First Vice Chairperson Mathieu Chardon, UIHJ Secretary Jos Witdehaag and the Secretary General of the International Union of Judicial Officers Dovile Satkauskiene. The expert forum was also attended by the Minister of Justice of the Republic of Bulgaria Desislava Ahladova, representatives of the executive and legislative powers, judges and enforcement agents from Bulgaria and 9 European countries (Belgium, the Netherlands, France, Lithuania, Latvia, Estonia, Romania, Moldova, Portugal).

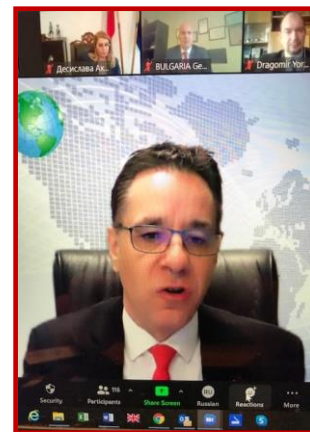


The Bulgarian Chamber of Private Enforcement Agents focused on the anti-crisis measures in support of debtors and creditors. The protection of the parties in the forced process in the conditions of a pandemic, the voluntary collection of receivables, the electronic auctions and the establishment of facts were the main topics discussed by the participants in the forum.



***"Thanks to its professionalism and responsibility, the BCPEA has proven to be a partner institution of the state with a contribution to the improvement of enforcement."*** This was stated by the Minister of Justice Desislava Ahladova in her introductory words.

Marc Schmitz presented the BCPEA Chairperson Georgi Dichev with the gold medal of the UIHJ and thanked his Bulgarian colleagues for their unconditional support and good partnership with the UIHJ over the years. *"The private enforcement agent is the best participant in ensuring an appropriate balance between the rights of the creditor and the debtor, he is the key figure of legal certainty. Social and economic development after the crisis will require a different approach to enforcement and debt collection systems. In order to achieve this, instruments such as mediation and debt rescheduling will certainly be preferred"*, said Marc Schmitz at the opening of the forum.



The Chairperson of the Bulgarian Chamber of Private Enforcement Agents, Georgi Dichev, was adamant that even after 15 years, private enforcement in the country remains the preferred instrument by creditors to protect their judicially recognized rights.

*"In the crisis year 2020, the PEAs industry was the first to propose a ban on a number of coercive actions. Restrictions on public sales, inventories and distrains of bank accounts were in force in the state of emergency for two months after its end. During this period, the Chamber also insisted on resolving the problem of small debts and their increase in the course of court proceedings and supported the introduction of voluntary and deferred execution of receivables in out-of-court environment. The institution also stood behind the introduction of a 10-year absolute statute of limitations for the debts of individuals, so that there are no eternal debtors"*, Dichev summed up.



In addition to the forum, the Chamber has prepared a movie and e-newsletter dedicated to the anniversary. The anniversary film, dedicated to the anniversary, presented realistically the achievements of the profession and the challenges facing it. It presented the point of view of PEAs, judges and international partners of UIHJ. The film

covered all stages of the creation of the profession - the reform with structuring, the subsequent strengthening of the role of PEAs, associated with the development of successful partnerships, as well as the new challenges facing it. An anniversary bulletin was prepared, summarising key points and data on private enforcement since 2005.

On the occasion of its anniversary, the Chamber of Private Enforcement Agents established a Fund for Support of Law Students, which is funded by the organisation and voluntary donations of its members. The funds raised will be used to support students from across the country. The first initiative of the fund is the essay competition on the topic: "Enforcement - present and future". The students ranked in the first three places will receive cash prizes.

In order to promote enforcement among students, the Chamber has also launched an internship program, which will allow for paid internships in the offices of private enforcement agents.

**The second national conference of PEAs** was held on December 10, 2020 - immediately after the celebration of our 15th anniversary.

A report on the interaction of the BCPEA management with the institutions, the working groups in the Ministry of Justice and the development of some of the IT projects of the Chamber was presented to the members of the industry. The information was presented by the BCPEA Chairperson Georgi Dichev and the members of the Council Stoyan Yakimov and Nedelcho Mitev. The conference also gave a positive assessment to the jubilee international enforcement conference held on December 4. Mariana Kirova, Head of the Legal Department, presented to the conference delegates information on the opinions prepared by the BCPEA on draft laws in the second half of 2020. The Chairperson of the Disciplinary Committee Todor Lukov presented some current issues and problems regarding the work of the BCPEA Disciplinary Committee (DC) during the pandemic. PEAs also discussed specific procedural issues and problems of judicial enforcement and unification of practices for the application of the Civil Procedure Code, the Private Enforcement Agents Act and the regulations.

The national conferences and workshops of the PEA, along with the constant exchange of information between the administration of the Chamber and its members, despite the difficult conditions in which we had to work in the past 2020 due to the pandemic, remain and continue to be a major tool for awareness and mutual support within our industry.

### **3.2. Interaction with the institutions**

The work of the BCPEA Council in the past 2020 with state institutions, media and public organisations was severely hampered due to the declaration of a state of emergency in the Republic of Bulgaria on 13/03/2021 - in connection with the global health pandemic COVID 19.

#### **LEGISLATION**

On 15/03/2020 The Chamber of Private Enforcement Agents has issued a public appeal for the period of the state of emergency to stop public sales, foreclosures, inventories of property of individuals, as well as not to impose new attachments on bank accounts of individuals, wages and pensions. We have proposed these measures, on the one hand, in order to stop the spread of the virus, and on the other hand, so that citizens can have funds and a smooth way of paying in shops and pharmacies during the pandemic. Our call was heard thanks to the timely response of the Minister of Justice and MPs, the National Assembly included these proposals in the Law on Measures and Actions during the state of emergency, protecting the bank accounts of medical institutions. However, the National Assembly provided for exceptions and the above restrictions did not apply to maintenance claims, tort and wages. The prohibitions affected only distraints imposed after the entry into force of the Anti-Corruption Act - 24/03/2020.

In its opinion to the Minister of Justice and the National Assembly on the lifting of the state of emergency, the Chamber requested that after its end only restrictions remain in favour of natural debtors and, in particular, that no inventories of their movables be carried out for a period of two months. property and not to impose distraints on their bank accounts, as these are the most widespread actions and involve the spread of the virus.

However, private enforcement agents were the only profession in Bulgaria for which the legislator judged that the restrictions would remain in force not for two but for four months. After the first two months, the PEAs received the "green light" only for extremely limited functions vis-à-vis legal entities. For individuals, the restrictions on enforcement remained in force until 13 July, with the exception of claims for tort, wages and maintenance. During the period of the state of emergency itself, there was a ban on many actions against companies, insofar as sales, introductions into possession, inventories of property, etc. could not be carried out.

At the same time, we urgently called for other measures to be taken in view of the impending severe economic crisis and the expectation of a boom in court cases. Our position was that blocking the courts in a period of severe recession, in which citizens and businesses seek not only protection but also speed to survive, could have extremely serious consequences - for the economy, the rule of law and peace in society. In view thereof, we pointed out that it is mandatory for us to give the opportunity for voluntary and deferred repayment of debts by citizens and businesses without court intervention, to carry out voluntary sales of property at public auction without a writ of execution, to the buyers were given the opportunity to buy properties for public sale under the Civil Procedure Code with a loan from a bank, so that there would be bidding and fairer prices.

In May 2020 BCPEA sent a letter to the Ministers of Finance and Justice with a call for urgent intervention not to allow persons exercising public state functions to cease their activities for strictly economic reasons. The BCPEA requested quick changes in the tax regime of the PEAs to help the financial recovery of the offices. Our proposals were to increase the legally recognized costs from 25% to 40% and, accordingly, to give the right to choose which order to tax the PEAs - under the Personal Income Taxation Act (PITA) or the Corporate Income Taxation Act (CITA). In our opinion, the first measure would support small and medium-sized offices, and the second - larger ones. In this way, the offices will not be closed, the jobs will be preserved, respectively the budget will not suffer any losses, because the revenues from the operation of the offices are much higher and will many times exceed the losses.

In the letter, the BCPEA Chairperson pointed out that the proposals are not only economically viable, but also fair in view of the situation in which the legislator placed the PEAs during the state of emergency, when restrictions for a number of actions apply for four months. The Chamber reminded that with the current legal regime of taxation PEAs, notaries, lawyers, as self-employed individuals exercising a free profession, fall into the lowest category of freelancers with legally recognized expenses - 25% of income. However, unlike the liberal professions, which practice alone,

without hired staff, PEAs, notaries and lawyers are required to meet high standards and comply with a number of legal requirements.

The letter also stated that PEAs perform public, state functions, but at their own expense, provide employment to about 2,500 people, contribute and collect huge sums in favour of the budget, while the state does not spend a penny for this delegated from its activity. The recovered receivables of citizens, businesses, banks, the state and municipalities since 2006 stand at over BGN 12 billion, and revenues in the state budget account for nearly BGN 1.2 billion. We drew attention to the fact that the real situation in the judicial execution before the COVID-19 outbreak is very difficult and current PEAs inform about the desire to cease activity. Only a few PEAs have been approved for the 60/40 anti-pandemic economic measure, and it resulted in large-scale layoffs and a real threat of permanent closure of offices.

We must admit that with this initiative we were on the verge of success, but the parliament did not reach the political will for consensus, and time to implement these changes, because for reasons known to all of us a little later the 44th National Assembly it had to be disbanded.

The repeal of the Civil Procedure Code texts for voluntary auctions, which took place in 2020, was also without legal and economic logic. For us, this was a gross mistake, of which the "big losers" are all - debtors, creditors, courts.

As an institution, we also stood behind the introduction of a 10-year absolute statute of limitations for the debts of individuals. Despite the unprecedented environment in which everyone in the country had to work in 2020, the position and Chamber activities, as always, were extremely proactive. Unfortunately, we cannot assess the past year as successful, but we can say that we tried to meet and upgrade our strategic goals, as well as the activities and specific tasks on them. We did not always succeed because we encountered misunderstanding or refusal to cooperate and partner with some institutions.

Every system needs to be improved and the Chamber of Private Enforcement Agents has always sought a legislative framework for enforcement that ensures a balance between the parties and reduces enforcement costs. It is the balance that is the guiding principle, because every lawsuit has two sides. Especially in the enforcement process, one party even has a court-recognized right. The law must ensure the protection of the rights of both parties. Judicial enforcement in our country is of particular importance not only for the efficiency of the judiciary and the rule of law, but also for the financial and banking system, for civil turnover and business, as well as for the budget of municipalities and the state. Also, for foreign investors, for whom the efficiency of the judicial system and in particular judicial enforcement is of paramount importance, as a guarantee of protection from unfair counterparties. Therefore, any intervention in it must be very careful and well thought out, i.e., to rely on more expert assessment of the real effects of change than on PR and populism.

Most of the amendments to the Civil Procedure Code adopted in 2017 can be perceived as a revolution in judicial enforcement and a huge

step forward in purely procedural terms. Thanks to our efforts and the great support of our colleagues from the Baltic States, the new Civil Procedure Code provided for the functioning of a system of electronic auctions in Bulgaria. It was also possible to perform on a trademark, objects of industrial and intellectual property, which was a step in compliance with the development of the modern economy. Among the positive achievements on the account of the BCPEA, as the author and motivator of necessary changes, are the introduction of performance on separate parts of commercial enterprises and the voluntary sale of real estate at electronic auctions. Our merit is also the real protection of socially vulnerable debtors in the seizure of bank accounts by introducing an effective mechanism for protection of all types of social payments and wages. PEAs in Bulgaria now have the right to serve private documents, which until now was entirely within the prerogatives of notaries only. We also made a very serious breakthrough in the collection of public receivables by PEAs by removing the requirement for state bodies and municipalities to pay advance fees to PEAs. In this way, one of the serious obstacles - the spending of public funds and related problems of any kind - has disappeared.

In our work with the regulations regulating electronic auctions, we found gaps that we managed to eliminate. Great progress and success for the Chamber was the amendment in Article 431, para. 4 of the Civil Procedure Code (SG, issue 15 of 19/02/2021), by which all information in the enforcement process, received by the order of Electronic Government Act, is exempted from state and local fees. This normative change puts things on a proper principled basis and will be important not only for the present, but also for the future of judicial enforcement in our country.

#### **MINISTRY OF JUSTICE**

In 2020, BCPEA proposed to the Minister of Justice legislative measures for rescheduling and voluntary repayment of debts without court proceedings. Our main reason was to find a solution to the problem of rising small debts, especially in the context of the pandemic and the economic crisis. Our proposal for the introduction of deferred and voluntary execution of receivables was submitted for opinion to a wide range of stakeholders.

Our work on introducing a procedure for voluntary debt fulfilment began much earlier with a study of foreign experience, meetings with fellow enforcement agents from Europe, acquaintance of Bulgarian institutions with the topic during the international conference in Sofia, organised by the BCPEA and ESE in 2019. The proposal was given additional significance by the fact that such a measure was provided for in Action Plan for Improving the Investment Environment, adopted by the Council of Ministers in 2019.

Our goal was to ESEe the load on courts, as this measure eliminates most of the future court proceedings, saves significant costs for citizens and businesses by giving them the option to repay their debts voluntarily, in parts, indefinitely, and without pay nothing for the procedure. Our important argument was that the debtors are maximally protected, there is no coercion, because they can terminate the procedure at any time with a written statement that they are contesting the obligation. AddrEUEOng the SJC, we pointed out that in times of crisis, citizens and businesses seek from the judiciary not

only protection but also speed to survive. Therefore, the possible blocking of the court will have adverse effects on the economy, the rule of law and peace in society.

In 2020, the voluntary collection became part of a bill introduced by a group of MPs on the ticket of United Patriots and was adopted at first reading, but was never finally adopted. He was opposed by bar associations, the Bulgarian Chamber of Commerce, the Association of Collection Agencies and other entities. Unfortunately, this anti-crisis measure was rejected without convincing arguments, but the Chamber continued to advocate for it, including at its meeting with the official leadership of the Ministry of Justice. The Chamber of Private Enforcement Agents has resumed its call to enforce a regulation of the voluntary sale of property at a public auction by the debtors after it was repealed.

In a letter and meetings with the leadership of the Ministry of Justice in May 2020, we made several proposals to improve the progress in the electronification of the implementation process, which in view of the pandemic are not only good but also necessary because they will save costs. We demanded the launch of e-public sales, e-distraints, e-receipt of encumbrance certificates, electronic bans and changes to the Civil Procedure Code to create the widest possible opportunities for notifying persons and serving papers electronically.

The interaction between the BCPEA and the Ministry of Justice is in the form of formal and informal meetings and joint working groups. The cooperation with the management, the experts from the JSA Inspectorate and the financial inspectors of the Ministry of Justice is good. Members of our industry participated in several working groups at the Ministry of Justice, namely:

- Development and implementation of an electronic information system "National Register of Arrests" - our representatives in the working group Georgi Dichev, Stoyan Yakimov, Nedelcho Mitev, Delyan Nikolov;

- Fulfilment of the obligations of the Republic of Bulgaria under Regulation (EU) 2018/1805 of the European Parliament and of the Council of 14 November 2018 on mutual recognition of acts of security and confiscation - our representatives in the working group Siyka Anadolieva, Stoyan Lazarov;

- Preparation of a legal framework for the activities of collection companies, creditors operating outside the BNB regulation and fast loan companies - our representatives in the working group Georgi Dichev, Stoyan Yakimov, Nedelcho Mitev;

- Discussion of the application of Article 38, para. (4) of the Law on Special Pledges regarding the insurance of PEAs in their capacity of depositories under the PPA and, if necessary, preparation of normative changes - our representatives in the working group Georgi Dichev, Stoyan Yakimov;

- Amendment and supplement of Tariff № 1 to the Law on State Fees for Fees Collected by the Courts, the Prosecutor's Office, the Investigation Services in the Ministry of Justice and preparation of an ordinance under Article 360(y), para. (1) of the Judiciary Act - our representative in the working group Nedelcho Mitev;



- Working Group 33 "Cooperation in the field of justice and protection of personal data" at the Council of European Affairs /CEA/, established on the basis of the Council of Ministers No. 85 of 2007 for coordination on EU issues - our representative in the working group Alexander Dachev.

Georgi Dichev, Stoyan Yakimov, Alexander Dachev are participating in another working group for drafting an ordinance to determine the requirements for the unified environment for exchange of electronic distrains. Unfortunately, there is no significant movement towards positive results in this project.

The Chamber also works closely with the inspectors of the Ministry, because this is the way to achieve full and effective control over the activities of law offices. It is not an end in itself, but a means for all PEAs to strictly observe the law and the rules.

#### **AGREEMENTS WITH GOVERNMENT INSTITUTIONS FOR COLLECTION OF THEIR PUBLIC RECEIVABLES**

The Chamber of Private Enforcement Agents, through signed bilateral agreements, officially cooperates with state institutions for the collection of their public receivables.

#### **SUPREME JUDICIAL COUNCIL**

For the first time the two parties agreed to cooperate in 2015, but the actual implementation of the claims began in 2016, and the first results were reported in 2017.

After the signing in 2018 of a new agreement with the Supreme Judicial Council (SJC), in the reporting year 2020 we can now boast of excellent working cooperation with the SJC and the courts. The cases started, despite many difficulties and ongoing attempts to tolerate state PEA. We pay particular attention to this agreement, despite some difficulties that we encountered at the outset in terms of its implementation. The new text agreed on changes in some texts regarding the initiation of cases, reporting, collection of statistics and optimisation of the work of PEAs in these cases.

Five years after the signing of the **Agreement on Increasing the Collection of Public State Receivables in Favour of the Judiciary between the SJC and the BCPEA**, its effects are not only fiscal. As a result of the work of the PEA, a real implementation of sanctions and penalties under the Penal Code has been achieved. The preventive function of the enforcement is also activated - more and more debtors are aware that the debts are collected, and this makes them pay voluntarily and without the intervention of the PEAs. There is another effect - **government expenditures for collection of public receivables**, which are financed by taxpayers, are actually eliminated. According to the Agreement, the judicial authorities do not pay fees and expenses to the PEAs. They are collected by the debtors themselves, and in cases where the receivables are uncollectible - the costs remain at the expense of the PEAs.

in year 2020 PEAs have collected BGN 3.4 million in favour of the judiciary. The newly formed cases are 3,000, and together with the pending cases from previous years, their number is approximately 16,500 for approximately BGN 48 million.



Despite the relatively low number of individual receivables, **SJC recorded an increase in collection on an annual basis.** "We have an agreement with private enforcement agents - things are going well there. In some places, things are going well with state enforcement agents as well. *The problems are rather beyond the will of the judiciary* ", *SJC Chairperson Boyan Magdalinchev pointed out in a media interview.*

**COUNCIL OF ELECTRONIC MEDIA:** On 11 June 2015, an agreement was signed with the Council of Electronic Media (CEM) to assign the collection of its receivables for state fees due under the Tariff for fees for radio and television activities, as well as under issued penal decrees. Most BCPEA members agreed to initiate enforcement proceedings with the creditor CEM. The list of their names is deposited with the CEM partners. From the beginning of the agreement until the end of the reporting year 2020, we have 297 enforcement cases filed with the creditor Council for Electronic Media.

**EXECUTIVE FOREST AGENCY/EFA/ AND STATE AGENCY FOR METROLOGY AND TECHNICAL SUPERVISION /SAMTS/**

The Chamber of Private Enforcement Agents has signed agreements with the Executive Forest Agency and the State Agency for Metrology and Technical Supervision (598 enforcement cases initiated at the Private Enforcement Agents for the period of the agreement). The agreements increase the collection of fines and property sanctions imposed by penal decrees issued by the two agencies.

**MINISTRY OF INTERIOR AND TRAFFIC POLICE**

Already in 2019, the BCPEA management held meetings and sent correspondence to the Ministry of Interior - Traffic Police to ensure access of the PEAs to the electronic database and information system of the Traffic Police. Behind the request of the Chamber are the arguments for higher speed, increase in collection and reduction of costs for the parties in the enforcement process. The inclusion of PEAs in the platform will not only facilitate the activities of PEAs, but will also reduce the work of the employees of the Ministry of Interior - Traffic Police, who issue reports on paper. The BCPEA referred to the provisions of the Electronic Government Act and the draft amendments to the APC. The BCPEA recalled that with the introduction of the RegiX inter-register exchange system, enforcement agents have gained access to a number of registers. The BCPEA recommended that the future access should provide a search by Personal ID/Foreigner's ID of the vehicle owner, and not by vehicle registration number. Unfortunately, the Ministry of Interior has not yet given permission and refuses to communicate on the issues raised by the BCPEA.

The Chamber also declares interest in joining the project "Creating a technological environment for receiving real-time data from the Centralized Register of Motor Vehicles of AIS IAAA, NRA, municipal administrations and RIA, refactoring AIS KOS, implementation of AIS CHOD and development of new electronic services", as well as access to the administrative service "Issuance of a certificate with data for registered and deregistered vehicles". The BCPEA informed the Ministry of Interior that in early 2020 the new website of the organisation was put into operation, which will offer the functionality "Register of Private Enforcement Agents" - designed and

developed according to a technological model corresponding to its use through the Web protocol. API (Application Programming Interface). The application is a specific type of interface between a client and a server, which is described as a "contract" between the two - such that if the client makes a request in a certain format, he will always receive a response in a certain format or initiate a certain action. In this way, a technological connection of all institutions with the Register of Private Enforcement Agents will be established in real time, where the reflected changes in the circumstances subject to entry by law could be traced. In the end, we received the assurance of the Ministry of Interior that with the launch of our new website the Chamber will be included in the above-described electronic platform. This did not happen until the end of the reporting year 2020.

*"The use of the legal remedy of another enforcement body to collect public receivables, in addition to public executors at the NRA, will create conditions for improving the collection, including small debts, such as fines."* This was said in response to the Minister of Finance to the Chamber in 2017, in connection with its proposal for PEAs to collect fines imposed by the Ministry of Interior. In a letter to the Prime Minister Boyko Borissov and the Ministers of Finance and Interior, the Chairperson of the Private Enforcement Agents Georgi Dichev had motivated the readiness of the Private Enforcement Agents to help the Ministry of Interior and the National Revenue Agency free of charge.

The idea of the BCPEA to strengthen the prevention of road offenders is not new. The industry has repeatedly drawn the attention of both institutions and society that the law allows PEAs to collect public receivables from the state. Timely implementation will strengthen prevention. Former traffic police chief and road safety expert Alexi Stratiev in 2017 also recommended **the state to hire private enforcement agents so that the NRA does not have to prosecute the numerous violators** who are unwilling to pay for their offenses. During a round table in the parliament in 2017, representatives of the National Revenue Agency announced that out of a total of BGN 66.3 million in uncollected fines for road violations since the beginning of 2016, BGN 34 million was handed over for enforcement. Over 40% of the fines imposed are for amounts up to BGN 50. The forced collection of a sanction of BGN 50 costs the state about BGN 300 and takes 3 years if all stages of the procedure are followed. More than half of the fines imposed on guilty drivers result in forced collection - the most difficult, expensive and lengthy procedure for the state administration. The Ministry of Finance responded positively to our proposal, but unfortunately to this day (three years later) the Ministry of Interior does not respond to the helping hand of the BCPEA.

Our opinion on the draft amendment to the Road Traffic Act of 22 May 2020 was sent to the Minister of Interior Mladen Marinov. On the occasion of the bill for establishing an administrative violation and imposing an administrative penalty and electronic slips to be served on individuals at a permanent address, we pointed out that it is more appropriate to notify the individual at his current address and only in the absence of such - on the permanent. The Chamber referred both to the Civil Registration Act, according to which every natural person is obliged to declare to the relevant administrative bodies

his permanent and current address, and to our long-standing practice, which is clear that natural persons are found at their current addresses. In the letter we once again declared the readiness of the PEAs to support the state's efforts in the fight against the war on the roads. We stated that the BCPEA is ready to support the Ministry of Interior and the National Revenue Agency free of charge by taking over the collection of the most serious cases of unpaid fines from violators. We stressed that the proposal to the Ministry of Interior is to impose on the PEAs not all fines, but only the most severe cases of so-called recidivists, who have many unpaid sanctions, continue to violate the rules and endanger the lives and health of citizens. Unfortunately, we still do not have a positive response from the ministry.

#### **BULGARIAN NATIONAL BANK**

Since the beginning of 2017, the Register of Bank Accounts and Safety Vaults /RBASV/ at the Bulgarian National Bank has been operational. This register solved a number of problems of debtors, creditors and the PEAs system. It is no longer necessary to impose distraints blindly, respectively to accumulate unnecessary sometimes excessive in relation to the amount of debt costs.

In 2020, the extremely successful cooperation of the BCPEA with the BNB continued. In unison with the electronification of the processes in the state administration in the last few years, and as an adequate response to the difficulties caused by the COVID-19 pandemic in the administration of paperwork between departments and citizens, last year the two institutions agreed to use the RBASV services by PEAs entirely electronically. The BNB plans in 2021 to introduce the relevant amendments to the RBASV legal framework.

The cooperation between the Chamber of Private Enforcement Agents and the Bulgarian National Bank could be defined as a standard for fruitful interaction and efficiency of work between the institutions. The teams of the Chamber and the BNB still work in exceptional synchrony and perfect working relations. The real results followed suit very soon. At the end of the reporting year 2020, all PEAs in the Republic of Bulgaria had electronic access to the register and actively used it in their daily activities. This is one of the services provided by the BCPEA for our members, which they consider to be the most useful for the last two years.

#### **REGISTRY AGENCY**

In 2020, the Chamber of Private Enforcement Agents also participated in presentations of initiatives and projects organised by the Registry Agency.

Our representatives Stoyan Yakimov and Maria Tsacheva participated in a working group at the Registry Agency to review proposed regulatory changes prepared under project BG05SFOP001 "Upgrading the property register for integration with the cadastral register and providing additional e-services." The working group was formed at the end of 2019 and held periodic meetings in a wide range of stakeholders.

The tasks of the working group in the reporting year 2020 were related to analysis and proposals for regulatory changes in the regulations concerning the electronic integration of the AB and AGCC systems, electronic access to data and information in both agencies

and expanding the scope of electronic services provided. from both agencies to citizens and institutions. In the context of the working group, numerous working meetings were held, which were attended by representatives of the Notary Chamber, the two agencies (AGCC and Registry Agency), Supreme Judges, lawyers. The focus of the discussions was "ORDINANCE on the terms and conditions for creation, maintenance and use of the information systems of the cadastre and the property register, on the access to the data in them and the access to the data in other specialized information systems under Article (7) of the Cadastre and Property Register Act (CPRA) and ORDINANCE No. H-4 of 27/11/2020 on the terms and conditions for the implementation of the bilateral connection and the exchange of data between the cadastre and the property register under Article 6 of the Cadastre and Property Register Act (CPRA). As a result of the working group's activity, two Ordinances were passed, which was a prerequisite at the beginning of this year for the new functionality of the Registry Agency to work, namely electrification of the enforcement agents' access to the property register of acts, requesting and receiving electronically certificates of encumbrances, expanding the scope and possibilities for searching by person and property in the electronic portal 'Single portal for ordering electronic administrative services' (SPOEAS).

In the past 2020, the BCPEA addressed the Registry Agency with two consecutive letters regarding the resolution of an urgent issue regarding the access to the Archives Service at the Registry Agency and in particular the Archives Service at the Registry Office - Sofia. For years, three counters have been working in this service, the service is more than slow, the queues of citizens and employees of PEAs and notaries are more than unacceptable; there is no separate counter for servicing PEAs and notaries, our employees are on a par with the citizens, without any advantage, despite the fact that they are bodies with public powers, which should have institutional access to the acts in the archive, our employees are provided with only five the act, and for the sixth they are ordered to line up once more in the queue. Such a restriction is absolutely illegal and is the result of the initiative of the management of the Agency, which creates great inconvenience for the work of PEAs and notaries. Last but not least, the charging of the transcripts in the Registry Office - Sofia is in absolute contradiction with the Tariff of State Fees. In our correspondence with the PA and the Ministry of Justice on this issue we paid serious attention to the fact that while so far this has been a big and annoying inconvenience, then with the progress of the autumn-winter season in the fall, the lack of organisation in the largest Registry Agency - city of Sofia can be a very serious issue for the government and the citizens. We emphasized once again that the solution to the problem can be achieved very quickly through the immediate inclusion of the Registry Agency in the Regix system until the development and implementation of the relevant electronic platforms and after the adoption of the regulations on WEU. The Chamber of Private Enforcement Agents insisted to the Minister of Justice and the Director of the Registry Agency to take urgent measures to improve the work of the Registry Office - city of Sofia, namely: opening a separate counter for servicing PEAs and notaries; immediate cessation of the vicious practice of refusing to provide more than five acts; immediate cessation of the illegal overcharging

for transcripts, which exists only in this office and additionally burdens the parties to the enforcement cases with unreasonable costs.

These long-standing difficulties and problems in the work of PEAs and notaries with the Registry Agency were largely resolved in 2021 with the amendments to the Civil Procedure Code, Article 431, para. (4), by adding as follows: "when the information has been received by the order of the Electronic Government Act". In this way, the enforcement agents registered in the EEAS can receive free electronic information from the respective registers maintained by the portal, including and the documents required for the enforcement proceedings by the Registry Agency.

#### **STATE AGENCY FOR ELECTRONIC GOVERNMENT /SAEG/**

The activity of the State Agency for Electronic Government (SAEG) is largely related to the activities of the State Strategy for Electronic Government and Electronic Exchange of Information. The strategy envisages the state to provide the bodies and persons entrusted with public law functions with the widest possible range of services and ESEier and faster access to information from national registers.

In implementation of the strategy for e-government and e-exchange, the state built **unified information exchange system RegiX**, the management of which was provided to the State Agency for E-Government (SAEG). The system provides an opportunity to implement an interface for automated submission and servicing of standardised requests for administrative services electronically. The developed components provide an opportunity for information users to automatically extract data from basic national registers and databases.

The activity of each PEA and the overall development of the enforcement process is impossible without information, and often individual state or municipal institutions are also interested in timely feedback on the stage of a particular enforcement case and the security and enforcement actions. Private Enforcement Agents have obligations under the Civil Procedure Code related to the inevitable and thorough examination of the debtor's property, obligation to initiate a number of inquiries in the relevant services - on entries, in municipalities, Regional Directorates of National Construction Control (RDNCC), the Directorate of National Construction Control (DNCC), in the Ministry of Interior, the Ministry of Health (MH), BNB, etc.

The cooperation with the State Agency for Electronic Government has lasted for several years and from 2019 we now officially have access to RegiX. Unfortunately, we have to admit that the result is below our expectations. First of all, because of the access to the registers. It turned out that some of the controllers of personal data have not yet integrated their registers and currently only inquiries of the National Revenue Agency and the National Social Security Institute are working in the middle. The inclusion of individual PEAs in RegiX also proved to be slow and cumbersome. Although in 2019 it was decided that PEAs will be involved institutionally and in groups in the RegiX environment, this is not happening yet. Our commitments, implemented after all meetings and talks with the representatives of SAEG, were realised one hundred percent. Unfortunately, by the end of 2019, the SAEG did not meet its

commitments for ongoing administration of the process of group inclusion of all PEAs in the environment for inter-register exchange. For the BCPEA, this delay is unjustified, as we do not find legal obstacles to its implementation, but only bureaucratic ones. At present, there is the only possibility for each PEA to join RegiX individually by submitting an application to SAEG and performing subsequent technological steps. Sometimes access is obtained with extremely long delays, which slows down the work of enforcement agents and undoubtedly maintains a higher cost of enforcement for the parties to the cases.

In this regard, in 2020 we asked the Minister of Justice for assistance in the inclusion of all PEAs in the environment, as well as the immediate integration of the Traffic Police and the Registry Agency in the electronic environment.

#### **STATE AGENCY FOR NATIONAL SECURITY /SANS/**

The cooperation of the BCPEA with the SANS is very good. Prior to the pandemic, regular meetings were held at least once a year between representatives of the two institutions, which were held in a tone of goodwill and aimed at improving cooperation in commitments to implement the Anti-Money Laundering Act (AMLA) and its accompanying regulations.

Already in 2018, a standard information and communication system with a secure Internet portal for electronic services to the state administration, business and citizens in the implementation of measures for the prevention of money laundering and terrorist financing was introduced in SANS. A database and an internet portal were created, through which 31 categories of persons obliged under the AMLA (including private enforcement agents) to submit signals for suspicious operations under Article 13, para. (2) of the Rules of Implementation of AMLA, notifications of payment under Article 11a of the AMLA, and for amended or newly adopted internal rules for control and prevention of money laundering under Article 16 of the Anti-Money Laundering Act (AMLA).

On an annual basis, the Chamber of Private Enforcement Agents submits to SANS up-to-date information on the number of PEAs operating in the territory of the Republic of Bulgaria and an assistant PEA.

#### ***Anti-Money Laundering Act /AMLA/ - amendments and supplements in 2019***

In the last two years, the law has undergone a number of amendments and additions, which the BCPEA had to comply with and implement. The latest amendments to the Anti-Money Laundering Act were promulgated in issue no. 94 SG of 29 November 2019.

The BCPEA Council adopted "*Plan for introductory and continuing education*" of the BCPEA, including private enforcement agents, assistant - private enforcement agents and employees in the offices of the PEA, as well as the Foundation "*European School of Enforcement*" under the Law on measures against money laundering. The plan was sent immediately to SANS, together with current lists of current PEAs and PEAs in the country. "*Uniform internal rules of private enforcement agents and assistant - private enforcement agents in the Republic of Bulgaria for control and prevention of money laundering and terrorist financing*" were also adopted.

The national risk assessment prepared by SANS is published on the SANS website and published in the media. The procedure and terms for preparation of the sectoral risk assessments (including for the BCPEA) are determined by the Rules of Implementation of the Anti-Money Laundering Act (Article 98, para. (6) of the Rules of Implementation of the Anti-Money Laundering Act).

The BCPEA has prepared internal rules for the measures against money laundering for all PEAs (Article 101, para. (4) of the AMLA, issue 42 of 2019, effective since 28/05/2019). Within 6 months from the publication of the results of the national risk assessment on the SANS website (§6, para. (1) of the Transitory and Additional Provisions to the AMLA), these internal rules were brought in line with the amendments to the law.

#### **COMMITTEE FOR COMBATING CORRUPTION AND CONFISCATION OF ILLEGALLY ACQUIRED PROPERTY (CCCCIAP)**

The Committee for Combating Corruption and Confiscation of Illegally Acquired Property (CCCCIAP) is an independent specialized permanent state body for the implementation of the policy on counteraction to corruption and confiscation of illegally acquired property. It was created by the Anti-Corruption and Confiscation of Illegally Acquired Property Act (CCCCIAP) (promulgated SG No. 7 of 19/01/2018).

The Committee is the legal successor of the Committee for Confiscation of Illegally Acquired Property (CCCCIAP), established by the Law for Confiscation of Illegally Acquired Property in favour of the state (promulgated SG, issue 38 of 18/03/2012) and of the Committee for establishment of property acquired from criminal activity (CEPACA), established by the Law for confiscation in favour of the state of property acquired from criminal activity (promulgated SG, issue 19 of 01/03/2005).

The Committee is the legal successor of the assets, liabilities, archives, information resource, rights and obligations of the Committee for Prevention and Establishment of Conflict of Interest and the Centre for Prevention and Counteraction to Corruption and Organised Crime at the Council of Ministers, of the respective part of the assets, liabilities, the archive, the rights and obligations of the National Audit Office related to the activity under the repealed Law on Publicity of the Property of Persons Occupying Senior State and Other Positions, as well as of the respective specialized directorate by the State Agency for National Security for Counteracting Corruption government positions.

#### **Anti-Corruption and Confiscation of Illegally Acquired Property Act (CCCCIAP)**

In connection with a submitted bill amending and supplementing the Anti-Corruption and Confiscation of Illegally Acquired Property Act 854-01-90/ 17/12/2018, submitted by MPs Danail Kirilov and Hamid Hamid, on 19 March 2019. The Chamber of Private Enforcement Agents sent to the Committee on Legal Affairs in the 44th National Assembly a proposal and reasons for the bill. With the deposited document we officially expressed our insistence on **removal of private enforcement agents and notaries from the scope of the law**, as their placement among the addressees of the Anti-Corruption and Confiscation of Illegally Acquired Property Act is not justified in view of the status, activities and funding of both professions. The law itself

regulates public relations caused by corrupt behaviour or the possibility of such behaviour by persons holding senior government positions and operating with public funds. Private enforcement agents and notaries are not such persons, they do not exercise sovereign powers, do not dispose of public funds, so there is no reason to be included in the scope of the law, was the opinion of the Chamber. The mechanical inclusion of this category of legal entities as addressees of the law is the result of a legislative error, which caused a lot of surprises and shocks among notaries and private enforcement agents and which is desirable to be corrected in time with an amendment to the law, as stated in the opinion on the Anti-Corruption and Confiscation of Illegally Acquired Property Act.

In its letter, the BCPEA pointed out that despite exercising public powers assigned to them by the state, both in terms of functionality and status, both categories of persons are outside the systems of government and the judiciary. Notaries and private enforcement agents by law are self-insured economic entities that do not operate and dispose of public property, do not exercise state power, are not included in the structure of state institutions, do not perform managerial functions, their actions and acts do not arise legal consequences for an unlimited number of citizens, it was also said the arguments of the BCPEA. Moreover, the relevant structural laws regulating the status and powers of the two categories of persons (Public Notaries and Notary Activity Act and PEAs Act) have introduced incompatibility rules prohibiting notaries and private enforcement agents from holding public office and participating in one way or another in the state or the municipal government (Article 9 of the Public Notaries and Notary Activity Act and Article 6 of PEAs Act).

Private Enforcement Agents and notaries do not dispose of and budget public funds, do not receive remuneration at the expense of the state or municipal budget, but exercise a free profession at their own risk and at their own expense like other private economic entities in the country. The Chamber also reminded that the legislation of the activity of notaries and private enforcement agents contains many effective mechanisms for control over the way of accrual and documentation of the respective fees due to enforcement agents and notaries under the two cited Tariffs.

Despite the above-mentioned actions that the two industrys took together in 2019, their arguments were not taken into account in the discussions in the Legal Committee of the National Assembly, as well as subsequently in Parliament. The bill was adopted and promulgated in this form.

According to the provisions of the law thus adopted, in its capacity of body for election or appointment, the BCPEA Council with its decision from 2019 has appointed Committee under § 2, para. (5) of the Additional Provisions of the Anti-Corruption and Confiscation of Illegally Acquired Property Act of five main and one alternate member. In the past 2020, the Committee exercised its functions and powers to verify the declarations submitted by PEAs under Article 35, para. 2, sec. (1) of the Anti-Corruption and Confiscation of Illegally Acquired Property Act.



## **MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS**

In connection with the crisis in the water sector and in particular with the financial losses suffered by water companies due to millions of leva uncollected receivables, in early 2020 we presented our readiness to collect them in a letter to the Minister of Regional Development Petya Avramova. In it we gave an example of the successful cooperation between PEAs and municipalities, our agreements with the Supreme Judicial Council, the Council for Electronic Media, the Executive Forest Agency, the State Agency for Metrology and Technical Supervision.

Offices of private enforcement agents still work with water companies in different regions of the country and are familiar with the specifics and opportunities for collecting this type of debt. However, the desire of the Chamber is to establish a comprehensive and more effective interaction with the Ministry of Regional Development and Public Works, as well as to acquaint the politicians and experts responsible for the Water Sector with the opportunities to assist in solving the problem of high indebtedness. Unfortunately, due to the state of emergency declared a little later in the country, we were unable to hold a meeting with the management of the Ministry of Regional Development and Public Works on the issues and problems regarding the collection of their receivables.

## **MINISTRY OF DEFENSE**

On 18 November 2020, BCPEA received a request from the Ministry of Defence for assistance in collecting the amounts awarded in favour of the ministry. The letter states that the Ministry of Defence is a creditor in many cases, in some of which the awarded amounts are collected by state PEA and the cases are terminated.

The Minister of Defence Krassimir Karakachanov emphasizes that cooperation between the ministry and the PEAs would not violate the principle of effective spending of public funds, as a comparison of fees found that the amount of fees and costs of PEA cases is more - lower than that of the state judicial execution.

In this regard, the BCPEA Council prepared a response to the Minister of Defence, expressing readiness to hold meetings and talks between representatives of the two institutions in order to conclude a framework agreement to define a transparent procedure and mechanism for assigning cases to creditor MoD of private enforcement agents. We hope that in 2021 we will be able to finalize the negotiations that have begun.

## **COMMITTEE ON PETITIONS AND COMPLAINTS TO THE EUROPEAN PARLIAMENT**

On 26 February 2020, the BCPEA leadership met with the MEPs from Committee on Petitions to the European Parliament (EP), who visited on complaints and petitions from Bulgaria to the EP, including "for arbitrariness in the work of private courts contractors". According to official information, the petitioners complain about the refusal of the judiciary to apply the primacy of European Union law in Bulgaria. They claim that the Bulgarian legislation, in particular the injunction proceedings and the enforcement procedure of the Civil Procedure Code, contain legal provisions which are contrary to Council Directive 93/13/EEC of 5 April 1993 on unfair terms in

consumer contracts and to Article 47 of the EU Charter of Fundamental Rights and the principle of effectiveness. The petitioners claim that, as debtors of financial institutions, they have been convicted in closed court and are not guaranteed the right to a fair trial, as well as the right to a defence. They also complain about the lack of a real legal opportunity to appeal against the actions and inactions of private enforcement agents, which is further aggravated by the lack of control over them.

In connection with the visit of the MEPs, the BCPEA prepared several documents on our activities, which we provided to the delegation before our meeting with it, as well as to all institutions with which meetings were planned in its program. Our representatives also participated in the hearing of TD "Solidarity" before the Ombudsman of the Republic of Bulgaria.

By the end of 2020, EP's Committee on Petitions and Complaints had not yet issued a final report on its visit to Bulgaria in February.

### **3.3. Public Relations and Media**

As in all spheres of life, COVID - 19 was reflected in the communication with the media and the media policy of the Chamber of Private Enforcement Agents. The lack of direct contact with journalists due to the restrictive measures, as well as their interest exclusively in the pandemic, made it difficult to cover the Chamber activities. However, we continued the open media policy, which over the years has proven its positive effect.

On 15/03/2020, The Chamber of Private Enforcement Agents has issued a public appeal for the period of the state of emergency to stop public sales, foreclosures, inventories of property of individuals, as well as not to impose new attachments on bank accounts of individuals, wages and pensions. "We have proposed these measures on the one hand in order to stop the spread of the virus, and on the other - so that citizens can have funds and a smooth way to pay in shops and pharmacies during the pandemic," we said in a press release. It should be noted that the press release was widely covered in both electronic and print media. A few days later, the national televisions bTV, Nova TV and BNT featured on the topic with interviews with BCPEA Chairperson Georgu Dichev. Throughout the year, the media showed interest in the work of PEAs during the pandemic, with the largest coverage being in the electronic media. This topic was developed in the Monitor newspaper several times, as well as in Trud Daily. BNT broadcast material in the first days of 2021

"I am proud that the BCPEA was the only professional organisation that itself requested that the activities of its members be limited by law during the state of emergency, and that it was the only one that strongly supported the introduction of the absolute statute of limitations in the National Assembly so that there were no perpetual debtors. We will continue to insist on the acceptance of voluntary enforcement, which relieves the courts and significantly relieves administrative and financial debtors and creditors, gives them a breath of fresh air in this difficult situation," said the BCPEA Chairperson Georgi Dichev in interviews.

The participation of representatives of the chamber in thematic TV and radio programs was frequent in the past 2020. The media is interested in enforcement, and the aim is not only to criticize private enforcement agents, but to make citizens aware of their activities during a pandemic. Interest in this topic is likely to continue during the state of emergency.

Both the adoption of the proposal for voluntary implementation at first reading and its rejection at second reading were widely covered in the media. The letter of the International Union of Judicial Officers (UIHJ) in its support, the personal opinion of the Chairperson Georgi Dichev in Lex.bg, an interview on Nova TV and a number of other materials on this topic were published.

The opinion of the Chamber of Private Enforcement Agents in support of the absolute statute of limitations found wide coverage. The chamber was the only professional organisation to declare that there could be no perpetual debtors, and its representatives made statements to reporters.

BNT and Nova TV made materials about the fake emails that are sent on behalf of private enforcement agents. They explained to the citizens what steps and actions to take in such cases.

In the past year, there have been only a few cases of signals from citizens involving the name of a specific private bailiff. After turning to the BCPEA for an opinion and verification, it turned out that the statement did not correspond to the truth and the materials were not published. It should be noted that the media are increasingly keeping a balance and, in each case, addressed the chamber for an opinion. Journalists are convinced that very often people distort the truth and often speak outright untruths.

In 2020, the interest in the proposal of the Chamber of Private Enforcement Agents to collect the fines of the Traffic Police continued, which is an idea from 4 years ago, but has not yet been commented by the interested institutions. National televisions have several times recorded interviews with Chairperson Georgi Dichev on this topic.

The highlight was put on the 15th anniversary of the establishment of the Chamber of Private Enforcement Agents. Materials on national television, radio, print media and electronic media were published for several days. The legal sites also covered the international conference with a number of publications. As a balance, it should be noted that there was information and interviews in 22 electronic editions, 3 printed editions, 3 televisions and 2 radios. The celebration of anniversaries does not arouse interest in the media and is not an informational occasion for their coverage. However, there were 30 media publications on the occasion of the anniversary of the chamber.

Despite the pandemic and the restrictive measures imposed during the state of emergency, the communication of the leadership of the chamber with the journalists was not interrupted. On the contrary, there was constant contact with line reporters. This good communication and mutual trust, built over the years, helped us a lot in the unusual and extraordinary atmosphere.

We continued to regularly inform the public through the media about our activities and legislative initiatives when an information occasion arises. In addition to sending press releases on a specific occasion last year, representatives of the Chamber participated in thematic programs on television and radio.

Due to the pandemic situation, the traditional press conferences and seminars were not held with the relevant journalists, where they were introduced to the problems of enforcement proceedings, which is a kind of training in the field, as well as to acquaint the public with the activities of private enforcement agents.

#### **3.4. Control over the activity of PEA**

Private enforcement agents practice one of the most controlled professions. Permanent control over PEAs is applied by 8 institutions - the Chamber of Private Enforcement Agents, the Ministry of Justice with two separate inspectorates, the Ministry of Interior, the court, the prosecutor's office, the National Revenue Agency, the State Agency for National Security, the Committee for Personal Data Protection.

The Ministry of Justice and the BCPEA Council independently pursue a policy of control and supervision over the activities of the PEAs and monitor the implementation of the law, the statute and the Code of Ethics. The inspections are carried out both on specific complaints and on the overall activity of the PEAs offices. The control over the industry, exercised through both bodies, is strong and strict. We realise that in our professional organisation, as in most professional industries, individual members do not always follow the rules.

**The Committee for Legal Affairs and Control of the Activity /CLACA/ is** a subsidiary body at the Chamber Council within the meaning of Article 30, sec. (5) of the Statute of the Chamber, with a mandate of three years. The Committee consists of 25 members. It is chaired by a chair and two vice-chairmen. The Chamber Council appoints the Chairperson from among its members and he participates by right in the meetings of the Council. It is the competence of the CLACA to perform: Methodological and organisational support of the activities for current monitoring and subsequent control over the work in the offices of PEAs (in view of the rules and norms for work of PEAs set in the normative base); Inspections in the offices of PEAs - thematic or on complaints and signals against PEAs to the Chamber Council, as well as implementation of subsequent control; Collection, systematization and analysis of information about the work in the offices of PEAs; Giving opinions to the Chamber Council on general legal issues and those in the field of judicial enforcement.

**The Committee for Professional Ethics (CPE)** is a subsidiary body of the Chamber Council within the meaning of Article 30, sec. (5) of the Statute of the Chamber, engaged in the application, interpretation and improvement of the Code of Ethics, with a mandate of three years. The CPE operates within the CPVC. The Committee for Professional Ethics is appointed by the Chamber Council and according to our Code of Ethics consists of 9 members, elected from among the representatives voted by the General Assembly under Article 10, sec. (11) of the Chamber's Statute. The competences of CPE are: To

collect, systematize, analyse and summarise information on the activities and behaviour of private enforcement agents in order to update and improve the implementation of the Code of Ethics; To perform the functions of a mediator (conciliation proceedings) in case of ethical and interpersonal disputes between PEAs; To summarise existing professional practices through interviews; To make proposals for improving the Code of Ethics based on the identified practices of private enforcement agents and the changes in the legal, organisational and socio-economic framework of the profession.

For years the BCPEA has been working to establish a better mechanism for internal control and compliance with the rules of all offices. One of the key priorities in the work of the CPVC is the creation of a methodology and the performance of periodic inspections of all offices on various topics. In April and May 2015, the first round of inspections was carried out in all 164 existing law offices in the country. Their purpose was to establish the current state, possible violations and vicious practices in the profession. All offices with established violations received recommendations for elimination of irregularities within 6 months. The second round of inspections took place in early 2016. In 2019, a national online monitoring of the activity in the offices of the PEAs on the application of the new Civil Procedure Code from 2017 and a subsequent analysis of the legality of enforcement was conducted.

For years the Chamber of Private Enforcement Agents has pursued a constant policy of enhanced control and uncompromising attitude towards those who violate the law or damage the prestige of the profession. We allocate significant human and material resources for inspections and the results of the disciplinary activity of the chamber are impressive - at 192 PEAs only in recent years the disciplinary sanctions entered into force are 115 fines, of which 32 amounting to over BGN 5,000, 4 deprivation warnings of rights and 19 deprivations of rights. We are also the only legal profession for which the penalty of deprivation of rights forever is provided, which happened again at our suggestion in 2017.

The BCPEA Council last year was and will be uncompromising towards colleagues who have intentionally committed violations. At its meetings held in 2020, the Chamber governing body took four decisions to initiate disciplinary proceedings, both on complaints from 2019 and on complaints from 2020. For the reporting period there is one request at the same time of both bodies - SKCHSI and MP, as well as one decision on an inspection, regarding financial activity of a private enforcement agent. For its part, the Disciplinary Committee, although formally part of the BCPEA, is in practice a fully independent body. The data suggest that the Supreme Court of Cassation upheld approximately half of the decisions rendered by the disciplinary panels. The other half of the decisions are changes from the control instance to lower or higher penalties. The arguments for imposing a disciplinary sanction on a private enforcement agent are also confirmed in the acts of the control instance. Behaviour of PEAs that violate the law and the rules is not tolerated.

In 2020, the Chamber of Private Enforcement Agents received 348 complaints. Their number is significantly smaller compared to 2019 (548) - a fact that reflects the complete suspension of the activities of the offices of PEAs for four months during the pandemic

COVID 19. For the reporting period, they appear 200 fewer than in the previous year (for comparison in 2018 - 530, in 2017 - 654, in 2016 - 620).

The Chamber takes its control activity extremely seriously, devoting significant resources to conducting an investigation into each complaint. A large part of each meeting of the Council is dedicated to the consideration of the received signals and complaints. A significant part of the citizens is not aware not only of the rights and procedures, but also of the functions and powers of the PEA, unfairly blaming the PEAs for the actions of the other party in the process, for court decisions and injunctions, for accrued interest and court fees, lawyers and legal advisers, for imposed restraints of social benefits, pensions and salaries in bank accounts, etc. On the other hand, enforcement by its nature is a highly conflicting activity, in which one enters the personal and property sphere of one of the parties in the process by force and it is normal to have dissatisfied people. It should be noted that in the last few years, an average of about 190,000 enforcement cases have been filed annually in Bulgaria. Against the background of this huge number of cases, only in 0.09% of the cases in which PEAs work has any complaint been received. This is the ratio of the number of complaints filed with the BCPEA and the Ministry of Justice to the pending enforcement cases in the country.

Of course, for the BCPEA every well-founded complaint is of great importance, every victim of some violation of the PEAs deserves our full attention and therefore, we devote so much resources and efforts to our control activities. It is already clear to every colleague that there can be no personal prosperity without general prosperity of the profession, that the way to them passes only through lawful and professional-ethical behaviour and if we break the law, we bear the corresponding responsibility for it.

The record keeping system of the Chamber contains in synthesized electronic form information for statistics, monitoring and control of the activity of the PEAs. It is a useful tool for the control bodies of the Chamber regarding the presentation of all available information about the activity of each private enforcement agent - cases, revoked actions by the court, complaints filed against him, disciplinary proceedings, violations, penalties, recommendations, etc. The system also contains the disciplinary practice, as well as Case Law and is used by the control bodies, and its separate modules - by all private enforcement agents.

### **3.5. International Cooperation**

The Chamber of Private Enforcement Agents is a full member of the International Union of Judicial Officers (UIHJ), an organisation established in 1952 that currently unites 99 countries around the world.

#### **International Union of Judicial Officers (UIHJ)**

The UIHJ has the objective to represent its members before international organisations and to ensure good cooperation with national professional organisations. The **International** works to improve national procedural law and international treaties and makes every effort to promote ideas, projects and initiatives to support

the progress and advancement of the independent status of enforcement agents. The UIHJ is a member of the United Nations Economic and Social Council. The UIHJ participates in the work of the Hague Conference on Private International Law, in particular in the planning of conventions relating to the service of enforcement orders and the enforcement procedure. The UIHJ is a member with the status of permanent observer of the European Commission for the Efficiency of Justice (CEPEJ) of the Council of Europe. The UIHJ is also involved in criticisms and comments aimed at opening up the European Judicial Network in civil and commercial law by the European Committee to the legal professions. In addition, UIHJ is currently involved in the work of the Justice Forum group set up by the European Committee, as well as in its e-Justice project. Over the last few years, UIHJ has been working on an ambitious project aimed at creating a Global Code of Enforcement Procedures, in collaboration with legal professionals and university professors from around the world. The Code is already a fact adopted and disseminated among the Member States. The UIHJ also participates in fact-finding missions involving governments and international bodies.

The Bulgarian Chamber of Private Enforcement Agents has been a full member of the UIHJ since 2005 and regularly pays its annual membership fee to the world body.

#### **EUROPEAN UNION OF ENFORCEMENT OFFICERS (UEHJ)**

The European Union of Enforcement Officers (EUEO) was established at the end of 2016 as the legitimate organisation of European chambers within the international union, but also in response to the European Chamber of Enforcement Agents, which is not accepted by the majority of countries in the union. Currently, 25 countries are members of the EUEO. The organisation is headquartered in Brussels. Its aim is to carry out the following activities in close coordination and under the guidance of the UIHJ: development, promotion and presentation of the profession of private enforcement agent in the various Member States of the European Union; representation of the profession in the institutions of the European Union by exprEUEOng a common position; strengthening cooperation with the various legal professions; participation of representatives of the profession in the relevant public consultations organised within the European Union; participation in projects financed by the European Union, especially with regard to cooperation in the field of enforcement; coordinating the private enforcement agent profession within the European Union in order to promote global enforcement standards and best practices; organising the relevant activities related to the training of enforcement agents within the European Union; representation within the European Union, after consultation with other international organisations and institutions or third countries; all relevant activities and services for the benefit of its members, directly or indirectly related to the objectives set.

Meetings of EUEO Member States shall normally precede meetings of the UIHJ Permanent Council and shall take place one day in advance. The EUEO meeting in 2020 was held on November 25 via a videoconferencing electronic platform Zoom. The Bulgarian Chamber of Private Enforcement Agents was represented by its participating representatives Stoyan Yakimov and Aneliya Glavanova. The main points in the forum agenda were related to the application of the provisions

of a revised version of Regulation (EC) No. 1393/2007 in the part for fees collected for electronic service of documents. A declaration on the service of documents in the EU was adopted unanimously by those present. The interaction of EUEO with the European institutions was discussed, as well as the developing projects managed by our European organisation in Brussels, namely: FAB<sup>III</sup>, FILIT enforcement project and draft European Enforcement Atlas project. In order to meet the challenges at European and global level due to the COVID 19 crisis, the topic of building an online EUEO training platform and conducting it in the form of webinars with many participants from all Member States is becoming more and more relevant.

**UIHJ PERMANENT COUNCIL**

On 26 November 2020, the Permanent Council of the International Union of Judicial Officers (UIHJ) (UIHJ) met in online videoconference format too.



UIHJ Chairperson Marc Schmitz opened the forum with an emotional speech in which he called onto those present to a minute of silence for the 19 colleagues who died from COVID from all Member States, including chairpersons of several member chambers. The UIHJ Permanent Council adopted an official declaration on

judicial enforcement in the context of the COVID crisis.

During the meeting, the parties reported on current issues of enforcement in their countries. Greek officials said they had excellent co-operation with the justice ministry, as a result of which electronic service of documents and fact-finding had already been adopted in their procedural code and expanded the enforcement powers of Greek enforcement agents. Almost all European countries shared that there is an increasingly noticeable and lasting downward trend in the number of enforcement cases on an annual basis. More and more cases are being transferred onto collection companies - both in Germany and in the Baltic states.

The forum delegates unanimously accepted the proposals of the deliberately established working group at UIHJ for amendments to the Statute, which are mainly in two directions - on the rules for admission of countries to the organisation and exclusion of Member States that do not pay their membership fees.

The UIHJ has expanded its membership base by meeting a newcomer - the Dominican Republic. Thus, 99 countries are already members of the international organisation.

The main topic of the UIHJ Permanent Council was digital assets. Globally, the problem is that digital assets have financial and economic value, but in most countries no legal framework has been adopted to enforce them. The perspective in the near future of the UIHJ leadership to work on the drafting of a Global Code for the



Implementation of Digital Assets and a Code of Ethics for the Use of Artificial Intelligence in Judicial Proceedings was discussed.

### **3.6. Services provided to BCPEA members**

in year 2020 BCPEA continued to maintain and develop the range of electronic and other services it offers to its members.

#### **3.6.1. Development of the electronic environment and technologies**

The main priority in the BCPEA activity since its establishment is the electronic access to the information about the debtors, as well as the execution of enforcement actions electronically. With our own efforts and funding, we have created and are constantly developing the Register of Debtors (Integrated Platform for Enforcement Cases IPID) and the Register of Public Sales, which have significantly improved transparency and awareness in society. The Register of Debtors (Integrated Platform for Enforcement Cases IPID) is an indispensable tool in the country's economic life. A huge number of citizens, financial and public institutions, courts, investigative bodies and prosecutors' offices receive reliable and legitimate information about pending enforcement cases against legal entities and individuals. The register of public sales facilitates business and citizens in the search and implementation of transactions for the purchase of property. The sales site has millions of visits from users at home and abroad. It is no coincidence that we consider as a positive that the amendments and additions to the Civil Procedure Code adopted in 2017 ultimately regulate the conduct of electronic auctions and voluntary sales of properties by debtors.

As a confirmation of our will and support for the initiative of the Government of the Republic of Bulgaria to introduce e-justice, the Chamber of Private Enforcement Agents holds regular meetings and talks with organisations and colleagues from the international community in whose countries these electronic systems operate successfully.

In May 2020 BCPEA sent proposals for improving the progress of electronification in the enforcement process in a letter to the leadership of the Ministry of Justice. Our proposals are in line with the processes of overall digitalization in the justice system, and our arguments, in view of the pandemic, are cost savings and time.

In the letter, we again raised the issue of the introduction of electronic auctions and electronic distraints. We demanded the launch of digital receipt of a certificate of encumbrances and foreclosures, changes in the Civil Procedure Code to create the widest possible opportunities for notifying persons and service of papers electronically.

We expressed our dissatisfaction with the rejection of the proposals of the BCPEA and the Notary Chamber by the working group for normative changes in the property and cadastral register, with which we wanted to provide electronic access to the acts of the Registry Agency.

We did not fail to point out that our expectations from the electronic information exchange system RegiX, administered by the State Agency for Electronic Government, are mostly not justified,

mainly due to the access to the registers. In this regard, we asked the Minister of Justice for assistance in accelerating the process of inclusion of all PEAs, inclusion of all registers provided by it, immediate integration of the Traffic Police and the Agency for Registries in the electronic environment. We also pointed out the importance of obtaining immediate and remote access of PEAs to the acts of the Registry Agency.

The initiative of the Chamber does not always meet with a response and commitment from the executive and legislative authorities in the Republic of Bulgaria in the person of the Ministry of Justice and the Committee on Legal Affairs in the National Assembly. The BCPEA Council has been conducting a long-term campaign for free electronic access to data on the debtor in a number of its opinions, workshops and proposals, motivated by the public nature of the functions performed by the PEAs. The result of these long-term efforts appeared only in 2021 with the amendments to the Civil Procedure Code, Article 431, para. (4), in which was added *"when the information is received by the order of the Law for electric management"*. **Thus, from 2021, enforcement agents registered with the EEAS can receive free electronic information from the relevant registers maintained by the portal.**

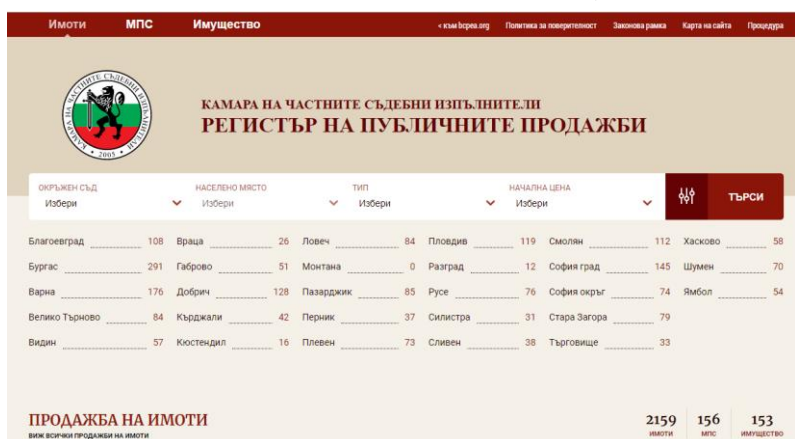
The Chamber devotes significant human and financial resources to automate its processes, work and information resources, including in terms of statistics, disciplinary and Case Law, the activities not only of the administration and bodies, but also of each individual member of the industry. The Chamber operates and successfully uses a centralized information system (CIS) for integrated processing of statistical information from the 6-month and annual reports of PEAs. In 2020, a new version of the CIS was developed and entered into force - in accordance with the amendments to Ordinance No. 3 of 2006 on the reports of private enforcement agents (Title amended, SG No. 51/2019, effective since 28/06/2020). The electronic system for statistics of the activity of PEAs greatly facilitates the work in our organisation. For the PEAs and for the administration of the Chamber, the need for preparation, sending and respectively manual processing of the reports of the PEAs on paper has been completely eliminated.

For five years now, the administration of the Chamber has been successfully using a unified electronic record keeping system. The huge archive of documents of the BCPEA has been digitized and transferred as a database in the system, which database is successfully implemented and upgraded in our daily administrative activities.

#### **3.6.1.1. Register of Public Sales (RPS)**

In the reporting year 2020, the new "Register of Public Sales" came into operation.

The first Register of Public Sales website was launched in the summer of 2009. At the end of 2011, a new web-based register was



successfully implemented, meeting the increased requirements of users, private enforcement agents and external clients using it. An important success for the BCPEA, which ensured its successful development, was achieved at the end of 2012 and the beginning of 2013. By decision

of the SJC, on the occasion of the amendment of Article 487, para. (2) of the Civil Procedure Code, the Central Register of Public Sales has established itself as a basic and mandatory electronic database of sales conducted under the Civil Procedure Code by private enforcement agents in the country. Since its establishment, the Chamber has been constantly monitoring the work of the RPS over the years. In the light of the new changes in the Civil Procedure Code, there was a need for us to replace the existing platform for public sales of PEAs with a new one - more updated and significantly enriched in terms of functionality. This came into operation in the reporting year 2020, developed by Information Services AD.

For the past 2020, the RPS page was visited by **318,905** unique IP addresses, which carried out **1,333,744** sessions and viewed a total of **14,037,094** pages. The average duration of the session was **07:32** minutes. Visitors from Bulgaria predominate, but there are also from the United Kingdom, Germany, the United States, the Netherlands, etc. About 2/3 of all users access the site from mobile devices.

In 2020, a total of **29,302** ads for sale of property /for comparison **41,026** for 2019/ were published in the Register of Public Sales of the Chamber of Private Enforcement Agents. From them: for real estates **25,273** number of ads /for comparison 36 190 pcs. for 2019/; for vehicles - **2002** number of ads /for comparison 2 099 for 2019/ and of movables - **2027** number of ads /for comparison 2 737 for 2019/. Here we make the following important clarification - the number of published announcements does not mean actual sales, nor that so many properties are subject to implementation, in many cases there are several sales of the same properties due to lack of bidders.

The announced sales of real estate for 2020 by district courts are distributed as follows:

Sofia City	Sofia District	Blagoevgrad	Burgas	Varna	Veliko Tarnovo	Vidin
2968	1411	1718	4223	2490	1580	922
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovech	Montana
535	968	1536	462	638	1673	612

<b>Pazardzhik</b>	<b>Pernik</b>	<b>Pleven</b>	<b>Plovdiv</b>	<b>Razgrad</b>	<b>Ruse</b>	<b>Silistra</b>
<b>1945</b>	<b>337</b>	<b>1320</b>	<b>2030</b>	<b>435</b>	<b>1097</b>	<b>238</b>
<b>Sliven</b>	<b>Smolyan</b>	<b>Stara Zagora</b>	<b>Targovishte</b>	<b>Haskovo</b>	<b>Shumen</b>	<b>Yambol</b>
<b>942</b>	<b>1421</b>	<b>1157</b>	<b>342</b>	<b>1908</b>	<b>838</b>	<b>444</b>

The decrease in real estate sales ads is primarily due to the extraordinary health situation. In the past severe pandemic 2020, a record small number were actually sold - 460 of movables and 4,700 of real estate, the entry into possession is only 630. This is understandable, as the PEAs offices have not been working for 4 months.

### **3.6.1.2. Central Register of Debtors CRD (Integrated Platform of Enforcement Cases IPID)**

The Integrated Platform of enforcement cases was established as a centralized database in 2011. - Central Register of Debtors (CRD). The initial system was in operation from the beginning of 2011 to September 2014. An entirely new CRD software was launched as of October 2014. It still works today. In 2017, some improvements were made to the existing software, but they only showed that even with this register there is a need for its complete update and its transformation into a large-scale electronic platform with much more functionality than the existing ones. This is coming in the near future.

At the time of compiling this report, according to IPID data, the pending cases in the country are 1,263,423, and the total number of terminated and completed cases is 1,161,906.

The platform is in constant daily operation by users - private enforcement agents, companies, citizens and corporate clients. Corporate clients of CRD are mainly credit and financial institutions, insurance and leasing companies, commercial companies. The information is widely popular and is of great benefit to them, as they can check in advance the status of applicants for credit, when concluding contracts, preliminary verification of trading partners. In 2020, a total of 25,146 copies were issued. inquiries from CRD, of which 8,804 cases from various companies and citizens and 16,342 cases - from our corporate clients /For comparison: 2019 - 42,005 cases reference; 2018 - a total of 61,405. issued reports; 2017 - a total of 59,514 pieces. issued certificates/. In addition, institutions such as the Police, the Prosecutor's Office and the Court regularly require the BCPEA to provide information from the CRD on pending enforcement cases against persons under investigation in pre-trial proceedings or parties to civil and commercial cases. The platform is trusted by the institutions and sufficiently covers their needs for using this service.

The BCPEA administration employs one employee with the relevant education and qualification on a permanent employment contract, who is responsible for the direct monitoring and non-technical support of the CRD (IPID). This reduces our costs for external services and allows us to improve the communication of the Chamber's team with the members of the industry and the clients of the platform on issues and

problems related to the register. The monitoring of the functionality of IPID by the employee of the Chamber significantly improves and facilitates the daily work of the system.

For 2020, a relative correspondence of the revenues from the CRD (IPID) with the planned in our annual budget is established. Respectively, the incurred expenses for maintenance of the system and servicing of its users are compared in optimal balance with the received revenues.

#### **3.6.1.3. Record keeping system of the BCPEA**

The Chamber has implemented and successfully operates a unified record keeping system. The electronification of the work processes supports the productivity and the internal organisation of work in the administration of the Chamber, the functions of all its bodies are optimised. The digitalization of the document flow in our organisation helps us to effectively manage the content of both paper and electronic documents. With the help of the system the work processes are automated, the tasks for the employees of the Chamber and for its bodies are defined and ESEily created. The system is designed to integrate successfully into the existing IT environment. With it we can get optimal exchange of information and documents with third systems, with ESEy administration. The created digital archive facilitates the access to the archival documents without endangering their physical condition. The record keeping system provides an opportunity to work with electronic copies of disciplinary cases and files. Through the Module "Disciplinary and Case Law", including decisions of the Disciplinary Committee (DC), decisions of district courts and decisions of the SCC, you can sort and search for documents by different criteria - what disciplinary sanctions are imposed in disciplinary cases depending on a particular violation of a legal norm, of rules from the Code of Ethics or the Statute of the BCPEA. In this way a kind of disciplinary archive is formed, which could be of help to the sanctioning bodies in their activity for establishing violations and issuing their acts, respectively to the private enforcement agents in their activity. Through the information available in the database on complaints, disciplinary proceedings, claims for damages, insurance, etc. data for each private bailiff, the system allows data to be collected quickly electronically and systematized; to automatically notify the PEAs about non-fulfilment of its obligations in time, etc.

#### **3.6.1.4. Implemented System for personal data protection of the Chamber and the offices of the PEA**

In accordance with the requirements of REGULATION (EU) 2016/679 of 27 April 2016 on the protection of individuals with regard to the procession of personal data and on the free movement of such data - in force since 25.05.2018 - in the BCPEA A system for personal data protection has been developed and implemented. A Data Protection Officer has also been appointed (the employee has completed a certified training course of the DPA).

For all members of the Chamber, an identical model of a system and the related procedures and documents for the office of the PEAs were developed and provided.

### **3.6.1.5. Electronic distrains**

The main priority from the very beginning of our profession is the maximum of the information about the debtors and the enforcement actions to be administered electronically. However, this priority depends almost entirely on another major electrification process that needs to take place in public administrations and in the justice sector in particular. The example of our long-standing struggle for the introduction of electronic distrains is indicative enough of how even "electrification" already regulated by law can only remain a good wish.

Article 450a (New - SG No. 49/2012, effective since 01/01/2013, amended, SG No. 86/2017) of the Civil Procedure Code as early as the end of 2017 regulates electronic distrains on receivables under bank account. Unfortunately, this option is still not working for PEAs. Despite the efforts made in the past 2020, we have finished and are starting another year without the possibility of real application of the norm of the Civil Procedure Code regarding electronic distrains. Currently, the law does not allow not only the imposition of distrains electronically, but even communication between PEAs and banks in connection with them. The Ministry of Justice should issue an ordinance on electronic distrains through a special environment for them, regulated in the Civil Procedure Code, but this has not happened for years. Without the regulation in question, the issue of electronic distrains could not be practically resolved.

### **3.6.2. Training. European School of Enforcement**

The European School of Enforcement (ESE) was established by a decision of the Chamber Council of Private Enforcement Agents on 14/10/2016 and was registered as a foundation for carrying out activities in public benefit by a decision of the Sofia City Court on 17/11/2016 in company case No. 734/2016

The report covers the activities of the foundation for 2020 and the first quarter of 2021, which is developing in the following areas:

#### **1. Learning activity**

The ESE's activities were affected by the COVID-19 pandemic. A number of events prepared independently or in partnership with the Chamber of Private Enforcement Agents were cancelled. The webinar and other online forms of training and professional communication proved to be the most appropriate in this environment.

During the reporting period ESE organised directly or jointly with the Chamber of Private Enforcement Agents several events:

- International online conference dedicated to the 15th anniversary of the Chamber, which was attended by more than 100 PEAs and their employees and representatives of interested institutions, as well as representatives of the International Union of Judicial Officers (UIHJ) and Foreign Chambers. A collection of conference proceedings is forthcoming;

- Webinar on "Complications in Enforcement Proceedings", which was attended by 64 PEAs and their employees;

- Webinar on the topic "10-year statute of limitations under Article 112 of the Contract and Obligations Act (COA) and its impact

on the enforcement process", in which 64 PEAs and their employees took part;

➤ International trainings on "European Law and Legal English" on the project continued in partnership with the Academy of European Law (ERA). The project activities were also affected by the COVID-19 pandemic. Only the first training of the year, in which two Bulgarian participants took part, was held in person at the end of January 2020 in Brussels. After a long break, the second training was conducted online in November 2020 with three Bulgarian participants. Interest in the next online trainings was low (two participants in January and one in February with three reserved seats), despite the abolition of the participation fee for online trainings. The probable reason is the reserved program and the duration of the trainings of 4 days, which is not suitable for an online format. However, the training will continue in this form at least until the summer of 2021.

It is necessary to note several issues related to the educational activity in 2020.

1) The policy for reduction and optimisation of the fees for participation in the trainings for PEAs continued to be applied so that the trainings became more accessible for the main audience of the school. This approach also has an impact on financial performances. At the same time, not all ESE training activities in 2020 generate revenue.

2) The webinar proved to be a suitable form for conducting trainings and exchanging professional experience, especially if the sessions are of shorter duration (up to three hours, separated by a break). It is good practice to ask the questions to the lecturers in advance so that the latter can prepare the answers and include them in the main presentation. This also facilitates the discussion during the webinar. It is also good practice to summarise and send the questions to the participants both in advance and in full after the webinar.

## **2. International activities and projects**

The implementation of the training project of the Academy of European Law (ERA) in the field of European law and legalese terminology in English, in which ESE is a partner, continues.

## **3. Financial performance**

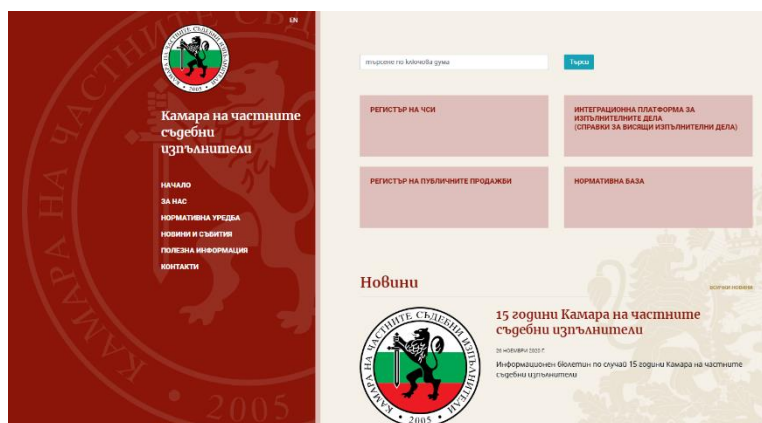
The only source of funding for the foundation during the reporting period are participation fees in the trainings organised by it. The financial performance from the foundation activity as of 31/03/2021 totals BGN 2,452.88.

### **3.6.3. Information and administrative services**

Each member of the Chamber has the responsibility to build the image of our profession. The professional activity and morale of each PEA has a direct impact on the activity and authority of its colleagues.

PEA has the right to request up-to-date information and quality services, but also has the obligation to comply with the rules and policies adopted by the governing bodies of the Chamber.

The analysis of the results of the past pandemic 2020 shows that the members of the Chamber are satisfied and grateful for the ways of communication with the management and BCPEA administration - despite the complexity of the state of emergency and the suspension of offices for four months. PEAs have reliable feedback from the administrative team and the Chamber Council and can receive advice and support on issues and problems related to the daily work of the offices. They highly appreciate the correct, adequate and professional service they receive during the year.



In the past 2020, an entirely new website of the Chamber of Private Enforcement Agents was commissioned to replace the previous, already technically and morally obsolete. The project implemented by Information Services AD also includes a new register of public sales, a register of existing

PEAs and a Web service interface for integration with other information systems. Apart from being developed using modern technology, the information on the new site is better illustrated, there are clear links to the various registers maintained by the Chamber, and it also supports a mobile version.

In this section "Case Law" and especially in our office system we publish court decisions issued by the courts of the Republic of Bulgaria in connection with enforcement. After 15 years of effective work of private enforcement agents, solid Case Law has already been accumulated in the form of judicial acts on judicial enforcement - unfortunately some of which is contradictory and at times inadequate. We publish these decisions to the benefit of the parties in the enforcement process, as well as to unify the practice of the courts throughout the country. We have already collected and summarised the existing disciplinary and Case Law, which has been made available for use by the members of the Chamber in the current system of record keeping and process BCPEA management.

The "Key Documents" section in the "EU Regulations" section contains all the main European directives, regulations, procedures and instructions concerning the cross-border enforcement of court decisions and the obligations of enforcement agents in the Republic of Bulgaria arising from our country's membership in the European Community. The "Questions and Answers" section of the website - contains additional information for citizens. The team of the Chamber of Private Enforcement Agents has the practice to answer inquiries of citizens, companies and members of the Chamber almost immediately on various issues concerning the activity of the Private Enforcement Agents.



Already in 2018, a good practice was introduced to publish consultations of PEAs in legal sites and magazines - Lex.bg, "Legal World" and "Society and Law", as well as scientific publications of members of the Chamber. This activity continued in the reporting year 2020, as it turned out that the materials arouse great interest not only among professionals. The readings reach thousands of users of legal sites. Readers are grateful and point out that the articles are very useful.

We maintain active 24/7 hours a day both national registers - RPS and IPID (CRD). The ratings of the PEAs that participated in the annual survey regarding these services are very good: **5.22** for the BCPEA website; **5.30** for the Register of Debtors and **5.25** for the Register of Sales /versus 2019 - 5.26 for the BCPEA website; 5.49 for CRD and 5.32 for RPS. The quality of the materials produced by the Chamber for 2019 was evaluated with **5.25** /versus 5.33 in 2019/.

In order to maximally inform its members about all publications in the media covering the activities of private enforcement agents, this year the Chamber renewed the contract with the Bulgarian Telegraph Agency for the service "Electronic Press Clipping" - tracking a given topic in the broadcasts of BTA, online and print in the national and regional media. Through the Chamber's subscription for this service, the Chamber of Private Enforcement Agents receives in its official e-mail the most complete information possible from the national and regional media on the topic of "enforcement". Important publications of key importance for the activities of the PEAs are sent to all members of the industry by an employee "Protocol and Public Relations" in the PEAs. The leadership of the Chamber believes that this initiative makes sense and hopes that we will be useful to members with this service in the future.

During the reporting period, the Chamber continued to provide standard administrative services for its members - entries and deletions from the Register of Private Enforcement agents, changes in the circumstances of the register, administration of CRD and other registers maintained by the BCPEA, collection, summarisation and analysis. of statistics and information on the activity of PEAs, issuance of certificates, official notes and other documents, issuance of official cards, cases and signs, distribution of BCPEA publications, document circulation, administration of complaints, overall administration of the disciplinary process in disciplinary proceedings and assistance the work of the Disciplinary Committee (DC) of the BCPEA, organisation of national and regional forums, and many others. In order to be maximally informed about the decisions taken by the BCPEA Council during its meetings, as well as about the results of their implementation, all members of the Chamber regularly receive by e-mail the minutes of the meetings in full. The minutes shall be sent by the administrative secretary of the BCPEA, after their signing by all members of the Council - on average one month after the respective meeting. This causes some delay in sending them, but for the time being no other, more effective mechanism for informing colleagues has been adopted. Important management decisions are immediately brought to the attention of all private enforcement agents by e-mail.

#### **3.6.4. Services under development**

The electrification of enforcement proceedings has always been a top priority. This is also the direction in our activity, which the majority of the private enforcement agents in Bulgaria want to get tangible progress.

The introduction of electronic enforcement actions such as distraints, foreclosures and tenders will be key to the progress of the profession in the coming years. Therefore, we will make every effort and potential to continue with these projects in 2021, despite the difficulties and obstacles that accompany the implementation of these processes. Unfortunately, all of them are related to close cooperation and interaction with state bodies and institutions, which is why progress is happening more slowly than we would like. We hope that in 2021 the deliberately established working group in the Ministry of Justice will prepare and adopt the "Ordinance on the organisation, rules and activities of the unified online platform for electronic public auctions." The initiative to introduce the electronic seizure system is entirely in the hands of the executive and the legislature. The activity is legally regulated, but here too it is necessary for the Ministry of Justice to prepare an ordinance on electronic distraints. Bringing the project to a successful conclusion will prove the will of the state to introduce a modern European approach in enforcement proceedings, which will lead to a reduction of about 30 times the fees for citizens and businesses.

In the field of information technology, software and information platforms are aging rapidly and need to make technical changes in step with the times in which we live. Therefore, in the near future we will update the existing Central Register of Debtors, turning it into a modern Information Platform of Enforcement Cases (IPID) - multifunctional, easy to use by stakeholders and simplified in the administrative and technical part of its maintenance by of the Chamber.

Within the industry, an active debate has been going on for some time regarding the creation and maintenance by the Chamber of unified office software for the work in the offices of PEAs. The BCPEA Council has already carried out research on the possibilities of all existing and used office programs so far to be united in a single and unified system, and the intentions of our leadership are the Chamber to make this substantial investment for its members, while providing it for use by all willing PEAs for the lowest possible fees.

The created opportunity for realisation of internal electronic administrative services is a prerequisite for achieving one of the main goals of the electronic management - complex administrative service of the citizens and the business. We will continue to work hard in cooperation with SAEG and SJC to ensure reliable and full access for use by PEAs of the electronic environment for inter-register exchange (RegiX), the System for secure electronic service (SSEV) and the portal for e-justice.

The assignment of the widest possible range of public receivables for collection by the PEAs should be a leading factor in the efforts of the BCPEA management in 2021. We will continue to work responsibly to collect the public receivables of the state and municipalities, to optimise the control over the observance of the law and the Code of

Ethics, including with regard to unfair competition and intensified work with the institutions and the media. We will upgrade our proactive media policy and efforts to establish an adequate public image of the PEAs. The assignment of new powers to PEAs (voluntary implementation, fact-finding, voluntary sales), in accordance with the best European practices, also continues to be an integral part of the focus of priorities for the Chamber management's activities. Here we should add the continuation of the debate of the BCPEA with the representatives of the legislative and executive authorities on the change in the tax regime of the PEAs by increasing the percentage of legally recognized expenses and the right to choose with regard to the Personal Income Tax Act and the CITA.

The new leadership of the Chamber should focus its efforts in 2021 and the following years on a mandate to analyse and prepare a comprehensive proposal to address gaps and imperfections in the Private Enforcement Agents Act and the Tariff with the Private Enforcement Agents Act.

We will continue with the policy of the BCPEA Council for effective control over the activity of private enforcement agents and its improvement, which we believe should include:

- Use of electronic means for monitoring and control, including for conducting disciplinary meetings. We already have good practice in this direction and we should only upgrade it with even more effective tools for electronic inspections. This will save costs and time for all colleagues from the inspection bodies of the BCPEA.
- Adoption of criteria for risk assessment, respectively supervision and inspection of the offices according to them;
- Close cooperation with the Inspectorate of the Ministry of Justice, in view of the effectiveness of control and unification of norms in seeking disciplinary liability.

In 2021, the ESE educational activities of the should be intensified and enriched in the form of training programs and seminars. As part of these efforts, we expect the expansion of the much desired by members of the Chamber (and inevitably imposed by the pandemic) distance learning (webinars), through which the system of professional development of PEAs and their employees goes to a qualitatively new stage - modern, contemporary and European approach. EAS should be established as an indispensable and easily accessible assistant to every employee in the offices of the PEAs.

Last but not least, we must note our desire to increase the quality and quantity of services provided by the Chamber to its members, including through adequate facilities.

**REPORT**  
**on**  
**the activity of the Disciplinary Committee**  
**of the Chamber of Private Enforcement Agents for 2020**



Dear Colleagues,

We present to your attention a report on the activities of the Disciplinary Committee of the Chamber of Private Enforcement Agents for 2020.

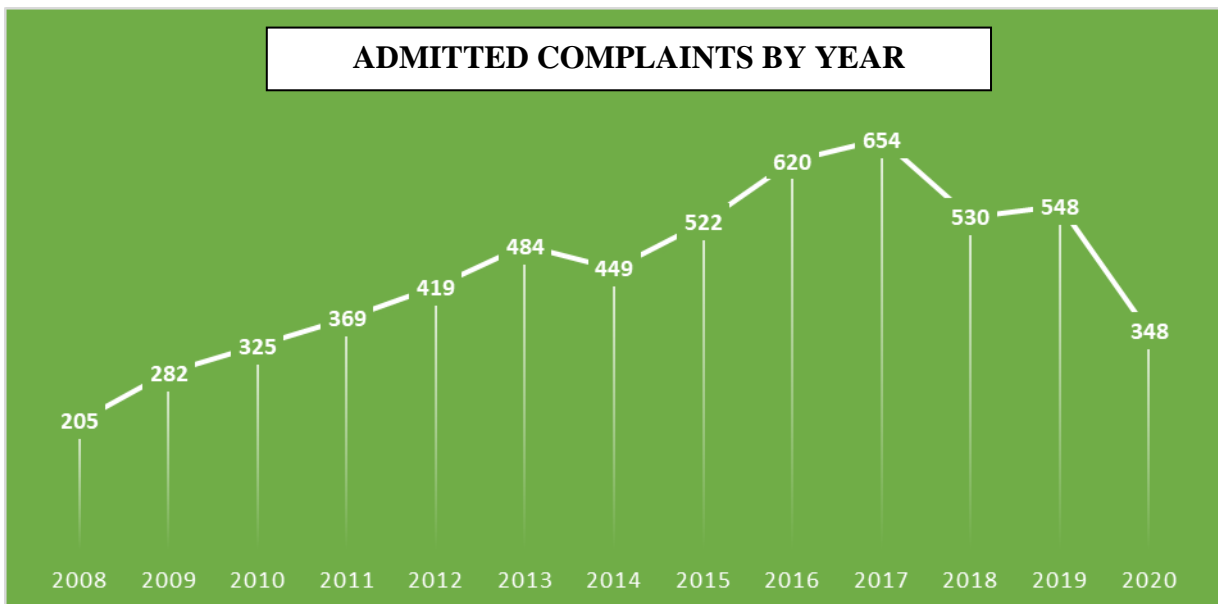
Traditionally, statistics on complaints received by the administration of the Chamber of Private Enforcement Agents will be presented first, followed by a report on the activities of the Disciplinary Committee and disciplinary proceedings.

**I. Statistics on Complaints.**

In 2020, the Chamber of Private Enforcement Agents received 348 complaints. This year there has been a significant decline in the number of complaints received, but this has its explanation - the spread of coronavirus COVID-19 and the established epidemic situation in the country.

In the previous reporting year of 2019. their number was 548, in 2018 - 530, in 2017 - 654, in 2016 - 620, in 2015 - 522, and in 2014 - 449 For stronger contrast compared to previous years, the complaints received in 2013 - 484; in 2012 - 419, in 2011 - 369, in 2010 - 325, in 2009 - 282, and in 2008 - 205. We also present a quantitative distribution of the received complaints by years.

Compared to previous years, the complaints received in 2020 are in



the following percentage:

- compared to 2008 - increase by 70%;
- compared to 2009 - increase by 23%;

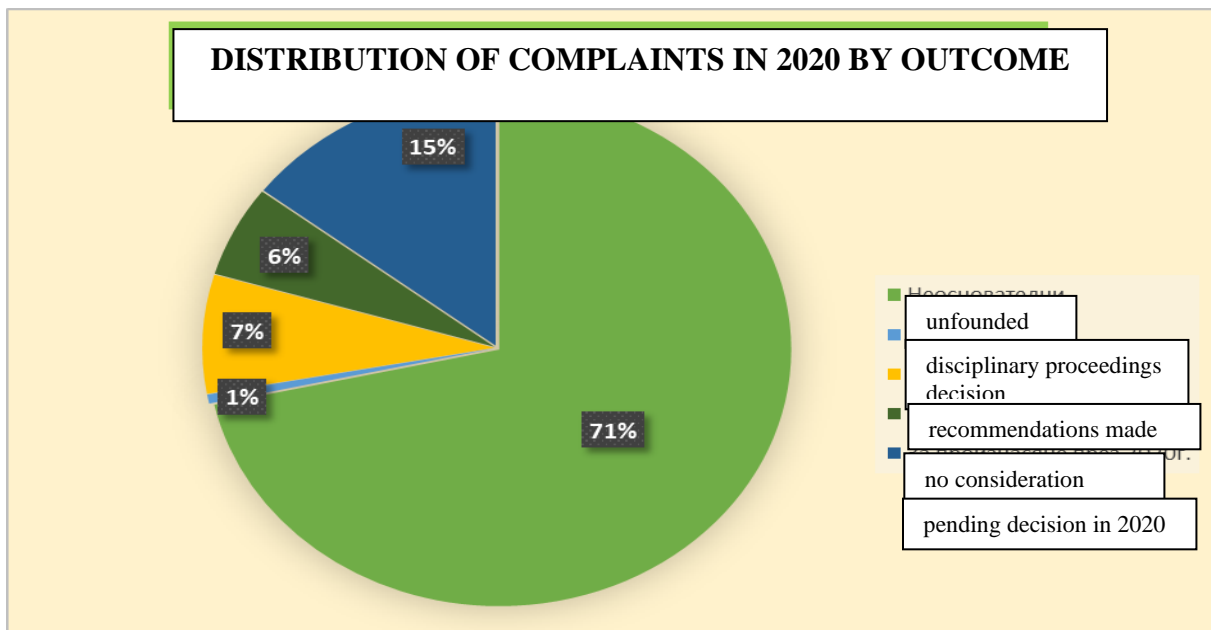
- compared to 2010 - increase by 7%;
- compared to 2011 - decrease by 6%;
- compared to 2012 - decrease by 17%;
- compared to 2013 - decrease by 28%;
- compared to 2014 - decrease by 22%;
- compared to 2015 - decrease by 33%;
- compared to 2016 - decrease by 44%;
- compared to 2017 - decrease by 47%;
- compared to 2018 - decrease by 34%;
- compared to 2019 - decrease of 36%.

Out of 348 complaints received in 2020, **249** are unfounded, recommendations are made on **26**, **20** are left without consideration, on **2** of them a decision has been made to initiate disciplinary proceedings, on **51** consideration is forthcoming in 2021.

In the past year, **three** withdrawn complaints were reported. According to the Decision of the Chamber Council of Private Enforcement Agents from 02/10/2015 all received signals/complaints for illegal actions of the PEAs are considered under the procedure of the Chamber for Administration of Complaints, regardless of whether they are withdrawn. All three withdrawn appeals are unfounded.

In absolute values, the data are as follows: **71.55%** of all complaints received in 2020. are unfounded; on **7.47%** recommendations were made; without consideration - **5.75%**; on **0.57%** of them the Chamber Council of Private Enforcement Agents has decided to initiate disciplinary proceedings and on **14.66%** of the received complaints are to be considered by the Chamber Council of Private Enforcement Agents in 2021.

We also present the distribution of complaints by outcome:



Compared to the previous 2018 and 2019, the analysis shows that there is a trend of unfounded complaints. The complaints on which

recommendations have been made, as well as those on which a decision has been made to initiate disciplinary proceedings, have decreased, and those that have not been considered and those on which a decision is pending in 2021, an increase is observed.

	2018	2019	2020
Unfounded	72.08%	75.00%	71.55%
Recommendations	8.68	8.94%	7.47%
Formed disciplinary proceedings	1.89%	1.28.	0.57
No consideration	3.58%	4.01%	5.75%
Pending consideration	13.77%	10.77%	14.66%
	100%	100%	100%

Statistics show that on average there are 29 complaints per month, almost 7 per week and almost three complaints every two working days! In the past year, most complaints were received in January and November - 41, and the least in April - 19.

It is interesting to note that against 33% of those operating in 2020 private enforcement agents have not received any complaints in the Chamber against their actions. Over 23% of those operating in 2020 private enforcement agents have had one complaint each in the past year. Just over 33% had less than five complaints; just over 8% had between five and nine complaints, and just over 1% had over 10 complaints.

By regions of action, the data are as follows: most complaints were filed against PEAs with area of action SCC - 40.23% of the complaints received in 2020; followed by Plovdiv District Court - 8.62%; Varna District Court - 6.61%. It is important to note that this year there is an area of action without a complaint, and for ten regions less than 5 complaints have been received for the whole region.

A brief reference should be given to the activity of the Committee on Legal Affairs, in the part on consideration and ruling of received complaints in the BCPEA. In 2020, nearly 360 complaints were allocated to the members of the Committee, with an average of 16 complaints distributed to each member of the Committee.

## **II. Statistics on the activity of the Disciplinary Committee for 2020**

Since 2006 by the end of 2020, the Disciplinary Committee of the Chamber of Private Enforcement Agents has initiated a total of **457** disciplinary proceedings against private enforcement agents. According to Article 70, para. (1) of the Private Enforcement Agents Act, the proceedings are instituted at the request of the Minister of Justice or by a decision of the Chamber Council. The data are as follows:

**2006 - 5 disciplinary cases - three** disciplinary proceedings by decision of the Chamber Council and **one** at the request of the Minister of Justice and **one** at the request of both bodies;

2007 - 4 disciplinary cases - three by the Chamber Council, one by the Minister of Justice;

2008 - 15 disciplinary cases - five by the Chamber Council, nine by the Minister of Justice and one at the request of both bodies;

2009 - 21 disciplinary cases - fifteen by the Chamber Council, six by the Minister of Justice;

2010 - 21 disciplinary cases - ten by the Chamber Council, eleven by the Minister of Justice;

2011 - 17 disciplinary cases - seven by the Chamber Council, nine by the Minister of Justice and one at the request of both bodies;

2012 - 16 disciplinary cases - eleven by the Chamber Council, five by the Minister of Justice;

2013 - 30 disciplinary cases - ten by the Chamber Council, eighteen by the Minister of Justice and two at the request of both bodies;

2014 - 75 disciplinary cases - twelve by the Chamber Council, fifty-seven by the Minister of Justice (four of them were formed by parallel judicial and financial inspection), and six at the request of both bodies;

2015 - 47 disciplinary cases - fourteen by the Chamber Council, twenty-eight only at the request of the Minister of Justice, five at the request of both bodies;

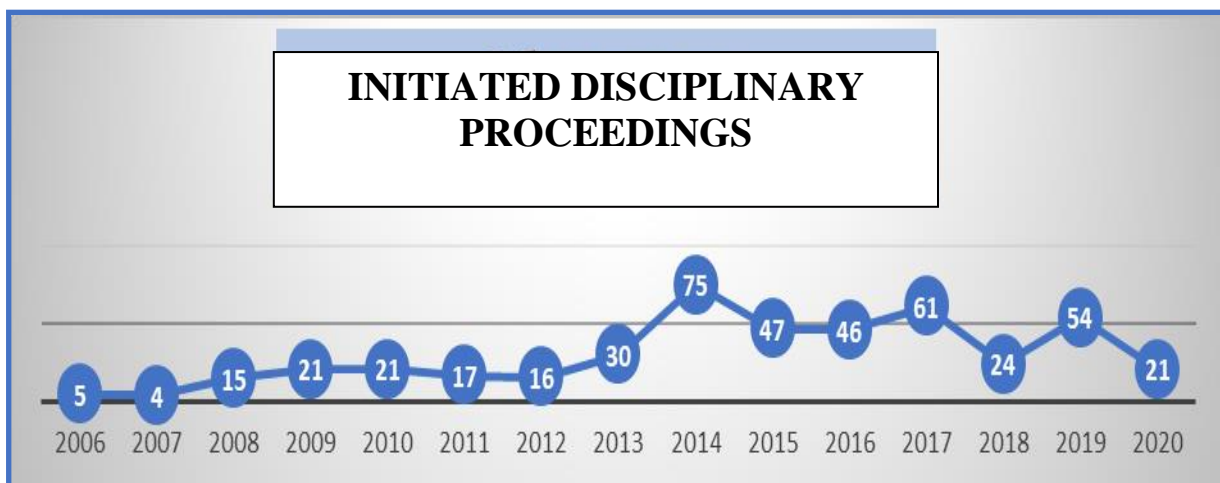
2016 - 46 disciplinary cases - twenty-six by the Chamber Council, sixteen only at the request of the Minister of Justice, four at the request of both bodies;

2017 - 61 disciplinary cases - twenty-six by the Chamber Council, twenty-seven only at the request of the Minister of Justice and eight at the request of both bodies.

2018 - 24 disciplinary cases - twelve by the Chamber Council, nine only at the request of the Minister of Justice and three at the request of both bodies.

2019 - 54 disciplinary cases - fifteen by the Chamber Council, thirty-six only at the request of the Minister of Justice and three at the request of both bodies.

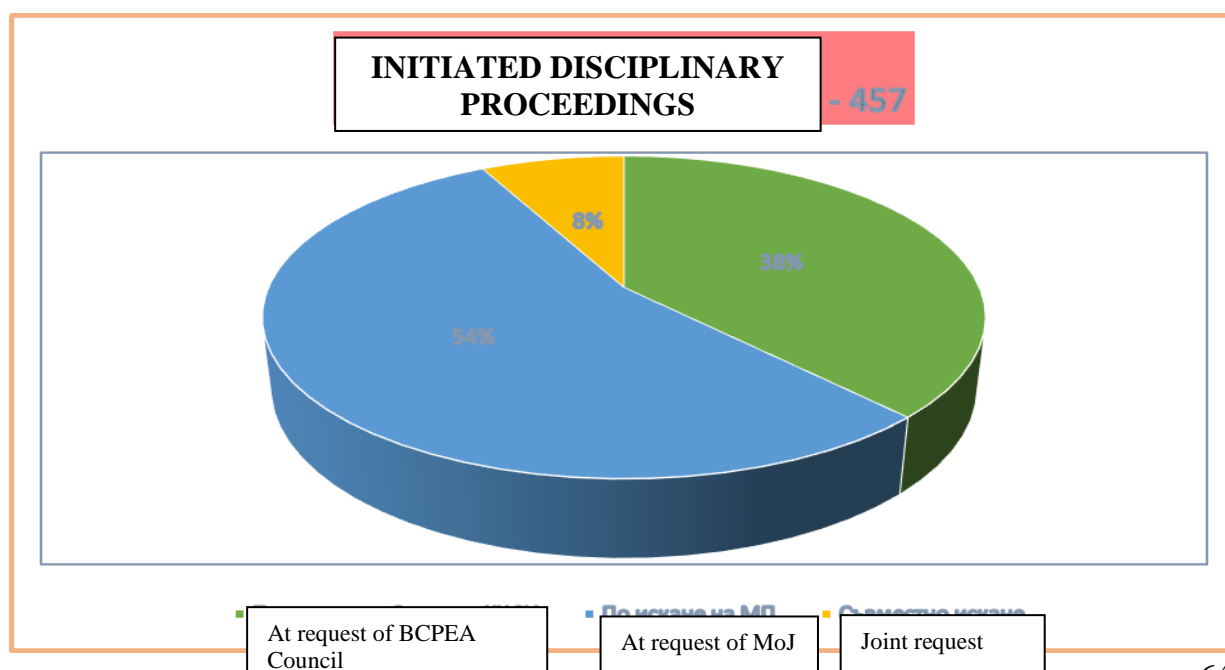
2020 - 21 disciplinary cases - four by the Chamber Council, sixteen at the request of the Minister of Justice and one at the request of both bodies.



Presentation of the data in tabular form:

	At the request of BCPEA Council	At the request of the Ministry of Justice	Joint request	TOTAL
2006	3	1	1	5
2007	3	1		4
2008	5	9	1	15
2009	15	6		21
2010	10	11		21
2011	7	9	1	17
2012	11	5		16
2013	10	18	2	30
2014	12	57	6	75
2015	14	28	5	47
2016	26	16	4	46
2017	26	27	8	61
2018	12	9	3	24
2019	15	36	3	54
2020	4	16	1	21
	<b>173</b>	<b>249</b>	<b>35</b>	<b>457</b>

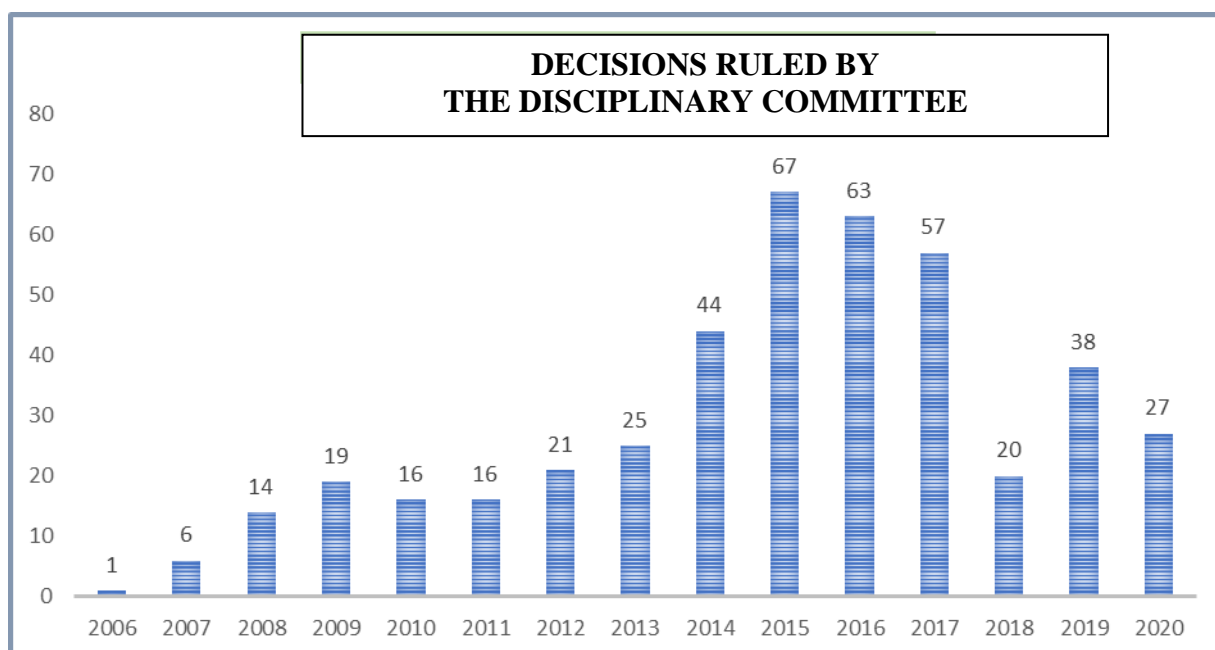
The statistics show that out of a total of 457 disciplinary proceedings, 173 proceedings (almost 38%) were initiated by a decision of the Chamber Council, 249 (over 54%) at the request of the Minister of Justice and 34 were initiated at the request of both body (nearly 8%).





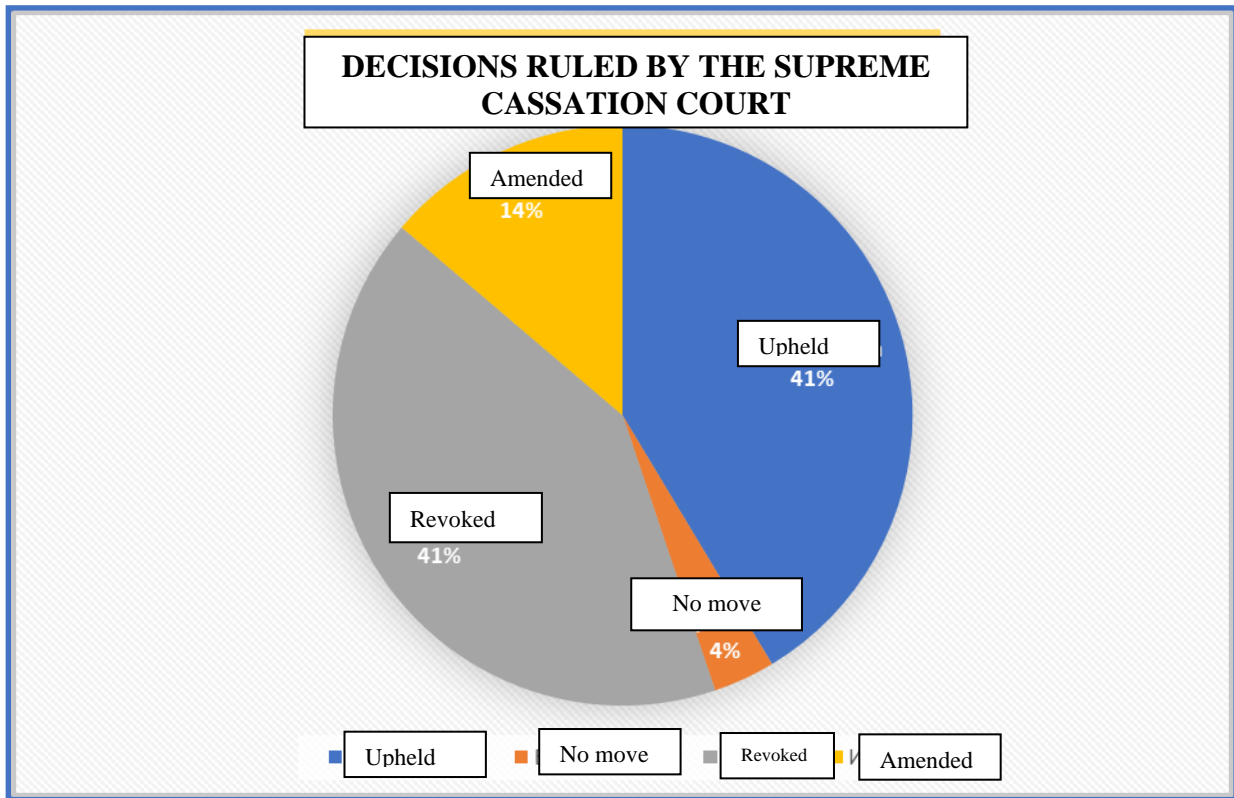
To date, the Disciplinary Board has ruled in total with **434 decisions**. By years the statistics are as follows:

- 2006 - issued **one** decision.
- 2007 - issued **six** decisions.
- 2008 - issued **fourteen** decisions.
- 2009 - issued **nineteen** decisions.
- 2010 - issued **sixteen** decisions.
- 2011 - issued **sixteen** decisions.
- 2012 - issued **twenty-one** decisions.
- 2013 - issued **twenty-five** decisions.
- 2014 - issued **forty-four** decisions.
- 2015 - issued **sixty-seven** decisions.
- 2016 - issued **sixty-three** decisions.
- 2017 - issued **fifty-seven** decisions.
- 2018 - issued **twenty** decisions.
- 2019 - enacted **thirty-eight** decisions.
- 2020 - issued **twenty-seven** decisions.



In the past 2020, the Supreme Court of Cassation has ruled on 29 decisions, the results of which are as follows:

- leaving in force - 12;
- revoking - 12;
- amending - 4;
- leaving the complaint without consideration - 1;



At its meetings held in 2020, BCPEA Council adopted **four** decisions for instituting disciplinary proceedings - on complaints received in 2019, and on complaints received in 2020.

In 2020, the Minister of Justice submitted a total of **21** requests for initiating disciplinary proceedings, and on **15** of them disciplinary proceedings were initiated only at the request of the Minister, **1** was jointly with a Council decision and joined in one proceeding, **one** request has been withdrawn, on **three** requests a disciplinary procedure is to be initiated in 2021, and **one** request is for correction of one received in 2019.

On thus formed **21** disciplinary proceedings **only** in the reporting 2020, the Disciplinary Committee has issued 4 decisions, which represents over 19% of the initiated disciplinary proceedings in 2020. Of the 4 decisions issued, none has taken effect.

On the remaining **17** proceedings: **seven** of them have been announced for decision by the disciplinary panels and in **ten** a disciplinary meeting is scheduled.

The tendency of the Disciplinary Committee to impose a penalty of a "fine" is preserved, as with eleven out of a total of 27 decisions issued in 2020 has such a penalty. The predominant fines imposed are below the average amount. In five disciplinary proceedings, a disciplinary sanction "reprimand" was imposed. In the reporting year 2020, there is a new tendency - to impose more than one type and amount of penalty, as three such decisions have been issued. In eight of the decisions issued in 2020, the requests were rejected - **on four** for both referring bodies. Of these eight rejected requests, two were not appealed to the SCC, but the other six: three are on appeal, one has been declared for decision by the SCC, one has been confirmed by the SCC and one has been revoked by the SCC (a disciplinary sanction

has been imposed "rebuke"). When a request for disciplinary proceedings is rejected (both by the Minister of Justice and by the Chamber Council of Private Enforcement Agents), specific disciplinary panels are observed, which issue such an act.

Of the 27 decisions issued in 2020, there is no disciplinary sanction "warning of disqualification" or "disqualification" imposed. The most severe disciplinary sanction imposed is a fine in the amount of BGN 10,000.00.

The decisions that came into force in 2020 total 33, the result of which is as follows:

1. Reprimand: 5.
2. Fines - 16, including:
  - up to BGN 1,000.00. - 7;
  - over BGN 1,000 - under BGN 5,000.00. - 4;
  - over BGN 5,000.00. - 5;
3. Debarment - 2:
4. Combined penalty - 1.
5. Rejected requests for disciplinary proceedings - 6.
6. Returned to the Disciplinary Committee - 1.
7. Repealed disciplinary sanction - 2

Disciplinary Committee held **46** meetings in 2020.

In 2020. - **27** decisions were rendered as follows:

- up to **1 month** - 1 decision or over 3% of the issued decisions in 2020.
- from **1 to 3 months** - 9, which is over 33% of the decisions in 2020.
- from **3 to 6 months** - 5 or over 18% of the decisions in 2020.
- over **6 months to 1 year** - 10 or a little over 37% of the decisions issued in 2020.
- over **1 year** - 2 or over 7% of the issued decisions in 2020.

The analysis of the Committee's activities during the reporting period shows that some of the main infringements are:

1. Violations of the rules for conducting a public sale;
2. Violations at termination and termination of performance;
3. Violations in the service of papers on enforcement cases and improper notification of parties and participants in the proceedings for the ongoing enforcement;
4. Violations of local competence in instituting enforcement cases;
5. Violations and unjustified delay in the administration of received complaints and unjustified delay in ruling on requests and requests received in enforcement cases;

6. Failure to notify affiliated creditors;
7. Violations in disposing of amounts received for implementation, as well as incorrect determination of the amount of fees;
8. Directing enforcement against government agencies;
9. Violations in connection with Ordinance No. 4 on the official archive of private enforcement agents;
10. Financial irregularities.

Almost all of the requests for disciplinary proceedings, both by the Chamber Council of Private Enforcement Agents and by the Minister of Justice, are for numerous violations.

The reporting year 2020 was unprecedented with the actual moratorium on meetings during the period from April 2020. so far, given the strict anti-epidemic measures, according to an order of the Minister of Health and the objective impossibility to provide logistical conditions (separate rooms with separate access, sanitary access, etc.), guaranteeing the life and health of participants in the pandemic. The management of the Disciplinary Committee initiates an initiative and relevant correspondence for the creation of a project for regulation of remote conference meetings through an electronic platform. Currently, the Disciplinary Committee is in communication with the Ministry of Justice regarding the optimisation of the disciplinary process by analogy with the instruments for remote trial entering the procedural legislation.

**Todor Lukov,**

Chairperson of the Disciplinary  
Committee

CHAMBER OF PRIVATE ENFORCEMENT AGENTS



## REPORT

### **on the activity of the Control Board of the Chamber of Private Enforcement Agents for 2020**



**Dear Colleagues,**

In the past 2020, the most frequently mentioned word is 'COVID-19', which had a significant economic, social and personal impact on everyone. The health crisis with the coronavirus has affected global and national economies and all countries. The situation in Bulgaria was unprecedented. In practice, in our activity as PEAs throughout its 15-year history, the past 2020 turned out to be the worst and nightmarish. In addition to the normative restrictions in our activity (almost complete restriction of the activity

for four months), our profession also faced a number of factual, social and economic obstacles caused by the crown crisis.

A positive consequence of this situation is the large-scale digitalization of processes, including communication. Perhaps due to economic constraints and the closure of certain activities, most institutions have accelerated the plans and implementation of electronic services and functions. The electronic services available in Regix, an electronic information exchange environment administered by the State Agency for e-Government, have increased. The amended Article 431 of the Civil Procedure Code, which allows inquiries in government agencies without paying a fee, along with the possibility of electronic inquiries through Regix enabled our profession to increase its efficiency and optimise costs - both for the parties to the proceedings and for the office of the PEAs.

Last year, representatives of the BCPEA took part in the working groups of the Ministry of Justice and in the committees of the National Assembly in discussing and preparing amendments to laws and regulations. The difference with previous years is that in addition to present, much of the communication is transmitted electronically.

In the internal organisational plan for the BCPEA, the current control over the activity of the PEAs continued. There has been a tendency in the last few years to increase the total cost of reviewing and administering complaints and correspondence received by the Chamber (increased number of complaints, engagement of Chamber staff, Council members and examiners, correspondence on each complaint, some of which are also developed in disciplinary proceedings). The difference in 2020, as already mentioned, is expressed in the increased volume of electronic exchange of papers and data. This somewhat improves the efficiency of data processing and grievance procedures, but requires continued investment in the information systems that the Chamber and its members work with.

Due to the situation with Coronavirus in 2020, no new IT projects were launched with the participation of the BCPEA, and these activities are likely to be intensified in 2021 and 2022. The expectation of launching e-auctions remains, but as the project for the e-auction platform is administered by the Ministry of Justice and the project should have been completed a long time ago, we can wish it would actually start sooner.

The Supervisory Board continued in 2020 the good practices for control of the financial BCPEA activity. During the year no violations were found or reported in the work of the Chamber Council in the exercised control powers under Article 64 of the Private Enforcement Agents Act. During the period, no signal was received for an inspection of the budget of the BCPEA or for the management of Chamber property. In the past year, the members of the Control Board continued to look for options for optimising the management of the BCPEA resources.

In 2020, the development of accurate and correct accounting of revenues and expenditures of the Chamber continued, and there are the results of good cooperation with AFA Consultants OOD, which 7 years ago took over the accounting services of the BCPEA.

The Supervisory Board considers that **the activity of the Chamber Council in 2020 is lawful, effective and meets the main priorities.**

During the reporting period, a total of **15** meetings of BCPEA Control Board were held, of which 9 were held online through the Zoom platform, **13** regular and 2 absentee meetings, and a total of **497** decisions were taken, of which **148** on operational, current and economic issues and **349** on received complaints.

Meetings are held regularly and with the necessary quorum, decisions are taken in compliance with the Statute and the internal rules of the Chamber.

The Control Board members are divided into committees and are responsible for the respective department. At each meeting, they are informed about the implementation of previous decisions taken, monitoring compliance with the deadlines for their implementation. For all significant expenses, which are at the Chamber's account, relevant decisions have been made by the BCPEA Council.

Despite the difficult conditions in 2020 due to the crisis caused by the coronavirus, the members of BCPEA Control Board are actively working on certain issues assigned to them and in considering the received complaints. The high commitment of the majority of BCPEA members Council, who work on the respective project/topic/issue, is evident in specific projects and cases that have arisen. There is still something to be desired in the application of the project principle in the implementation of specific activities, which reflects on the more accurate planning of budget expenditures for the year and puts to the test part of the BCPEA administration and bodies.

Where necessary, the Control Board has set out recommendations and comments, which the members of BCPEA Council have taken into

account to some extent or taken into account in their discussions and decisions.

During this period **the Chamber continued to function as an independent and financially solvent entity.** The total revenues for the Chamber for 2020 are BGN 657,540. Revenues from economic activity amount to BGN 256,870, and from non-economic activity are BGN 400,670. In year 2020 BCPEA ended financially with a positive accounting result, and fiscally with a loss of BGN 38.5 thousand, which is significantly less than the planned deficit under the adopted budget for 2020.

As a VAT registered person for a business activity, the BCPEA regularly reported and paid the VAT due, as well as used a partial tax credit in the applicable cases.

In the analysis of the incurred expenses **the Control Board found that they are reasonable and appropriate,** according to the adopted and voted budget and according to the decisions of the Chamber Council.

All expenses total BGN 695,700, as the main expenses are under contracts, salary fund for the administration, insurance, maintenance of the chamber's websites, consumables, general meeting, donations, membership in international organisations, seminars, trainings, payment of taxes., etc. There are no significant unforeseen expenses in the past 2020 that would significantly affect the BCPEA finances.

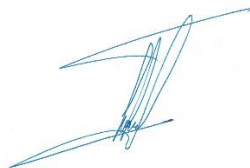
In 2020, the distribution of costs between economic and non-economic activity is comparable to previous years - 39% for economic activity and 61% for non-economic activity.

Despite the difficult in all respects 2020, the financial condition of the Chamber remained stable, with reserves totalling just over BGN 800,000. The possible perspective and goal for the current 2021 should be to maintain the level of revenues of the Chamber, but an objective increase in spending on staff, IT and other external services justifies a high probability that will lead to a larger deficit, which in the case of its occurrence should be covered by reserves. In 2021, there is a need for even more precise management of the funds and reserves of the Chamber, as banks introduce additional fees for cash above certain amounts in bank accounts.

The agenda of the forthcoming general meeting envisages discussion and change of the membership fee. Such a change is needed and there have been several attempts in recent years. The difficult previous year determines a change in the membership fee and optimisation in the distribution of the financial burden when paying it. In all cases, however, the existing realities should be thoroughly discussed and any decision taken into account as a projection on the Chamber's budget for the next few years.

**The accounting and financial documentation is kept in accordance with the requirements of the national accounting standards, as the financial statements and balance sheets are prepared by AFA Consultants OOD, a specialized accounting company.**

The Chamber of Private Enforcement Agents is a stable organisation in financial terms and continues to develop upwards, which contributes to its ability to better protect the rights and interests of the profession, citizens, business and society.



**Stefan Gorchev,**

Chairperson of the Control Board  
of the Chamber of Private Enforcement  
Agents