



**REPUBLIC OF
BULGARIA**



CHAMBER OF PRIVATE ENFORCEMENT AGENTS

ANNUAL REPORT

2 0 2 2



Distribution and number of private enforcement agents /188/ on the territory of the Republic of Bulgaria by judicial areas of action as of 31 December 2022.

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	11	Montana	2	Sofia City	39
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	4	Stara Zagora	10
Veliko Tarnovo	7	Pleven	7	Targovishte	1
Vratsa	5	Plovdiv	18	Haskovo	3
Gabrovo	4	Razgrad	3	Shumen	5
Dobrich	6	Ruse	5	Yambol	2
Kardzhali	2	Silistra	1		
Kyustendil	4	Sliven	3		

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Chairperson

Stefan Gorchev - Deputy Chairperson
Maria Tsacheva - Deputy Chairperson
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Rositsa Apostolova
Nikola Popov
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Hristo Gueorguiev - alternate member

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Lilyana Kuzmanova
Mariana Kirova - alternate member
Ivanka Tsonkova - alternate member
Stefan Evtimov - alternate member
Nevena Jeleva - alternate member

CONTROL BOARD

Gueorgui Dichev-

Vasil Nikolov
Samuil Peev
Vasil Nedyalkov
Zahari Zapryanov
Irina Hristova

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ADDRESS BY THE CHAIRPERSON



COLLEAGUES, LADIES AND GENTLEMEN,

I present to you the annual activity report of the Chamber of Private Enforcement Agents for the past 2022. We have completed yet another tough year. Along with the deteriorating financial situation of businesses, the unstable political situation has also had a negative impact on our activities. Cabinet and ministerial shifts have once again halted urgent changes for which we have fought and which have been waiting for their adoption for years.

Despite the difficulties we are experiencing, for 17 years now, PEAs have remained not only the legal but also the most effective institution for recovery of court-approved receivables. We have proven our professionalism to the Bulgarian municipalities that work with us as a priority, we are gradually expanding the circle of public creditors who use the services of PEA, we actively partner in all working and consultative formats of the legislative and executive power. We have been consistent with this approach throughout 2022, we worked and met with two ministers of justice, we justified our demands to a regular and caretaker government with the clear awareness that in order to be effective and to improve the system of enforcement, the initiative for dialogue and change must come from us and be permanent. Unfortunately, 2022 has not been a good year in this regard - in anticipation of the upcoming changes, state institutions have brought this stupor into all social systems. Probably, each industry can justify its losses or missed opportunities for it because of the unstable environment. The fact that we are starting a new year without permanent governance and without any prospect of stabilisation continues to worry us.

The year did not bring significant successes and achievements for the profession. **But we have no occasion to be ashamed of the efforts we have made. For BCPEA it was an intensive year** - we put forward the issue of change in the Tariff for Private Enforcement Agents and the tax burden on the Private Enforcement Agents, created our own software for random allocation of cases in order to expand partnerships with public creditors in a secure and transparent way; held meetings with the Ministers of Justice, Interior, held the long-awaited exam for assistant PEAs; working groups on regulatory amendments, digitalization and access to reports for the needs of Private Enforcement Agents. Despite the demonstrated ambition, processes that will bring both speed and efficiency have been delayed for yet another year. Regarding digitalization, a key topic for us, let me just mention that 22 years have already passed since the new 21st century, proposals that will ease all parties in the enforcement process have only remained on paper and as good wishes. It is obvious that we have had an electronic distraint law for more than a decade, but we are still waiting for an Ordinance to implement it.

Our profession is still recovering from the severe years of the pandemic. We expected 2022 to be a year of stability and impetus for solving outstanding problems, but it anchored us by not allowing any progress on key projects. Businesses continued struggling for their financial

survival. **Their financial situation is an issue that deteriorates every other year and calls for urgent measures, instead of standing by.** They had an unsound health even before 2020, so we have been putting this issue forward for several years.

In order to have up-to-date arguments, we have prepared an economic analysis on the actual amount of fees in the system of PEAs, taking into account all the changes since 2006. The conclusion: **the fees indicated as a solid amount in the Tariff are many times lower than the actual values at the moment.** Based on these conclusions, BCPEA Council addressed the Ministers of Justice with a request for an urgent update of the Tariff. Moreover, the Ministry of Justice hosted several meetings - with the regular minister and the caretaker minister. In result, a joint working group was formed to review the regulation of state fees in the judiciary. As you can guess, because of the government reshuffles, the working group failed in achieving any real outcomes during the year.

The need for Tariff amendments, in simple fees, from this year goes hand in hand with another request of ours - to review the tax regime for businesses. Anyone who knows at least a little about our activity knows that **the real costs of a large part of the PEAs significantly exceed the legally recognized 25%.** The current regime also does not meet European standards, under which all costs incurred are deducted in taxation. We put forward arguments that PEAs, unlike liberal professions, have more obligations - maintenance of law companies, staff, property law, insurance, care for archives and privacy protection, ban on other activities.

In view of the public functions, the role, and the importance of Private Enforcement Agents (PEAs) for collectability in state and municipal budgets, we insisted on urgent changes in the tax regime, with which **to increase the amount of legally recognized expenses to 40% and to provide for the possibility in the Private Enforcement Agents (PEAs) to establish sole proprietorships with a sole owner and manager of the respective Private Enforcement Agents (PEAs).** Apparently, the legislator thought that lawyers could get this change, but not the PEAs.

In a situation where the law companies are on the verge of survival, BCPEA took a third measure in order to increase the workload and expand the activity with new powers. For more than 5 years, we have been trying to open the eyes of state authorities to the potential that the institute of private enforcement has to **collect claims of public creditors, as well as to alleviate the situation of debtors by introducing a voluntary form of enforcement for small claims.** We had many meetings in the reporting year, including with the Minister of Interior regarding the claims of the Traffic Police. We have restressed on the preventive role of PEAs against the offenders on the road and especially for the repeat offenders who remain unpunished. We have readiness not only in words, but we have created software for random allocation of cases for public creditors. The web-based application "**Electronic System for Distribution of Enforcement Cases to Public Creditors**" (ESDECPC) is a considerably simplified platform that allocates enforcement cases on a random and proportional basis. For the convenience of public creditors, statistics are maintained for each creditor and there is an opportunity for automatic generation of forming applications to the respective private enforcement agent. To use the system is not mandatory. This product can be used by all county and district courts, all appellate courts, all institutions with which we have formal cooperation agreements, municipal administrations, government agencies and commissions that potentially have public receivables to collect.

In 2022, BCPEA made a proposal for solving the problem with the electronic service and with the electronic distraint of accounts. To the maximum extent possible, we have tried to eliminate the misunderstandings enshrined in the Ordinance on the Law Enforcement Information System. We have asked for the possibility of ex officio access for PEAs to the Single e-Justice Portal (SJP). Since the amendments provide for the actions in the order proceedings and the issuance of a writ of execution to be carried out mainly electronically, we pointed out that it is justified and necessary for the PEAs to be able to carry out inspections in the system of the EPP in enforcement proceedings.

We also reacted against the bill put forward by then Deputy Prime Minister and Minister of Economy Kornelia Ninova for settling the activities of collection agencies because of **the lack in it of the institute of voluntary collection conducted by the enforcement agents**, which institute was adopted at first reading by the 44th National Assembly as an anti-crisis and Europe-proven measure.

The implementation of the system of reports on local taxes and fees intended for all private enforcement agents has been a positive outcome for us during the year. **This project is a good demonstration of how such decisions can reduce the administrative burden for citizens and also the financial burden for debtors.** All the changes we requested during the workshops have been made and are available. The platform was launched only for the city of Sofia, but the prospect is that it will cover many other municipalities in the country.

In 2022, two very important decisions of the SCC were adopted. In general terms, one is that the award decrees are not subject to revocation by the SCC. The other concerns distributions and according to him, the fees of the PEAs always have the first privilege.

Good news for the profession is also the fact that 170 out of 229 candidates passed the PEA exam. The last selection of PEAs took place in 2017, and the Chamber insisted on a new exam, as after the shock of suspending work in 2020 to reduce their costs, many companies dismissed employees.

In the end, I want to wish you the most important thing - health. Let us wish and finally our country to achieve public and political health.

Our profession has gone through all sorts of stages - of recognition and denial, we have been subjected to fierce political populism, to attempts at containment. But we also had someone to debate with, someone to convince, someone to chart a new path - stable parliaments and regular governments.

Our experience, in principle, prevents us from expecting favour from the government. Therefore, at the beginning of 2023, we wish this year to reach a long-term, stable, and open representation- both in the legislature and in the executive. Then the year will probably be better and reforms that have long been prepared, such as philosophy, efficiency assessment and implementation mechanism, can be implemented in the end of the day.

IVAN HADJIIVANOV,

CHAIRPERSON OF THE CHAMBER COUNCIL OF PRIVATE ENFORCEMENT AGENTS

1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

Seventeen 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 recognised rights. Therefore, the figures speak for themselves: the total amount of funds collected since the creation of our profession until today is BGN 14 billion (EUR 7 billion). And in the state budget, without spending a penny for this activity, BGN 1.6 billion (EUR 800 million) have been paid.

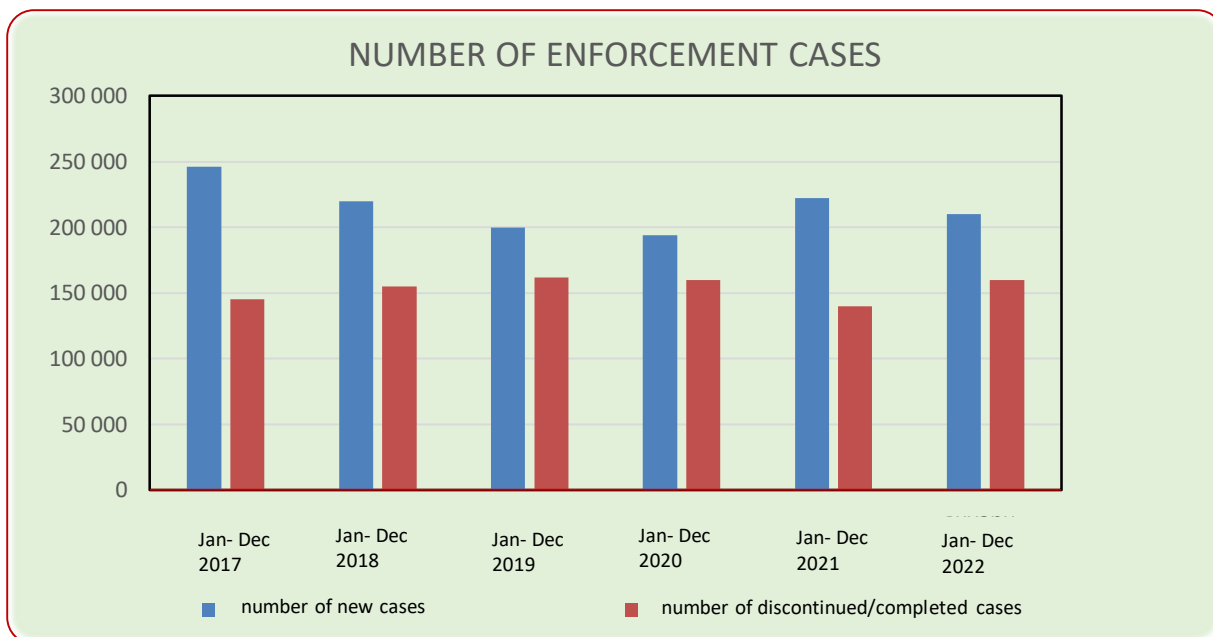
Today, several thousand employees work in the PEAs offices. In the first years of the functioning of the profession, there was a lot of talk about the role of PEAs as regulators of the business environment. For the billions of leva that have returned to business and the state budget. Now, in addition 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 2022, there were **188** PEA offices in Bulgaria, employing over 2000 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>
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
2021 - 222,000	2021 - 140,000	2021 - BGN 900 million
2022* - 210,000	2022* - 160,000	2022* - BGN 850 million

* Note: Data for 2022 are approximate, as they are still being collected and summarised.



For seventeen years since the establishment of the private court enforcement so farat PEAs **2 million and 730,000 cases** have been formed, **1,402,000** cases have been closed, and the collected amount exceeds **BGN 14 billion**.

Enforcement cases are about 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.

Cases of PEAs in favour of the state, municipalities and citizens are approximately 50,000 cases per year. This is shown by the statistics of BCPEA for the last three years. 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 2022, the complaints filed through the PEAs to the district courts were about 3,300, of which the court upheld about 450.

More than half of the private enforcement agents have authorised their assistants - as of 31 December 2022 there were 190 assistants PEAs across the 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 Bulgaria finance with their own funds this type of cases, which they are not few.

The law companies 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 Bulgaria meets all European criteria for a modern, legal, and effective activity.

2. DETAILS ABOUT THE CHAMBER

Since its establishment on 26 November 2005, BCPEA has managed to establish itself as a good partner for Bulgarian and international institutions. After 17 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 within the territory of all district courts in the Republic of Bulgaria and currently they total 188, including 92 men and 96 women.

During the reporting period, two private PEAs with areas of operation – Veliko Tarnovo and Haskovo, have lost their legal capacity forever on the grounds of Article 31, para. (1), sec. (1) of the Private Enforcement Act

The circumstances for each private enforcement agent, 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 December 2022 consisted of seven 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 2023 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 BCPEA administration.

This year, 39% of BCPEA members responded to our request to give their opinion. It stands for nearly a third of the members of our industry. We truly thank all colleagues who despite their heavy work environment 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 BCPEA as your professional organisation?	5.21	86.85%
How do you rate the services provided by the Chamber?	5.32	88.66%
Administrative services	5.44	90.74%
EAS trainings	4.81	80.10%
How do you rate the Chamber management of Private Enforcement Agents?	5.38	89.72%
Activity	5.25	87.56%
Willingness to communicate with members	5.32	88.66%
Media communications	4.90	81.64%
How do you rate the Chamber administrative staff?	5.60	93.33%
Activity	5.60	93.29%
Communication with members	5.64	93.98%
timely	5.57	92.82%
comprehensive	5.57	92.82%
overall attitude	5.66	94.37%
Overall rating of the Chamber activities according to the needs, expectations and usefulness of its members	5.16	86.03%
What is the quality of the materials made by the Chamber?	5.21	86.90%
Internet site	5.30	88.26%
Register of debtors	5.47	91.20%
Register of public sales	5.32	88.73%
How do you rate trainings organised by ESE?	4.82	80.39%
Teachers	5.07	84.58%
Content of the study material	4.92	82.07%
Quality of teaching materials	4.81	80.10%
Price	4.74	78.92%
Number	4.69	78.11%
Public Relations		
Overall work with the media	4.66	77.70%
Quantity of published materials for PEAs in the press	4.56	79.95%
Quality of the materials and their effect on the PEAs profession	4.62	77.05%
Interaction with institutions	4.75	79.17%
Digitization of enforcement procedures	4.81	80.09%
Improving the institutional environment for the work of PEAs	4.61	76.90%
How do you rate your personal involvement and contribution to the work of the Chamber?	4.16	69.32%

After the results were processed and analysed, it is generally concluded that, with few exceptions, the overall asSEDSments of our colleagues for 2022 have slightly improved compared to the previous 2021, the year of pandemic. The PEAs traditionally give a very high asSEDSment to the Chamber administrative staff, as in 2022. - **5.60**. PEAs who have filled in and sent questionnaires total **72**. The overall asSEDSment received for the services provided by it and its usefulness for each PEAs stands at **5.16** on a six-point scale, and the performance of administrative services for members this year was rated the highest - **5.56**.

A total of 68 respondents described the activity of BCPEA as positively developing, and two PEAs shared the opposite opinion. Regarding the question of whether there was progress in the Chamber's overall work in 2022 compared to 2021, there are different opinions. However, some PEAs believe the levels and rates of development remain unchanged compared to the previous year or that there is some progress, but it should be more. Other colleagues believe that in view of the unstable political and economic situation in the country, there should be no expectations for significant progress in protecting the interests of the profession. A few PEAs have no opinion because they admit being distanced from the Chamber's organisation and activities. The remaining respondents believe there is no progress to benefit the profession.

The summary considers very good results in the work of BCPEA management and excellent certificates for the Chamber administrative staff. The average score for the management activity in 2022 is **5.38** (for comparison the score received in 2021 is 5.54, in 2020 - 5.46, in 2019 - 5.46), and the team of employees in the administration is rated with **5.60** (for comparison: 5.67 for 2021, 5.65 for 2020, 5.66 for 2019). Given the unprecedented hardships that Bulgaria has faced over the past three years, and in particular the Chamber and our industry, the asSEDSment 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 respondents indicate:

- Provided electronic access to multiple national registers and improved provision of electronic services, which facilitated the work of the Private Enforcement Agents and reduced costs for the parties in enforcement proceedings;
- The 2022 Examination for Assistant Private Enforcement Agents;
- There is always a willingness to cooperate; good, timely, and correct communication with employees and BCPEA management. Despite the hard setting, the Chamber's governing body and administration are always there to help in any way they can, if necessary, in the work of PEAs;
- Efforts of the management to update the fees under the Tariff and change the taxation regime for PEAs. Transparency and accountability to the Private Enforcement Agents regarding the activity in this direction, although there is no real result;
- Procedural protection by 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 latest new legislation and the change in the normative acts; Qualification enhancement;

- Celebrating the 17th anniversary of BCPEA with a wonderful celebration;

- A number of the surveyed colleagues cannot judge whether there have been useful activities in the service and interest of their offices or directly express the opinion that there are none.

Regarding the adequacy of the membership fee versus BCPEA activity, a large part of the opinions this year believe that despite the severity with the pandemic emergency and a war in Europe over the past two years, the ratio of membership fee versus the Chamber activity is fair and normal. PEAs consider as a positive step BCPEA General Assembly's decision of June 2021 to reduce the amount of annual fees by criterion of number of yearly worked months. Here, conformity assessments range from excellent through adequate, fair, balanced, proportionate to the activity, objective, optimal, to acceptable and satisfactory. Two out of 72 respondents believe that the amount of the contribution is high, and two others - that it is lower than what the Chamber does for each of its members. There is also an opinion that a deferral/remission of part of the membership fee of colleagues who have a number of cases below the subsistence minimum for the existence and maintenance of a law firm may be considered. Assuming this is a representative sample of the opinion of the law enforcement industry, we can summarise that only 2% 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 BCPEA with the institutions of the Republic of Bulgaria. Based on the respondents' answers to the survey, their opinion regarding media relations over the past 2022 (average score 4.66) versus the previous 2021 (average score 4.71) shows a slight decline. A significant part of our colleagues' recommendations is addressed to the Chamber governance is precisely related to putting more efforts in building a comprehensive media strategy and focused work for more broadcast information in the media about the role of the private enforcement agent in the protection of the public interest.

Regarding the criteria "Interaction with Institutions", "Digitization of Law enforcement Procedures" and "Improvement of the institutional environment for work" the assessments are positive this year, although the opinion of PEAs on these indicators remains traditionally sceptical and low compared to other activities and initiatives of BCPEA. The ratings of our colleagues in this regard can be summarised as follows: good assessment of the interaction with the institutions - **4.75** (for comparison in 2021 - 4.77; 2020 - 4.91; 2019 - 4.91) and the achievements in digitization of enforcement procedures - **4.81** (for comparison in 2021 - 4.78; in 2019 - 4.65; in 2018 - 4.62; in 2017 - 4.77). In terms of improving the institutional work environment, the level of satisfaction in 2022 is also comparable to that of 2021. Private enforcement agents gave an overall score of **4.61** (for comparison 4.59 in 2021), i.e. there is no improvement in the institutional environment - a fact fully explainable given the chaos and stupor caused in all social systems in the country.

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:

- Implementing an urgent and intensive approach to amend the legislation as follows: 1. Updating the Tariff of PEA Fees - making a reasonable option only in the part of the simple fees and sending it to the Ministry of Justice and the Ministry of Finance. The current charges are extremely inadequate to the reality and the current economic situation; 2. Personal Income Taxation Act, Private Enforcement Agents Act, etc. regarding the provisions concerning the determination of the basis of the annual tax of PEAs. An increase in statutory costs to 40%, similar to lawyers, which would lead to a minimum relief of the taxes paid by each PIC. PEAs should be able to opt for the method of taxation, as for larger offices, corporate offices in order to allow PEAs to be taxed under the Corporate Income Taxation Act (CITA), where all incurred expenses can be deducted;

- Continuing and finalising the process of digitization of law enforcement, including ensuring communication and exchange of documents with institutions entirely electronically, as well as ensuring full electronic access to information about debtors. Fully electronic reports, distraints, foreclosures and auctions;

- Organising public discussions on the initiation of legislative changes in the enforcement process in order to increase its effectiveness and to harmonise the existing legislation with latest European and global economic developments. Undertaking a legislative initiative in connection with the assignment of new powers to PEAs in line with the best EU practices, such as voluntary debt collection;

- Reduction of the administrative burden of the companies, including and above all the Law Enforcement Information System (LEIS);

- Improving the managerial and organisational activities of BCPEA. Greater willingness to communicate with members and more active communication with the media;

- The work of each PEAs will be substantially supported if the Chamber continues to work hard on its task to be allowed access to the registers of the Traffic Police. To assist in ensuring the possibility for PEAs to stop the debtors' vehicles from moving;

- Legislative regulation at the level of Ordinance by agreement between BCPEA and NAMRB on the problem of service of court papers on parties in small settlements under the Civil Procedure Code;

- Improving the activities of the European School of Enforcement and public relations. Hard work to improve the qualification and public image of the profession. Collecting the jurisprudence in the field of enforcement (good and bad) and to send to all private enforcement agents. Organising meetings and workshops with judges from city and district courts in order to unify the practice. Uniform access of the members of BCPEA to a legal information system (APIS or Ciela - case law). Strategy for media presence of the profession for the purpose of a positive image;

- Development of own BCPEA record-keeping program - creation of a target fund, with its own targeted contributions from the willing,

formation of a committee or working (WG) to write not a technical assignment, but a conceptual design of what the program should look like and what it can do, and after approval by the investors who paid for it, to proceed to the selection of a contractor;

- Introduction of a bonus-malus system for the payments of the PEA;

- BCPEA must insist that the PEAs exam be an annual one;

- In the present situation, everything BCPEA does or tries to do is futile. Unfortunately, the opportunities are minimal due to the complex working environment in the country.

We thank all colleagues who have openly and honestly expressed their opinion on the problems of the past difficult year for all of us - management, administration, and PEA offices! There are no critical comments on BCPEA activity in the past 2022. Only a few recommendations have been made in the following areas to improve the Chamber activities as a whole in 2023:

- Updating the Tariff of Fees and Taxes with the Private Enforcement Agents Act;

- Change in the taxation regime of PEAs;

- Paying more attention in the Chamber's interaction with the media. Active media participation is needed to protect the image of PEAs. Publications and materials in the media regarding the activities of PEA;

- Expanding the electronic work environment and comprehensive introduction of electronic services;

- Introducing an administrative fee for handling complaints in BCPEA. Ability to electronically send enforcement cases on complaints and alerts against PEAs and to stop the practice of sending copies of enforcement cases on paper;

- To continue the initiatives for the introduction of voluntary enforcement and the establishment of facts, which should be assigned as powers of the PEA;

- Sharing the ambition and teamwork to ensure even better communication between individual enforcement agents and the Chamber;

- Diversifying and more workshops related to conflicting case law.

- BCPEA achieves high results in carrying out its activities. To continue in the same direction. People directly involved in the activities of the Chamber work tirelessly to improve our common work and know how to do it. To continue in the same spirit. I have no recommendations.

The private enforcement agents themselves this year set a lower score compared to the previous year for their personal involvement and contribution to the work of the Chamber - **4.16** (for comparison 3.90 in 2021; 3.87 in 2020; 3.96 in 2019; 4.13 in 2018). This indicator assessment sends off a clear signal of the difficulties experienced by private enforcement agents in their daily work. They probably realize they should invest even more efforts into their work in such an aggressive political, economic and social environment are even greater.

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 2023 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

After a long period of pandemic and inability to hold live workshops and conferences, after two full years of isolation, in 2022 BCPEA is pleased with the opportunity to hold a national conference. The law enforcement industry gathered at Sunny Beach resort on June 4 to discuss key issues related to the activities of the industry. The colleagues were happy to see each other again in a pleasant and relaxing environment. BCPEA National Conference was held constructively, and the practical focus and topicality of the topics contributed to an active and open dialogue.

A report on the interaction of BCPEA Council with the institutions and working groups in the Ministry of Justice was presented to the members of the organisation. The information was presented by the Chairperson of BCPEA Ivan Hadjiivanov and the members of the Council Maria Nikolova-Angelova, Stefan Gorchev and Dilyan Nikolov.



Part of the agenda was the discussion of the initiative of BCPEA for updating the Tariff of Fees, which was presented by Gueorgui Tarlyovski. The ongoing IT-projects of BCPEA were presented by Dilyan Nikolov and Stefan Gorchev, and BCPEA Dilyana Ilieva-Kostadinova developed the topic of several interpretative cases important for the law enforcement, which have been or are about to be concluded with the rendering of interpretative decisions by the Supreme Court of Cassation. The possibilities for legislative initiatives of BCPEA to improve the regulatory framework were also discussed. It is necessary to continue the process of digitalization in law enforcement, which will reduce the costs for the parties in the enforcement process. Our industry also strives to expand the range of PEA powers in accordance with the best practices in Europe. The prospects indicate at voluntary collection of receivables, voluntary sales, establishing the facts. It takes an urgent change in the tax regime of PEAs and for updating the Tariff of Fees and Taxes with the Private Enforcement Agents Act. BCPEA Council reported to the conference participants that it is also working to increase the number of public creditors to assign their receivables for collection from the PEAs. A project is underway to develop an electronic system for random allocation of enforcement cases to public creditors.

With considerable dissatisfaction, the attendees acknowledged the fact that the current Chamber governance is very difficult to implement its priorities under the 2021-2024 program for changing the current legislation in the field of law enforcement, as progress could happen extremely difficult in conditions of extremely unstable political situation in our country, and it has been such for a second consecutive year.

The Chairman of the Disciplinary Committee (DC) of BCPEA presented a report on the activities of the Disciplinary Commission for the first half of 2022. PEAs also discussed specific procedural issues and problems of law enforcement and unification of practices. In a separate panel, answers were given to questions posed by private PEAs to the BCPEA Council.

This year we celebrated our professional holiday - 17 years since the establishment of BCPEA! On this pleasant occasion and as a logical and well-deserved end to a busy and very stressful year in professional terms, on 02 December 2022, we had the pleasure to organise the traditional celebration of the holiday of an official dinner in a narrow circle, without the presence of external guests. There was a lot of fun and pleasant emotions. Full communication between colleagues from all over the country is something that rarely happens in the hectic and busy everyday life. Therefore, this format of holding the holiday appeals to most colleagues, and they express their desire for it to continue in the future.

The national conferences and workshops of PEAs, along with the constant exchange of information between the Chamber administration and its members, despite the difficult conditions (health and political crises) in which we had to work over the past two years, remain and continue to be a key tool for raising the awareness and provide mutual support within our industry.

3.2. Interaction with Institutions

In 2022, the work of BCPEA Council with state institutions, media and public organisations was again severely hampered. Unfortunately, Bulgaria experienced severe political crises throughout the past year. Parliamentary elections ran once again on 2 October 2022. The parliamentary elections in Bulgaria in 2022 were held for the election of MPs in 48th National Assembly on Republic of Bulgaria. Those were snap elections, after a vote of no confidence was successful against the government of Kiril Petkov and the return of the three exploratory mandates (We Continue the Change, GERB-UDF and BSP) to the President Rumen Radev. For a quite long period of the year, Bulgaria was governed by caretaker governments, whose powers preclude initiating and implementing legislative changes. The Ministers of Justice and the heads of other key institutions regulating our profession have been constantly changing. In such a situation, it was impossible for BCPEA to achieve its goals of improving not only the legislative framework, but also the overall activity and status of the profession. However, BCPEA Council has made all necessary efforts in this regard, especially on issues that can be resolved at the executive level. Numerous meetings were held with the Ministers of Justice and their deputies on the need to launch immediately electronic auctions, and to update the Tariff of Fees and Taxes with the Private Enforcement Agents Act, with the inflation rate of the last 16 years, etc. However, despite the general understanding and goodwill shown by the leadership of the Ministry of Justice, no result was achieved.

LEGISLATION

Every system needs to be improved and BCPEA 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-recognised right. The law must ensure the protection of the rights of both parties. Law enforcement in Bulgaria 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 law 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.

As early as the beginning of 2021, BCPEA Council appealed to the Chairperson of the Committee on Legal Affairs of the 44th National Assembly to prevent persons exercising public state functions such as private enforcement agents from suspending their activities for purely economic reasons. We have insisted to make changes in the tax regime of PEAs and notaries, which would allow the offices to survive by giving them the right to choose which order to tax - under the Personal Income Taxation Act or the Corporate Income Taxation Act. In this way, law offices will not be closed, the jobs will be preserved, respectively the budget will not suffer any losses, because operational revenues of the offices are much higher. We pointed out this proposal is not only economically, legally and socially sound, but also fair in view of the current legal situation of PEAs. It is known to us all reasons a little later the 44th National Assembly had to be dissolved. After him, in just a year and a half, the 45th, 46th, 47th and the current 48th National Assembly were listed...

Throughout the past 2022, the persistent attempts of the management of BCPEA to initiate legislative changes regarding the taxation of private individuals and the updating of the private sector have continued. Already in the first months of the year, meetings were held in the National Assembly with representatives of various parliamentary groups and committees, as well as in the Ministry of Justice with a minister and deputy ministers. Detailed and motivated letters were sent twice to the various heads of ministries and commissions. This process has been going on for two years in a row - without any result. We find no logical reason to meet the deafening silence on the topic of the responsible institutions - Parliament, Ministry of Finance, Ministry of Justice.

MINISTRY OF JUSTICE

In the past 2022, when it was almost impossible to ensure normal work on legislation, in letters and meetings with the leadership of the Ministry of Justice, BCPEA governance invariably continued to support its proposals to improve progress in electronic workflow, which in view of the current economic developments are not only good, but also mandatory, since they will save costs. We demanded the launch of e-public sales, e-distraints, e-receipt of encumbrance certificates, electronic distraints, and amendments to the Civil Procedure Code to create the widest possible opportunities for notifying persons and serving papers electronically.

The issue of incorrect and unfair taxation of PEAs will be a priority for the newly elected governing body of BCPEA. 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 Bulgaria the state treats our professions extremely wrong by not recognising the actual costs incurred for the activity. In 2022, we held meetings with the Minister of Justice Mr. Krum Zarkov and Deputy Minister Yulia Kovacheva. We introduced them to the difficult situation in the PEAs system, but given the lack of a functioning parliament and limited tenure of the caretaker government, few issues could be resolved, especially in the area of regulations. The Cabinet has other priorities and powers.

The interaction between BCPEA and the Ministry of Justice is in the form of formal and informal meetings and joint working groups. Members of our industry participated in several working groups at the Ministry of Justice, namely:

- ***Draft Ordinance on the Law Enforcement Information System (LEIS)***- our representatives in the working group are Gueorgui Dichev and Nedelcho Mitev;

In issue 71/02.09.2022 of the State Gazette was promulgated Ordinance on amendment and supplement to Ordinance № N-1 of 2022 on the Law Enforcement Information System. Pursuant to § 7 of the said Ordinance on Amendment and Supplement: In § 3 of the Transitional and Final Provisions of Ordinance No. H-1 of 2022 on the Law Enforcement Information System the words *1 September* are replaced by *1 November*. That is to say, the ordinance entered into force on November 1, 2022.

Despite our insistent letters and conversations within the working group for ISSI (we sent letters on January 5, February 2, August 31, 2022), so far, the Chamber of PEAs has not received and does not have the technical documentation, specifications, source codes, etc., regarding the implementation of ISSI in the registry software of the PEAs offices. Accordingly, our software specialists are unable to connect the registry systems of the offices with the EAA because the technical data for this process is missing, which should be officially submitted by the Ministry of Justice to BCPEA.

On 14 October 2022, BCPEA resent a letter to the Ministry of Justice, insisting that the required technical documentation be sent in an urgent order - for the private enforcement agents to comply with the legal deadlines for putting into real operation of the information system of the law enforcement. In the letter, we also requested the appointment of a technical person from the Ministry of Justice for operational contact on the issues that the developers of our record-keeping programs, BCPEA and the individual private PEAs have regarding the implementation and operation of the LEIS. An official response from the Ministry of Justice was never received until the end of the 2022 reporting year.

- An interinstitutional working group ***"Analysing and proposing the necessary changes in Bulgarian legislation and preparing information to the European Commission on the implementation of Council Regulation (EU) 2019/1111 of 25 June 2019 on jurisdiction, the recognition and enforcement of decisions in matrimonial matters and the matters of parental responsibility, and on international child abduction"*** - our representatives in the working group are PEAs Siyka Anadolieva, Rositsa Apostolova;

The Working Group was established by an Order of the Minister of Justice of 12 April 2021, and representatives of BCPEA are invited to participate later - in November 2021. The working group includes representatives of the courts, university lecturers, experts from the Legislation Council at the Ministry of Justice, experts from the International Legal Cooperation and European Affairs Department at the Ministry of Justice, state experts from various directorates at the State Agency for Child Protection, the Ministry of Labour and Social Policy, state, and private enforcement agents.

The task of the working group was to carry out an analysis and propose changes in the current legislation related to the implementation of Regulation 2019/2011. The representatives of BCPEA attended 3 meetings of the working group, as well as 3 written opinions on the draft amendments to the CPC proposed by the Ministry of Justice. The Regulation has started to apply to legal proceedings initiated after 01 August 2022, but the amendments to the CPC have not yet been adopted. Subsequently, the scope of the working group was extended by considering proposals for amending and supplementing the CPC providing direct enforcement without issuing an enforcement list of Decisions under Regulation (EC) No 861/2007 of the European Parliament and of the Council of 11 July 2007 establishing a European Small Claims Procedure, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Enforcement Order for uncontested claims and Council Regulation (EC) No 4/2009 of 18 December 2008 on jurisdiction, applicable law, recognition and enforcement of judgments and cooperation in matters relating to maintenance obligations.

- **"Amendment and Supplement to the Judiciary Act"** - our representative in the working group is PEA Maria Nikolova-Angelova. The participation of BCPEA in the working group set up at the Ministry of Justice for amendments to the JSA continued for a period of about a year and a half. It was established by an order of the Minister of Justice № LS-13-128/18 November 2021. Despite the complicated political situation and the difficulties of including in the agenda of the MPs the targeted amendment of the JSA, presupposed by various conventions concerning other legal issues, the amendments proposed by the working group were eventually tabled by the proposer Ministry of Justice in the National Assembly and were allocated to work in the relevant Committee on Legal Affairs. Currently, in the part concerning the enforcement proceedings, the proposed amendments were included by the Legal Committee through proposals of other MPs and voted at first reading at the meeting on 18 January 2023. A second reading of the amendments in plenary is forthcoming. They provide for relevant amendments to the Civil Procedure Code and the JSA, in the part concerning e-Justice, upgrading the existing EPUE by assigning new specifications to it and changing the texts of Article 408, para. (1), para. (3) and Article 426, para. (1) of the Civil Procedure Code. In case of a positive vote at second reading of these changes, the possibility of issuing an electronic writ of execution will be introduced, obtaining access to it by the enforcement agent through the EPUE and the start of the enforcement proceedings after confirming the access to the list in the EPUE;

- **"Preparation of a proposal for improvement of the legal framework for the implementation of the obligation to hand over a child"**

in Chapter 48 of the Civil Procedure Code" - our representatives in the Working Group PEAs Syika Anadolieva and PEAs Rositsa Apostolova; The working group was established by Order of 22 February 2022 of the Minister of Justice. It also includes judges, state experts from the Legislation Council, representatives of the Agency for Child Protection, Social Assistance, the Ministry of Labour and Social Policy, state enforcement agents, the Ministry of Interior, representatives of some parent associations. A total of 3 working group meetings were held. Written proposals for amending the legislation have also been prepared by BCPEA.

- **"Amendment of Ordinance No. 2 of 29 June 2015 on the registration, qualification and remuneration of experts"** - our representative in the working group is PEA Siyka Anadolieva.

In State Gazette (SG), issue 91 of 02 November 2021, amendments to Ordinance No. 2 of 29 June 3015 on the entry, qualification and remuneration of experts related to the establishment of the Information System "Unified Register of Experts", were promulgated, effective from 01 April 2022. We found that despite the application of the ordinance to enforcement cases, PEAs are not provided access to the non-public part of the register, which contains contact details of experts - address, telephone, e-mail, as well as details of their additional qualifications. Therefore, in a letter to the Minister of Justice, we proposed to create a working group to change the Ordinance.

The working group was established by an Order of the Minister of Justice immediately after receiving our request, but started work with a long delay, scheduled, and postponed several times meetings. Representatives of the Ministry of Justice, state enforcement agents and PEAs participate in the working group.

A working group meeting was held in May 2022 and the proposals made by us for change have been accepted in full. Meanwhile, by Decision No. 4769 of 18 May 2022, rendered in administrative case No. 5508/2021, confirmed by Decision No. 10549/21 November 2022. On a five-member panel, the SAC repealed Ordinance No. 2 of 29 June 2015 on the registration, qualification, and remuneration of experts, without Article 1, para. (1), sec. (4), Article 16, para. (2), Article 22 and Chapter Six. In Article 40 and Article 43 of the draft new Ordinance sent to us by the Ministry of Justice, also published for public discussion, it is envisaged to allow the access of each enforcement agent to the non-public part of the register.

- **Development and implementation of an electronic information system "National Register of Distraints"** - our representative in the working group is Delyan Nikolov. Part of this project is the preparation of a module for electronic auctions. In practice, the project has been completed, the necessary legislative changes have been adopted in the Civil Procedure Code (Article 501a, Article 6), but in order to start, it is necessary to adopt a by-law - an ordinance - a representative of BCPEA in the working group is the Private Enforcement Agents Delyan Nikolov;

- **Draft Ordinance on the Organisation, Rules and Activity of the Online Platform for Electronic Public Auctions**, envisaged to be issued by the Minister of Justice on the grounds of Article 501a, Article 6 of the Civil Procedure Code - our representatives in the working group are PEAs Gueorgui Dichev and Delyan Nikolov; For reasons

beyond our control, the process has been blocked for the past two years.

- **"Improvement of the legal framework of the state fees collected by the courts»** - our representatives in the working group are Maria Tsacheva and Gueorgui Dichev. BCPEA Council commissioned a team of four eminent economists to prepare an analysis of the actual amount of fees in the PEAs system, considering all changes that have occurred since 2006. The report did not surprise us, it only objectively and scientifically showed the facts that are known to everyone, namely that the charges indicated as a hard amount in the tariff are many times lower than the actual values at the moment. Based on the conclusions of the economists' report, the Council of the BSECP sent several letters to the Ministers of Justice during the reporting period demanding an urgent update of the tariff. Several meetings were also held with the various leadership of the Ministry of Justice, eventually forming a working group on the regulation of state fees in the judiciary. At the meeting held in June 2022, all participants in the working group agreed on the need to update the fees in law enforcement. Unfortunately, the country again fell into a political crisis and a caretaker government was formed. A meeting with the new Minister of Justice Mr. Krum Zarkov was also immediately requested in August. After it, the working group convened again, which held a meeting only in December 2022.

At the end of the past 2021, BCPEA addressed a request to the Minister of Justice to organise of a new competition for assistant private enforcement agents. There was a shortage of such staff at the time. The latest competition was organised and held in 2017. In its letter, BCPEA requested from the Minister of Justice to establish a working group at the Ministry of Justice to draft amendments to Ordinance No.3 of 11 December 2007 on the procedure for conducting exams for assistant private enforcement agents (promulgated, SG, issue 108 of 19 December 2007, as amended and supplemented, issue 25 of 26 March 2021), which shall regulate regular organisation of exams for assistant private enforcement agents every two years. Ordinance No. 2 of 18 June 2003 on the terms and conditions for conducting an exam for assistant notaries by substitution does contain such a regulation.

These requests have not been answered by the Ministry of Justice. This necessitated the sending of two new letters (in January and May 2022), ultimately resulting in a positive result, at least in the part of taking a new exam.

By Order No. SD-04-34/31 May 2022, an exam for assistant private enforcement agents was scheduled. The candidates had one month to submit their documents for the exam. The acceptance of documents took place in the period 06 June 2022 - 06 July 2022. A total of 231 people applied. According to amended and supplemented in Ordinance No. 3 of 11 December 2007 (State Gazette, issue 25 of 26 March 2022), it was necessary to send the list to the Minister of Justice for carrying out a criminal background check and legal capacity of the candidates. In the MoJ, the relevant ex officio checks were carried out, which showed irregularities in the documents of seven candidates. Five of them removed the irregularities in time, and the other two lost the right to take the exam. The exam was held on seven consecutive days from 07 November to 13 November 2022. Of the 229 candidates, 170 passed the exam and became an assistant private enforcement agent. Some of them

are already officially authorized and work in the PEA offices all over the country.

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 objective in itself, but a means for all PEAs to strictly observe the law and the rules.

SUPREME COURT OF CASSATION

In the past year, the Supreme Court of Cassation issued two interpretative decisions of particular importance for law enforcement, which answered several important questions for the profession in an interpretative way.

With The decision of 20.05.2022 under TD No. 6/2020 was adopted the opinion that the enacted decrees under Article 496, para. 1 CPC for the assignment of real estate are not subject to revocation under Article 303 et seq. of the CPC.

The decree under TD No. 2/2021 A decision of 22 November 2022 unequivocally resolved the disputed issues that upon inspection under Article 463 of the CPC of the legality of the contested allocation is limited by the complaints in the appeal. After the annulment of the distribution appealed before it, prepared by an enforcement agent, respectively the appellate court, after the annulment of a decision of the district court confirming the contested distribution, decides on the merits by making a new distribution itself. The fees due but unpaid in advance by the creditor during the enforcement proceedings shall enjoy the privilege under Article 136, para. (1) of the Obligations and Contracts Act. The municipal waste charge does not enjoy the privilege under Article 136, para. (1), sec. (2) of the Obligations and Contracts Act, but the privilege under item 6 of the same paragraph.

We cannot fail to share our satisfaction with the fact that the Supreme Judges voted with a majority to accept BCPEA justification in the opinions prepared on the controversial issues and strongly supported them.

AGREEMENTS WITH GOVERNMENT INSTITUTIONS FOR COLLECTION OF THEIR PUBLIC RECEIVABLES

BCPEA, 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 enforcement of collectibles started 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), 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 enforcement agents. 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.

Seven years after the signing of the Agreement on Increasing the Collection of Public State Receivables in Favour of the Judiciary between the SJC and 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.

COUNCIL OF ELECTRONIC MEDIA (CEM): 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 2022, we have 349 enforcement cases filed with the creditor Council for Electronic Media.

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

Since 2014, BCPEA has signed agreements with the Executive Forest Agency and the State Agency for Metrology and Technical Supervision (792 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

On August 19, 2022, a meeting was held between the leadership of the Ministry of Interior and BCPEA. At the meeting, the ministry was represented by Minister Ivan Demerdzhiev, Deputy Minister Monica Beecher and Petar Bakardzhiev - an adviser in the political cabinet. The Chairperson Ivan Hadjiivanov and a member of BCPEA Council Siyka Anadolieva participated on behalf of the BSEC. The main highlights of the meeting, set by our representatives, were: collection of fines imposed by the Traffic Police; providing access to the electronic database and information system of the Traffic Police, including the possibility of electronic registration of the imposed distraints; free of charge receipt of reports from the Traffic Police, received electronically, as well as stopping the movement of the distrainted vehicles.

The idea of 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. Over the years, former traffic police chief and road safety experts have repeatedly recommended that the state should engage private enforcement agents so that the NRA does not have to prosecute the numerous violators who are unwilling to pay for their offense

charges. Back in 2017, NRA representatives reported a total of BGN 66.3 million in uncollected fines for traffic violations. 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 has not responded to the helping hand extended by 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*". 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). 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. Unfortunately, the completion of the Ministry of Interior, which we have been waiting for years, turned out to not work effectively, as the reference is by vehicle number and not by PIN / UIC of the debtor.

Our opinion on the draft amendment to the Road Traffic Act of 22 May 2020 was sent to then Minister of Interior. 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 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. This time our appeal was ignored by the Ministry of Interior.

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 view of the digitization of state administration processes over the last couple of years, and as an adequate response to the administrative paperwork implications triggered by the COVID-19 pandemic in relations between public institutions and citizens, in 2020 the two institutions agreed to use the Register of Bank Accounts and Safes (RBAS) by PEAs entirely electronically.

In connection with the amendments to the BULSTAT Register Act (promulgated in the State Gazette, issue 96 of 03.11.2020), which entered into force on 04 November 2022, concerning the official transformation of the UIC for natural persons under Article 3, para. (1), sec. (9) and sec. (11) of the 10-digit to 9-digit code, in January 2022. BCPEA collected and systematized all the necessary information on the new UIC of the PEAs operating on the territory of the Republic of Bulgaria. The same was officially sent to the BnB upon their request, and in the communications it was specified that the VAT ID data for some PEAs could undergo a change in the coming months, given the fact that the National Revenue Agency is not yet finished and a process of converting the tax numbers for individuals is underway.

In March 2022, the BnB informed us that a new functionality has been implemented in the RBSS for submitting information about the special registers kept by the authorities and institutions under Article 56a, para. (3) of the Law on Credit Institutions and comparing the entries therein with the registered in the system actions of the authorized users. The submission of information to RBSS is through a structured file, for which we also received instructions. It was emphasized that, if necessary, the BnB can compare information about records from the special registers of authorities and institutions for a certain period of time with the data in the RBSS.

At the end of the 2022 reporting year, a notification was also deposited by the BnB on the occasion of an increase in the fees for the reports issued by the RBSS as of 1 January 2023.

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

REGISTRY AGENCY

As a result of the working group's activity, both Ordinances were passed, which gave the operational environment for the new functionality of the Registry Agency at the beginning of 2021, namely digitization of the enforcement agents' access to the property register

of acts, electronically requesting and receiving 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). The implementation of the project BG05SFOP001 "Upgrading the Property Register for Integration with the Cadastral Register and Provision of Additional e-Services" crowned the multiannual efforts of BCPEA to provide electronic access of PEAs to the arrays of the Registry Agency.

The long-standing difficulties and problems in the work of PEAs and notaries with the Registry Agency (in particular the Registry Agency desk in Sofia) 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 easier 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 PEAs 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 of BCPEA with the State Agency for Electronic Governance lasted several years. Since 2019, Private Enforcement Agents have access to RegiX. In the beginning, the result was below our expectations because a significant part of the data controllers had not integrated their registers with the inter-register exchange environment. The inclusion of individual PEAs in RegiX also proved to be slow and cumbersome. 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. By the end of 2021, official data from the Registry Agency were already integrated into RegiX, unlike Traffic Police databases.

To date, PEAs widely use the following reports through Regix: reports from the NRA on employment contracts, public liabilities and insured persons under Ordinance H-13; reports from the Registry Agency for a property lot of legal entities and individuals, on a property lot, current status, participation of individuals in the CRRNPLE; from the Ministry of Regional Development and Public Works general reference for an individual (permanent and current address); from the Ministry of Interior reference for the validity of an identity document; from the CPR reference search of participants, as well as reports from many other national registers (a total of 31).

The State Agency for Electronic Government (SAEG) has created and maintained the Secure Electronic Delivery System (SEDS), in conjunction with the Electronic Government Act (EGA) and Regulation (EU) No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and certification services for electronic transactions in the internal market and repealing Directive 1999/93/EC (Regulation).

The SEDS covers both the requirements for "electronic registered mail service" set out in the Regulation and part of the requirements for "qualified electronic registered mail service", ensuring the identification, authorship, and integrity of the person who sends/receives documents. As early as in 2021, BCPEA asked SAEG to indicate whether the established system (SEDS) meets the characteristics of the "qualified e-registered mail service" specified in Article 44 of the Regulation, as well as whether there is a technical possibility, the current "System for secure electronic service" of SAEG, to be finalised in accordance with the requirements of Article 44 of the Regulation. The information we requested referred to the amendments to the Civil Procedure Code Amendment Act, adopted by the 44th National Assembly on 17 December 2020, promulgated in State Gazette pursuant to Decree No. 305, issued in Sofia on 22 December 2020, by the President of the Republic of Bulgaria, concerning Chapter Six of the Civil Procedure Code (CPC) - "Notices and Summons" (Article 38, para. (2) new). Article 50 of the Civil Procedure Code, has been expanded with a new paragraph 5, which refers to the cited Article 38, para. (2) of the Civil Procedure Code, according to which: The service of credit and financial institutions, including those collecting receivables from consumers, insurance and reinsurance companies and traders supplying energy, gas or providing postal, electronic communications or water and sanitation services, to notaries and private enforcement agents is carried out only by the order of Article 38, para. (2) to the e-mail address indicated by them." Pursuant to paragraph 28 of the Act, the amendments entered into force on 30 June 2021, which obliges private enforcement agents to serve on the persons specified in the provisions, only under Article 38, para. (2) of the Civil Procedure Code.

In December 2021, we again communicated with SAEG on the above issues. BCPEA sent its proposals for amendments to the Civil Procedure Code, concerning the System for Secure Electronic Service with the State Agency for Electronic Government - with a copy to the Minister of Justice and the Minister of Electronic Government. As a result, on

January 11, 2022, a working meeting was held between representatives of the State Agency for Electronic Services and the BSEC, at which our proposals for amendments and additions to the Civil Procedure Code concerning electronic service and electronic distraints through the ESAW were discussed. All of our proposed changes are related to the immediate introduction of electronic services and the digitalization of summoning in civil court proceedings and the enforcement process. The new Article 450a CPC, adopted in 2017, provides for an electronic form for the attachment of a receivable in a bank account, but so far, the Ordinance under Article 450a, para. 3 of the Civil Procedure Code, which was to regulate the technical implementation of electronic seizure. In the meantime, practice has shown that the Secure Electronic Delivery System at the State Agency for Energy Efficiency works effectively, and with the proposed amendments to Article 38 of the present bill, and in particular with the adoption of sec. (3) in para. (2) of the same, it is envisaged a significant expansion of the opportunities for service in the electronic environment of SESA. It is provided that the persons under Article 50, para.5, Article 51, Article 52 may not withdraw consent for service under para. 2. With the development of the electronic services of the State Agency for Electronic Governance and specifically of the Secure Electronic Delivery System at the State Agency for Electronic Services, it can be used to send and receive distraint messages to banks and responses from judicial and public enforcement agents. With the change and introduction of the requirement to use the Secure Electronic Delivery System at the State Agency for Electronic Services, all the problems that hitherto have hindered the introduction of electronic distraints will be solved, and the need to adopt an Ordinance on the functioning of a separate electronic distraint system will be eliminated. The adoption of this text will lead to the immediate introduction of electronic distraints, which will save costs for costs paid by debtors and will introduce another service by the e-government. Moreover, the change will not require additional costs and is in accordance with European legislation.

After the held talks and clarifications, the Chamber again sent to the Ministry of Justice, the Ministry of Education and Science and the State Agency for Education and Science an official proposal for amendments to the Civil Procedure Code, concerning the System for Secure Electronic Service of the State Agency for Electronic Governance – regarding the attachment of a debtor's receivable in a bank account by means of a distraint message in electronic form, signed with QES and sent electronically through the ESA.

The spring and summer of 2022 were again marked by a serious political and economic crisis in our country. Legislative changes in the area of law enforcement and in the civil process in general were not on the agenda in the National Assembly. This made it necessary to wait for another shift in the legislative and executive branches – especially after the parliamentary elections held at the end of October 2022. At the end of the reporting year, BCPEA Council reiterated its proposal to amend the CPC to the new management of the Ministry of Justice, the Ministry of Education and Science and the State Agency for Energy. We hope that the new 2023 will bring us the long-awaited change.

STATE AGENCY FOR NATIONAL SECURITY /SANS/

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 is operational at the 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).

The cooperation of 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. After a two-year break, in the past 2022, the meetings and the presence of our representatives at the mandatory trainings organised by the State Agency for National Security were resumed. Two such meetings were held - in April and December, and our representatives were Rositsa Apostolova, Maria Tsacheva, Viktor Stoyanov, Petyo Petkov and Ivanka Tsonkova. Two or three times a year, for the needs of the activities of working groups or projects of the State Agency for National Security, questionnaires are also sent to us to fill in on the work on prevention and prevention of money laundering and terrorist financing.

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

NATIONAL INSTITUTE OF JUSTICE (NIJ)

On 02.03.2022, at the invitation of the NII, BCPEA took part, through its representative PEAs Siyka Anadolieva - member of the Chamber's Council, in a discussion on the presentation of an analysis Security Proceedings and Proceedings of a Controversial Judicial Administration under the Family Code - an analysis of the case law developed in pursuance of Activity 2 Developing Research Communities under the nip Project - a modern judicial training institution, implemented with the financial support of the Operational Program Good Governance. The analysis was developed by a research community, coordinated by Judge Svetlana Kalinova from the Supreme Court of Cassation and judges from different regional courts in the country.

In addition to regional judges from all over the country, representatives of the State Agency for Child Protection, the Supreme Judicial Council, the Supreme Bar Council, university lecturers, etc. participated in the discussion.

The focus of discussion were the problems faced by the courts in resolving parental rights disputes under Article 127, para. (1) and para. (2) of the Family Code and specific proposals to overcome the problems identified in the course of the study and especially related to the protection of children's rights in the judicial phase of the proceedings. The current problems related to shared parenting, including de lege ferenda proposals, were also partially discussed, so

as to award them more widely, including in the lawsuits, as well as innovative practices of different judges from the country when awarding a regime of personal relations - for example, through the use of means of distance communication between the parent and the child.

BCPEA, through its representative, presented in general the problems that exist in the implementation of decisions on the transfer of children and making personal contacts, especially in cases of parental alienation. Our concerns were expressed that shared parenting is mainly for cases where there is understanding and good relations between the parents, and their enforcement is even more difficult compared to the others and even more traumatic for the children, as it requires very frequent intervention of the enforcement authorities. We also made proposals for increasing the amount of fines and their direct collection from the PEAs who have imposed them; strengthening the role of social services, speeding up the procedures in applying the measures under Article 23 of the CPA; mandatory presence during the very handover of the social worker and the psychologist who work with the child and have a relationship with him (and not a random duty team); to change the practice so that the realization of the

As a result, at the end of the discussion, BCPEA received assurances that representatives of the Chamber will be included in the implementation of these decisions when preparing the proposals for legislative amendments as a result of the analysis.

SOFIA MUNICIPALITY

From mid-June to the end of 2022 Sofia Municipality and the BSECC have worked together on a project for implementation of a Local Taxes and Fees Inquiry System by Sofia Municipality. Our representatives in this process were Siyka Anadolieva and Stoyan Yakimov. Two meetings were held on the project with the participation of the Deputy Mayor of Sofia Municipality on financial issues Mr. Doncho Barbalov, representatives of the Municipal Revenue Directorate and representatives of the contractor of the Information Services Project AD.

The main subject of the Terms of Reference was the preparation and receipt of electronic reports on liabilities for local taxes and fees and for reports on declared property. Our representatives were very helpful to the contracting authority SM and the developer EB, giving useful practical advice on the interface and functionalities of the proposed new software. Access to the system is by electronic signature. Prior to initial inclusion, applications are subject to approval by a CO system administrator. In practice, there is a technical possibility to connect this software to the API-appendix to the PMI Register through the CHSI website so that it can be checked at any time whether the person making the reference is a current PMI.

The service actually started in November 2022. It was designed to reduce the administrative burden on citizens and also the financial burden on debtors. All requested changes, requested by the representatives of the Chamber at the workshops held in the process of project implementation, were made and are currently available in a real environment for use by the users of the system.

3.3. Public Relations and Media

Unfortunately, last year our country again fell into a political crisis. Our profession is still recovering from the severe pandemic years. These are strong and significant factors that have also had an impact on the media policy of BCPEA. We expected from 2022 stability and impetus for solving accumulated problems, but it anchored us by not allowing us to move forward important projects because of the disclosure of which it would be worth seeking active contact with the media. However, we have continued our open media policy, which has been constant and unchanging since its inception. We assisted the journalists who showed interest in the activities of the PEA, although in these difficult conditions the focus of the public interest was not on law enforcement.

We are aware that in order to be effective and to improve the system of enforcement, the initiative for dialogue and change must come from us and be permanent. It is disappointing that 2022 has not been good in this respect. Permanent changes in the legislative and executive power continued. Stressed in anticipation of the next changes, the state institutions brought this stagnation in all social systems. In such a situation, it was extremely difficult for BCPEA to achieve its goals of improving not only the legislative framework, but also the overall activity and status of the profession. The journalistic industry is sensitive to the pulse of the times in which we live and it is quite natural to reflect the hot political and criminal topics of the day.

In the first days of 2022, the legal information portal Lex.bg published an article by the Chairman of the Control Council of the BSEC, Gueorgui Dichev, on the topic: "Do the fees due but not paid in advance by the creditor enjoy a Tier 1 privilege". This was one of the key questions related to the allocation in the enforcement proceedings, which the Civil and Commercial Colleges of the Supreme Court of Cassation were about to answer in interpretative case No. 2/2021. The position expressed by Mr. Dichev also coincided with the position officially presented by BCPEA before the Supreme Court. *"Enforcement is a manifestation of state power, an exclusive state function, none other than the state-authorized bodies, such as the enforcement agents, have the right to execute judgments against the will of the debtor. When in 2005 The Republic of Bulgaria introduced PEAs in the likeness of many other European countries, it by law authorized private individuals to carry out this activity on its behalf and under its control, but at their expense. Since the state does not pay anything to these persons, and the activity requires serious investments and costs, it sets a tariff for the fees due to PEAs in order for them to maintain law companies, qualified staff, record-keeping programs, etc. Each fee represents the value, the price of the specific enforcement action, as it must reimburse the costs incurred for it by the enforcement authority"* - Gueorgui Dichev stressed in his interview with Lex.bg.

Throughout 2022, media showed moderate to meagre interest in the work of private enforcement agents, with the most widespread coverage being in electronic media. In the last few years, the aim of journalists is not baseless and tendentious criticism of PEA, but to acquaint citizens with their activities and to promote their expert advice. Information about the more significant public sales of PEA, extracted from the

website of BCPEA Public Sales Register, is also regularly published in the electronic editions.

Probably every industry and business can justify what are the losses or missed opportunities for them because of the continuing instability in our country. We are starting a new year without a permanent government and with no prospect of stabilization. Despite these unfavourable trends, the management of BCPEA intends to restore the constant exchange of information with the media. We are in the process of adopting a comprehensive communication strategy for working with the media. Our good communication with the relevant reporters, built over the years, is very important for us to popularize our ideas for legislative changes and the problems in the executive proceedings.

3.4. Control over the activity of PEAs

Private enforcement agents practice one of the most controlled professions. Permanent control over PEAs is applied by 8 institutions - BCPEA, 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 Privacy protection.

The Ministry of Justice and BCPEA Council independently pursue a policy of control and supervision over the activities of the PEAs and monitor the implementation of the law, the Statutes, 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 on 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 Statutes 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 PEAs offices (in view of the rules and norms for work of PEAs set in the normative base); Inspections in PEAs offices - 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 PEAs offices; Giving opinions to the Chamber Council on general legal issues and those in the field of law 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 Statutes 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 CLACA. 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, 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 CLACA work 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 PEAs offices on the application of the new Civil Procedure Code from 2017 and a subsequent analysis of the legality of enforcement was conducted. Since then, no large-scale monitoring of the activities of PEAs has been carried out, as over the past three years, normal activities have been severely hampered and the situation in the offices has been extremely stressful - due to ongoing health, political and economic crises.

For years BCPEA 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 188 PEAs (as of 31 December 2022) only in the past five years (2018-2022) the disciplinary sanctions entered into force are 138 fines, including 89 fines, of which 21 amounting to over BGN 5,000, 2 deprivation warnings of rights, and 14 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.

BCPEA Council last year was and will be uncompromising towards colleagues who have intentionally committed violations. At its meetings held in 2022, the Chamber governing body adopted five decisions to initiate disciplinary proceedings (one complaint received in 2021 and on four complaints received in 2022. For its part, the Disciplinary Committee, although formally part of BCPEA, is in practice a fully independent body. The data of the past year suggest that the Supreme Court of Cassation upheld approximately one third of the decisions rendered by the disciplinary panels. The other two thirds 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 2022, BCPEA received 343 complaints. Their number is lower by 68 compared to 2021, when they were 411 (compared to 2020 - 348, 2019 - 548, 2018 - 530, in 2017 - 654).

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 are 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 200,000 enforcement cases have been filed annually in Bulgaria. Against the background of this huge number of cases, only in 0.02% of the cases in which PEAs work has any complaint been received. This is the ratio of the number of complaints filed with BCPEA and the Ministry of Justice to the pending enforcement cases in the country.

Of course, for 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 Chamber's record keeping system 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

BCPEA is a full member of the International Union of Judicial Officers (UIHJ), an organisation established in 1952 that currently unites 100 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 Union 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. 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 2009 and regularly pays its annual membership fee to the world body.

EUROPEAN BAILIFF'S FONDATION (EUBF)

The European Bailiffs' Fondation (EUBF) 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, 22 countries are members of the EUBF. 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 expressing 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 EUBF Member States shall normally precede meetings of the UIHJ Permanent Council and shall take place one day in advance. The meeting of the European Union in 2022 was held on 19 May in the city of Glasgow, Scotland as part of the programme of the UIHJ Permanent Council.

UIHJ PERMANENT COUNCIL

On 20 May 2022, the European session of the Permanent Council of the International Union of PEAs (UIHJ) was held. This year's event was hosted by the Scottish Chamber of Enforcement Agents, which celebrated its 100th anniversary with colleagues from around the world. The Bulgarian Chamber of Private Enforcement Agents was represented by the President Ivan Hadjiivanov and the Administrative Director of the Private Enforcement Agents Anelia Glavanova.



UIHJ President Mark Schmitz opened the forum with an emotional speech in which he did not fail to congratulate the hosts on the impressive occasion of the celebration of their professional industry, for the excellent organisation and their hospitality.

The highlights of this year's meeting were: the military conflict between Ukraine and Russia and its impact on UIHJ member states; the financial

aspects of Russia's potential exclusion from membership in our international organisation; innovations and technologies in law enforcement; blockchain and implementation on digital assets; interaction of the EUBF with European institutions, as well as development projects managed by our European organisation in Brussels (FAB ^{III}, FILIT enforcement project, BESP project, GDPR project, EFFORTSproject, ERA project, etc.). In order to meet the challenges at European and global level due to the COVID-19 crisis, the topic of building an online EUBF training platform and conducting it in the form of webinars with many participants from all Member States is becoming more and more relevant.

During the meeting, the parties reported on current issues of enforcement in their countries. 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. In a few countries, a number of restrictions on the powers of PEAs are being introduced or are about to be introduced for the winter season as a social measure against the swirling health and economic crises worldwide. More and more cases are being transferred onto collection agencies - both in Germany and in the Baltic states.

In addition to the working part of the forum, there was an official celebration of the 100th anniversary of the establishment of the Scottish National Chamber. Our delegation has paid tribute to our Scottish colleagues by attending a gala dinner organised by the Lord Protector of the City of Glasgow. Mr. Ivan Hadjiivanov greeted the attendees and presented a gift to the hosts of this official event.

INTERNATIONAL CONFERENCE ON DIGITAL LAW ENFORCEMENT

From 21 to 24 September 2022, the city of Batumi, Georgia, hosted an international conference of PEAs on "Digital Law Enforcement". The conference was held with the support of the UIHJ and at the initiative

of the Ministry of Justice of Georgia. The event was attended by the Minister of Justice of Georgia Rati Bregadze, the President of the



International Union of PEAs Mark Schmitz, members of the Management Board of the National Bureau of Law enforcement of Georgia and delegates from different countries. The opening ceremony was also attended by Deputy Minister of Justice Erekle Ghvinianidze, the President of the Government of the Autonomous Republic of Adjara Tornike Rizhvadze, Batumi Mayor Archil Chikovani, etc. officials.

A total of 150 delegates from 35 countries (including Bulgaria) discussed the problems of the implementation of new technologies and digital governance. The Minister of Justice of Georgia briefed the participants in the conference on the already implemented and operating electronic services in the implementation system of Georgia and spoke about the future plans.

The National Bureau of Enforcement of Georgia has already implemented a number of novelties to digitize services and increase their accessibility, including digital archive, e-business program, simplified business platform, setting up the electronic system with municipalities and private banks and other modern digital services.

The Minister also stressed the importance of the new Code of Law enforcement and noted that after the adoption of the law, their enforcement



system will become even closer to European standards.

Four panel discussions were held during the conference. The participants in each of them discussed the possibilities for implementation of digital and technological achievements in the judicial process; including establishing facts, auction services, integration of a register of obligations in the blockchain system, implementation of artificial intelligence in law enforcement, digitalization of technical work and release of human resources;

practical examples of the process of digitalization and implementation of electronic services were given.

ANNUAL CONFERENCE OF PEAS OF THE REPUBLIC OF SERBIA

On October 20 and 21, the 7th Annual Conference of PEAs of the Republic of Serbia was held in the city of Zlatibor, Serbia. The Bulgarian Chamber of Commerce sent its representatives in the face of the Private Enforcement Agents Milen Bazinski and Atanaska Petkanova, whose costs for participation and stay were covered by the hosts of the event. During the conference, the implementation of the enforcement provisions was discussed, different opinions were heard and useful experiences were exchanged on certain issues in the presence of state officials, representatives of the Ministry of Justice of the Republic of Serbia, lecturers from law faculties, lawyers, representatives of banks, business entities and other representatives of the profession from different Balkan countries. The agenda of the conference included topics such as: Implementation of European Standards in Enforcement Proceedings as a Guarantor of Human Rights, Law enforcement Costs, Order and Remuneration, Crisis Procedure and Disputed Legal Issues in the Work of Civil Judicial Officers and Courts.

UIHJ PERMANENT COUNCIL

From 23 to 27 November, the Permanent Council of the UIHJ meets in Paris. A day earlier, the representatives of the member states from Europe held a meeting of the European Bailiffs' Fondation (EUBF). Ivan Hadjiivanov and Anelia Glavanova presented the Bulgarian Chamber of Private Enforcement Agents in both forums.



The EUBF held its general meeting, meeting on important law enforcement topics in European countries.

During the meeting, the parties reported on current enforcement issues in their countries. Among the highlights of the working forum were: the 2019 Hague Convention on Private International Law; several important European regulations concerning law enforcement; the situation in Ukraine and the severe financial consequences

for the EUBF and UIHJ of excluding Russia from membership in our international organisation; development of the electronic platform for training and accreditation of trainers; projects of the EUBF in operation and adoption of the budget for 2023. During the meeting, the

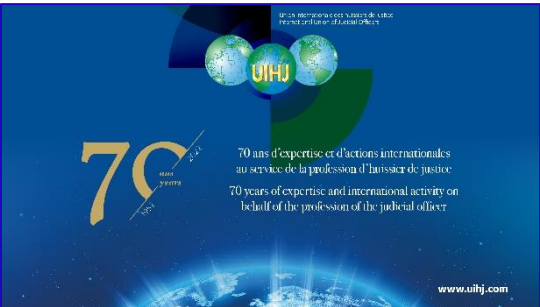
parties reported on current issues of enforcement in their countries. In many European countries, PEAs have concerns about the activity of collector companies that are coming seriously to the market. Colleagues from all countries oppose this higher competence.



The Czech Republic has reported legislative impediments to the electronic service of documents. Creditors get more rights than the debtors and the balance in the system is disturbed there. In Greece, they boasted that a secure electronic signature had finally been introduced, allowing them to serve documents electronically. In Lithuania, there is a change in the tariff, which leads to a decrease in the revenues of the companies there. At the same time, there is a big discussion with the judiciary about whether the creditor can choose an enforcement agent himself. Also in Lithuania, a centralised system for the allocation of enforcement cases is being considered. More and more cases are going to the collectors in this Baltic state. A decrease in the number of cases was also reported from Portugal.

EUBF board member Janek Poole presented to the participants in the meeting the UIHJ Position on the consequences of the energy crisis. The document was officially adopted and distributed the next day during the meeting of the UIHJ Permanent Council.

Another important issue in the meetings was the financial dimension. Due to the exclusion of the Russian Federation from membership in the UIHJ, the leadership of the Union justified the need to increase the membership fee by 15% for the other Member States. The matter was put to a vote to reach a final decision. Hungary, Poland, Romania, and Thailand opposed the decision to increase the annual contribution. All the other more than 90 countries voted in favour and the decision was adopted, with effect from the beginning of 2023.



Main occasion and deserved importance The Permanent Council of UIHJ paid tribute to the celebration of the 70th anniversary of its establishment. At the official opening ceremony of the event, Mr. Mark Schmitz, UIHJ President, delivered an emotional speech and made a fascinating retrospective of the history of our international organisation from its

founding in 1952 to the present day. The speech of Mr. Schmitz was followed by that of Mr. Leo Netten, Honorary President of the UIHJ, and of Her Excellency Rose Mutombo Kiese, Minister of State, Minister of Justice of the Democratic Republic of the Congo, representing one of the last countries to join our international organisation.

Among the 200 guests were also Erekle Ghvinianidze, Deputy Minister of Justice of Georgia, Alexis Nzuenkeu, Head of the Legal Affairs and Communications Department of the Ohada Permanent Secretariat, Frederic Georges, Professor at the University of Liège, Alain Ngongang Sime, President of the African Union of Judicial Officers, Patrick Sannino, President of the European Foundation of Judicial Officers, Jacques Isnard's



Family and Companions, UIHJ Honorary President, Luisa Lozano, UIHJ former Administrative Secretary, Jean-Michel Rousseau, President of the National School of Procedure in Paris, as well as almost all members of the UIHJ Scientific Council.

Two work panels followed. The first panel covered the history and state of cooperation between the UIHJ and major international organisations and institutions. It was moderated by Jos Uitdehaag, first vice president of UIHJ. Speakers were Christophe Bernasconi, Secretary General of the Hague Conference on Private International Law, Ramin Garagurbanli, President of the European Commission for the Efficiency of Justice (CEPEJ) at the Council of Europe, Maya Ndiaye Mbaye, Director General of the Ohada Regional High School, Jean-Philippe Rageade, Director of the Academy of European Law (ERA), Leo Netten, Jock Pisters, Project Director at the Centre for International Legal Cooperation (Netherlands), Aída Kemelmajer de Carlucci, Professor at the University of Mendoza (Argentina), Member of the Scientific Council of the IASC, and Zlati Mihailov (Bulgaria), Law Enforcement Consultant.



The second panel talked about the past, present, and future of the UIHJ. It was moderated by Mr Mathieu Chardon, Secretary-General of the UIHJ. This panel was attended by Françoise Andrio, Honorary President of UIHJ, Natalie Friesero, University Professor (France), Member of the Scientific Council of UIHJ, Yassin Sene (Senegal), former Vice President of UIHJ, Honoré Agre (Côte d'Ivoire), former Vice-President of UIHJ, Anelia Glavanova, Secretary General of the National Chamber of Judicial PEAs of the Republic of Bulgaria, Gary Crowe, Administrator of NAPPS (USA), Malone Cunha (Brazil), Director of International Relations of the National Federation of Associations of Federal Judicial Officers Evaluators of Brazil (Fenassojaf) and Member of the UIHJ Board, and Patrick Guillain (Belgium), Secretary of the UIHJ Board.

Benoît Santoire, President of the Chambre Nationale des Commissaires de Justice of France, stressed at the opening of the UIHJ Permanent Council how important the ties between France and the UIHJ were when the international organisation was set up and reaffirmed that he attached particular importance to UIHJ support throughout his tenure, which began several months ago.

During the celebration, the memory of the former presidents of the International Union of Judicial Officers, and in particular that of Jacques Isnard, president for 15 years, between 1994 and 2009, was honoured.

Mark Schmitz presented a bilingual book of nearly 200 pages in French and English, abundantly illustrated, tracing the seventies of the UIHJ, a copy of which was given to each participant.

The ceremony was complemented by several special videos and musical performances. At the end of this emotionally intense day, Marc Schmitz presented the most prestigious prize "Jacques Isnard Gold Medal of the UIHJ" to Christophe Bernasconi, Leo Netten, Yassin Sene and Luisa Lozano.



The Bulgarian delegation in the person of Mr. Ivan Hadjiivanov and Mrs. Anelia Glavanova also gave a touching congratulatory speech in



which we told about the establishment of our chamber and the strong support of the UIHJ during all these years. We thanked them for their unconditional faith and dedication to the profession and gave President Mark Schmitz a birthday gift from UIHJ.

After the closing ceremony of the official celebration, a gala dinner was given, co-financed by the National Chamber of Commissioners for Justice of France, which allowed everyone to meet in an informal environment to continue communication and celebrate the anniversary of our international organisation in the most pleasant way possible.

3.6. Services provided to the Chamber members

In 2022, 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 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, IPEC) and the Register of Public Sales, which have significantly improved transparency and awareness in society. The Register of Debtors (IPEC) 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. In order to expand partnerships with public creditors in a secure and transparent manner, we have also created random case allocation software for public creditors in the 2022

reporting year - a maximally simplified platform that randomly and proportionally allocates their enforcement cases.

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

And in the past 2022. The Chamber continued to invariably send proposals to national institutions to improve the progress of digitalization in the enforcement process. Our proposals are in line with the processes of overall digitalisation in the judiciary, and we are driven by the ambition to save costs and time. We have repeatedly raised the issue of introducing electronic auctions and electronic distraints. We have asked for changes to the Civil Procedure Code to create the widest possible opportunities for notifying persons and serving papers electronically through the Secure Electronic Delivery System of the State Agency for Electronic Judicial Services, as well as for the access of PEAs to the Single e-Justice Portal (SJP).

Unfortunately, the initiatives of the Chamber in 2022 did not meet with any response and commitment from the executive and legislative authorities in the Republic of Bulgaria in the face of the Ministry of Justice, the Committee on Legal Affairs in the National Assembly, and other responsible institutions.

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 procEUBFon of statistical information from the 6-month and annual reports of PEAs. The system is administered by the Ministry of Justice, and a functional possibility has been created for data transfer to BCPEA server. 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 June 2020). The new system has certain gaps and inconsistencies due to the change of project contractors in the Ministry of Justice. In 2022, we will have meetings and talks of the teams from BCPEA and the Ministry to remedy these problems, because BCPEA activity statistics electronic system considerably facilitates the work in our organisation. For PEAs and the Chamber administration, the need for preparing, sending and respectively manual procEUBFng of PEAs reports on paper has been completely eliminated.

For six years now, the Chamber administration has been successfully using a unified electronic record keeping system. The huge archive of documents of 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)

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

ИМОТИ МПС ИМУЩЕСТВО

КАМАРА НА ЧАСТНИТЕ СЪДЕБНИ ИЗПЪЛНИТЕЛИ
РЕГИСТЪР НА ПУБЛИЧНИТЕ ПРОДАЖБИ

ОБЛАСТНО СЪДЕ ИЗОБИРНО МЯСТО ТИП НАЧАЛНА ЦЕНА ТЪРСИ

Област	България	България	България	България	България
Благоевград	109	Браца	20	Ловеч	84
Варна	291	Габрово	31	Монтана	0
Велико Търново	170	Добрич	128	Пазарджик	83
Видин	84	Кърджали	42	Перник	37
Враца	57	Кюстендил	16	Плевен	73
Габрово		Ловеч		Плочки	119
Добрич		Монтана		Смолян	112
Дупница		Пазарджик		София град	143
Елхово		Перник		София околн	74
Жуица		Плевен		Стара Загора	79
Кюстендил		Сливен		Търговище	53
Ловеч		Смлян			
Монтана					
Пазарджик					
Перник					
Плевен					
Плочки					
Смолян					
София град					
София околн					
Стара Загора					
Търговище					
Хасково					
Шабла					
Ямбол					

ПРОДАЖБА НА ИМОТИ

2159
сделки

156
мил.

153
интереса

enforcement agents and external clients using it. An important success for BCPEA, which ensured its successful development, was achieved at the end of 2012 and the beginning of 2013. By decision of the SJC, in conjunction with 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. It was commissioned in the reporting year of 2020, developed by Information Services AD.

However, the two-year work of the internal and external users of the system again necessitates some improvements in the software of the RIP - mainly in order to achieve greater convenience of operation in the introduction of the sales notices by the Private Enforcement Agents, as well as the collection and aggregation of reliable statistics on the announced and realized public sales by private enforcement agents throughout the country. From mid to late 2022, BCPEA Council consulted all PEA, the administration of BCPEA and the developers of the registry software in the chambers of BCPEA on their proposals and recommendations for improving the performance of the Public Sales Register. After summarizing and analyzing the feedback received from the users, at the very end of the reporting year, the Information Technology Department at the SCFSI developed a technical assignment for the implementation of the necessary refinements. At the beginning of 2023, the same is expected to be communicated with the contractor Information Services AD, respectively, to be assigned to it for production.

For the past 2022, the RPS page was visited by **717,228** unique IP addresses, which carried out **3,293,029** sessions and viewed a total of **25,104,523** pages. The average duration of the session was **06:06** minutes, during which time they viewed **7,62** pages. Visitors from Bulgaria predominate, but there are also from Germany, United Kingdom, United States, the Netherlands, etc. About 2/3 of all users access the site from mobile devices.

In 2022, the Public Sales Register of BCPEA published **16,215** real estate sales notices /versus 20,104for 2021, 25,273for 2020,36,190 for 2019/; for motor vehicles - **980** versus 1431for 2021, 2002 for 2020,2099 for 2019/, and for movables - **1746** versus 664for 2021, 2027 for 2020, 2737 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 2022 by district courts are distributed as follows:

Sofia City	Sofia District	Blagoevgrad	Burgas	Varna	Veliko Tarnovo	Vidin
1047	568	1047	2070	1171	717	288
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovech	Montana
338	293	811	181	196	849	254
Pazardzhik	Pernik	Pleven	Plovdiv	Razgrad	Ruse	Silistra
738	132	429	985	224	446	514
Sliven	Smolyan	Stara Zagora	Targovishte	Haskovo	Shumen	Yambol
363	383	616	86	829	470	170

3.6.1.2. Central Register of Debtors CRD (Integrated Platform of Enforcement Cases, IPEC)



Integrated Platform of Enforcement Cases was established as a centralized database back 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 pending shortly.

At the time of compiling this report, according to IPEC data, the pending cases in the country are 1,325,006, and the total number of terminated and completed cases is 1,401,014.

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 2022, a total of **36,385** references were issued. inquiries from CRD, including 11,407 cases from various companies and citizens, and 24,978 cases - from our corporate clients /For comparison: 2021 - 29,425 references; 2020 - 25,146 references; 2019 - 42,005 references issued/. In

addition, institutions such as the Police, the Prosecutor's Office and the Court regularly require BCPEA to provide information from the IPEC on pending enforcement cases against persons under investigation in pre-trial proceedings or parties to civil and commercial cases (2022 - 937 references; 2021 - 1047 references; 2020 - 905 references). The platform is trusted by the institutions and sufficiently covers their needs for using this service.

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 (IPEC). 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 IPEC by the employee of the Chamber significantly improves and facilitates the daily work of the system.

For 2022, a higher rate of revenues from the CRD (IPEC) against estimates 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. BCPEA Record-Keeping System

The Chamber has implemented and successfully operates a unified record keeping system. The digitization of the work processes supports the productivity and the internal organisation of work in the Chamber administration, the functions of all its bodies are optimised. The digitization 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 easy 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 BCPEA Statutes. In this way, a kind of disciplinary archive is formed, which could be of help to the sanctioning bodies in their activity of establishing violations and issuing their acts, respectively to the private enforcement agents in their routine activities. Through the information available in the database on complaints, disciplinary proceedings, claims for damages, insurance, and other data for each private enforcement agent, 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. Electronic system for distribution of enforcement cases to public creditors" (ESDECPC)

Due to the increasing number of enforcement cases by public creditors, their volume is increasingly relevant to the work processes, revenues, and costs of private enforcement agencies. This creates prerequisites for public creditors to limit the competitiveness of some private enforcement agents for the benefit of others. In order to avoid this effect and to achieve effective market competition for private enforcement offices, it is necessary to distribute these cases evenly to willing private enforcement agents.

In order to implement an effective and independent allocation of enforcement cases, as well as to increase transparency in the allocation of cases for the collection of public receivables by private enforcement agents, it was necessary to create an automated software product that would work on a pre-created logic, the algorithm of which is not subject to manipulation. It is for this purpose, by a decision of the BCPEA Council, that in 2022 a web-based application "**Electronic System for Distribution of Enforcement Cases of Public Creditors**" (**ESDECPC**) was developed.

The platform is maximally simplified by allocating enforcement cases on a random and proportionate basis. For the convenience of public creditors, statistics are maintained for each creditor and there is an opportunity for automatic generation of forming applications to the respective private enforcement agent.

All private PEAs have a pre-created user profile, an email with access data and instructions for using the product is sent to them. To use the system is not mandatory.

The new web-based platform was launched in September 2022 and in October and November 2022. ESDECPC was widely presented in order to promote by sending information e-mails to all potentially interested institutions and organisations. This product can be used by all county and district courts, all appellate courts, all institutions with which we have formal cooperation agreements, municipal administrations, government agencies and commissions that potentially have public receivables to collect.

At present, there is a moderate interest in registration by public creditors.

3.6.1.5. Electronic Distraints

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 digitization process that needs to take place in public administrations and, in particular in the justice sector. The example of our long-standing struggle for the introduction of electronic distraints is indicative enough of how even "digitization" already regulated by law can only remain a good wish.

Article 450a (New - SG No. 49/2012, effective since 01 January 2013, amended, SG No. 86/2017) of the Civil Procedure Code as early as the end of 2017 regulates electronic distraints on receivables under bank account. Unfortunately, this option is still not working for PEAs. Despite the efforts made in the past 2022, we have finished and are starting another year without the possibility of real application of the norm of the Civil Procedure Code regarding electronic distraints. 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. Therefore, in the past 2022, BCPEA adopted another approach - by initiating legislative changes concerning amendments to the Civil Procedure Code on the Secure Electronic Delivery System of the State Agency for Electronic Governance.

The State e-Government Agency has also built and maintains a Secure Electronic Delivery System (SEDS). The SEDS covers both the requirements for "electronic registered mail service" set out in the Regulation and part of the requirements for "qualified electronic registered mail service", ensuring the identification, authorship, and integrity of the person who sends/receives documents.

In January and December 2022, two identical letters were sent to the Ministry of Justice, the Ministry of E-Government and the State Agency for Electronic Governance (due to the replaced management of the relevant institutions) - on the distraint of debtor's receivable in a bank account by means of a distraint message in electronic form signed with qualified electronic signature (QES) and sent electronically through SEDS. We hope that the new 2023 will bring us the long-awaited change.

3.6.1.6 Implemented Privacy protection System with the Chamber and the PEAs offices

In accordance with the requirements of REGULATION (EU) 2016/679 of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data - in force since 25 May 2018 - in BCPEA, a Privacy Protection System has been developed and implemented. A Data Protection Officer has also been appointed (the employee has completed a certified training course of the DPO).

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

3.6.1.7. Analysis of PEA Tariff of Fees and Expenses

Due to the urgent need to update the Tariff of Fees and Expenses, as early as in 2022. BCPEA Council entrusted a team of four eminent economists led by Assoc. Prof. Dr. Krasen Stanchev to prepare an analysis on the actual amount of fees in the PEAs system, taking into account all changes that have occurred since 2006.

The analysis is on the topic: "Justification of the need to update the Tariff on Fees and Expenses of Private Enforcement Agents" and concerns the status of Tariff on Fees and Expenses, considering the change in the public and business environment of their work occurred after the adoption of the Tariff in 2006.

The aim of the analysis was to quantify and analyse these developments. In particular, the circumstances are as follows:

- The Tariff of Fees and Expenses has not been updated and indexed since its adoption, except once with a reduction in some fee receivables;
- Private Enforcement Agents from the adoption of the law are obliged persons under the VAT Act, the Personal Income Tax Act, and

the Social Security Code, but what is special about them as employers is that they cannot perform other economic activity (due to their role in the enforcement of court decisions, which other debt collection agents do not have);

- Since 2006, the economic environment has undergone significant changes in both prices, incomes, and costs, as well as in the volumes of the work of PEAs. The amendments upwards cover the whole spectrum of the activity - from the bank and other fees, through labour and social security costs, to the maintenance of the offices of the Private Enforcement Agents, which should meet several detailed requirements of the Private Enforcement Agencies;

- At the same time, new PEAs obligations have been introduced, which de facto increase costs. Regulatory changes introduced a number of new obligations for PEA, by which the real value of the fees as income for the maintenance of the offices sharply decreased. In addition, public state, and municipal receivables, as well as performance under employment relationships and alimony, are already exempt from advance fees (about 30 percent of cases);

- The technical changes have a similar effect at first glance, such as the increased insurance premiums after the changes, the requirements for keeping documents for longer periods, the costs of notifying the court of a served order for immediate execution (with a copy of the call for voluntary execution) and other similar requirements;

- Apart from these developments, changes are currently being developed in the CPC and in the taxation system, which are most likely to increase the workload of PEAs companies and in the medium and long term similar or more pronounced upward dynamics of both prices and incomes are expected;

- Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 This Directive will indirectly increase the costs of PEAs as it promotes secondary markets for non-performing loans by removing barriers to the transfer of non-performing loans from credit institutions to credit purchasers and establishing appropriate safeguards protecting borrowers;

- Against the backdrop of the obvious public benefit from the implementation of the statutory mission of PEA, for many political reasons (which are not the subject of this analysis), an unfavorable public image has been formed for them, which is sometimes part of short-sighted legislative decisions.

Based on the analysis of these developments, the task of the assigned study and the report submitted by CS2 Ltd. was to develop and propose for discussion a variant for updating TPPCs, which is based on convincing arguments, subject to verification by stakeholders and the public. The examination of the team of specialists, analysis and report were completed, presented, and adopted by a decision of BCPEA Council in mid-April 2022. Subsequently, the analysis and the report to it were widely disseminated before the legislature and the executive and, above all, they are of great benefit to our representatives in their work to the formed working group in the Ministry of Justice "Improvement of the legal framework of state fees collected by the courts".

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 of 14 October

2016 and was registered as a foundation for carrying out activities in public benefit by a decision of the Sofia City Court of 17 November 2016 in company case No. 734/2016

The report covers the foundation activities for 2022, which is developing in the following areas:

1. Educational and Training Activity

The ESE activities were partially affected by the COVID-19 pandemic. 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, several events along with BCPEA:

- Webinar on electronic service of communications in March, in which 58 PEAs and their employees took part;
- Attendance of a preparatory course for an exam for Assistant Private Enforcement Agents, in two editions in October, with 42 and 23 participants respectively, a total of 65 participants.
- The last international training on "European Law and Law English" was held in Vienna, Austria, in partnership with the Academy of European Law (ERA), in which three Bulgarian participants took part.

It is necessary to note several issues related to the educational activity:

- 1) The webinar proved to be an appropriate form for conducting trainings and exchanging professional experience, especially if sessions are of shorter duration (up to three hours).
- 2) In a setting of pandemic-free restrictions, live training events have resumed. It is a matter of specific judgment which learning activities and on which topics to be conducted live or online.
- 3) The Programme Council, established at the end of 2021, has started its activities. The webinar in March was held entirely on the proposal of the Program Council.
- 4) The curriculum for 2023 is currently being prepared by consulting a wide range of respondents.

2. International Activities and Projects

The training project of the Academy of European Law (ERA) in the field of European law and law English terminology in English, in which ESE is a partner, is now completed. The project activities were also affected by the COVID-19 pandemic. The trainings were held mainly online, which is why the Chamber was reimbursed part of its contribution to the project in the amount of EUR 500.

The European Union of Bailiffs has won a project to train PEAs from EU Member States and disseminate training materials in the field of privacy protection in enforcement proceedings. The Executive Director of the ESE was invited to participate in the Training Committee. More detailed information on the project activities is expected.

3. Financial Performance

The two sources of funding for the foundation during the reporting period are fees for participation in the trainings organised by it and a BCPEA subsidy. The financial performance from the foundation activity totals BGN 1752.18 as of 31 December 2022.

In 2022, a series of measures were taken to minimise fixed costs, especially for staff. The only civil contract is for accounting services.

4. Institutional Development

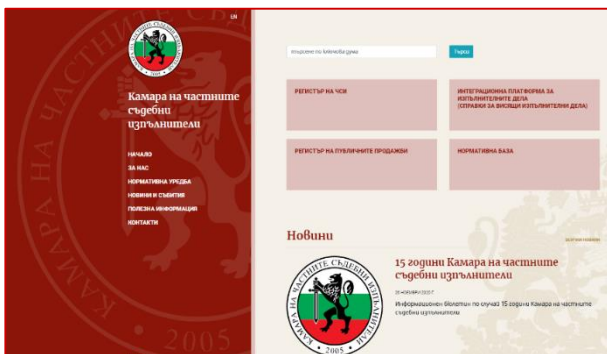
At the end of 2022, the ESE Foundation was re-registered in the Commercial Register in accordance with the legal amendments.

The question of a school assistant to monitor the ongoing correspondence and activity and to assist in the organisation of training should be resolved. The most appropriate solution seems to be to recruit one of the Chamber's assistants for an additional fee. Employment is expected to be on the order of a few days a month, according to the planned trainings and ongoing activities.

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 PEAs 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 outcomes from the past 2022 shows that despite the complexity of continuous political and economic crisis and the resulting complications for law office work, the Chamber members are satisfied and grateful for the ways provided to communicate with BCPEA management and administration - PEAs have reliable feedback from the administrative team and BCPEA Council and can receive advice and support on issues and problems related to the daily work of law offices. They highly appreciate the correct, adequate, and professional service they receive during the year.



Two years ago (in 2020), an entirely new website of BCPEA was launched to replace the previous one, already technically and morally outdated. 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 17 years of effective work of private enforcement agents, solid Case Law has already been accumulated in the form of judicial acts on law 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 Chamber members 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 Bulgaria's membership in the European Community. The "Questions and Answers" section of the website - contains additional information for citizens. The team of BCPEA has the practice to answer inquiries of citizens, companies, and Chamber members almost immediately on various issues concerning the activity of the Private Enforcement Agents.

A couple of years ago (since 2018), a good practice has been 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 Chamber members. This activity continued in the reporting year 2022, as it turned out that the materials arouse great interest not only among professionals. 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 IPEC (CRD). The ratings of the PEAs that participated in the annual survey regarding these services are very good: **5.30** for BCPEA website; **5.47** for the Register of Debtors and **5.32** for the Register of Sales /versus 2021 - 5.46 for BCPEA website; 5.65 for CRD and 5.57 for RPS). The quality of materials produced by the Chamber for 2022 was rated **5.21** /versus 5.26 in 2021/.

In order to optimally inform its members about all publications in the media covering the activities of private enforcement agents, this year the Chamber renewed the contract with a PR Agency for the service "Electronic Press Clipping" - media monitoring by topic in news broadcasts, online and print media, both national and local media. At the beginning of 2022, we had to choose a new contractor for the service, as Bulgarian Telegraph Agency (BTA) stopped providing it to its customers. As of the beginning of March, BCPEA has a contract with PR Club EOOD. Through the Chamber's subscription for this service, BCPEA receives in its official e-mail the most complete information possible from the national and regional media on the topic of "law enforcement". Key publications for the activities of the PEAs are sent to all members of the industry. The Chamber's governing body 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 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 BCPEA, organisation of national and regional forums, etc. In order to be maximally informed

about the decisions taken by BCPEA Council during its meetings, as well as about the results of their implementation, all Chamber members regularly receive by e-mail the minutes of the meetings in full. The minutes shall be sent by the administrative secretary of BCPEA, after their signing by all members of the Council - on average one month after the respective meeting. It triggers a 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.

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. We are pleased to note that in the past 2022, the employees of BCPEA were already working in a renewed, clean, and more pleasant working environment, after the long-planned and expected overhaul of the premises in the administration of BCPEA located in the building of the Bar Association in Bulgaria, which was fully realized at the end of 2021.

3.6.4. Services under Development

The digitization 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.

Introduction of electronic enforcement actions such as distraints, foreclosures and tenders will be key to the progress of the profession in the coming years. We, who, at the dawn of private enforcement, passed on good experience to many other countries that were yet to legalise the introduction of the Private Enforcement Institute, are now light years behind them in terms of digitising enforcement procedures. This stagnation and regrEUBFon can only be explained by the lack of political will in our country to make constructive and beneficial changes for society, businesses, and citizens. Therefore, we will pay all efforts and capacities to continue with these projects in 2023, despite the difficulties and obstacles accompanying 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 at the beginning of next year the Ordinance on the Organisation, Rules and Activities of the Single Online Platform for Electronic Public Auctions will finally be adopted. The initiative to introduce the electronic seizure system is entirely in the hands of the executive and the legislature. The activity is regulated by law (electronic public auctions entered the CPC in 2017), but inexplicably why the adoption of key regulations depends on the launch of auctions is indefinitely delayed.

The Ministry of Justice has created and should maintain a National Register of Distributions. In this way, the new information system will ensure accurate information about the movables under registration regime, on which seizures have been imposed in the enforcement cases, centralized in a single database. This happened with changes in the Civil Procedure Code (CPC). So far, neither state nor private enforcement agents have had a legal obligation to maintain such registers. The terms and procedure for maintaining, storing, and

acceUBFng the information system will be determined by amendments to the ordinance on the organisation, rules and activities of the online platform for electronic public auctions. The changes in the ordinance were a fact at the very end of the 2022 reporting year. Their final adoption and promulgation in the State Gazette is forthcoming. This approach will allow a common standard in the construction of both functionalities and automated movement of data from the register of seizures of movables to the sales module and vice versa. Litigants in enforcement proceedings, as well as persons with a legal interest, will have access to the system, in compliance with the requirements of the Electronic Government Act. Access to the information system of the state and local administration and of the persons performing public functions will be free. 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 consistent with current developments. Therefore, in the near future, we will update the existing Central Register of Debtors, turning it into a modern Information Platform of Enforcement Cases (IPEC) - multifunctional, easy to use by stakeholders and simplified in the administrative and technical part of its maintenance by of the Chamber.

Within our industry, an active debate has been going on for some time regarding the creation and maintenance of unified office software for the work in PEAs offices. The results of this debate received their logical development when a decision was adopted by BCPEA General Assembly in 2021, namely: BCPEA to build its own record keeping programme for the needs of offices of private enforcement agents, which will be provided to the Chamber members on preferential financial terms. BCPEA Council has already carried out research on the possibilities of all existing and used office programmes 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. At the end of 2022, BCPEA Council decided to assign the elaboration of a technical assignment for a basic version of the case file software for the private enforcement offices. A contract with the contractor is also to be concluded. Work on this project is expected to continue at a rhythmic pace in 2023.

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 (SEDS) and the portal for e-justice.

The assignment of the widest possible range of public receivables for collection by the PEAs should remain a key priority in the efforts of BCPEA management in this 2023. 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 enforcement, 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 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 recognised expenses and the right to choose regarding the Personal Income Taxation Act and the Corporate Income Taxation Act.

The new Chamber's governing body has engaged 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. These activities were finalized in the reporting year 2022, but in the coming year the most difficult part is still to come - the implementation of the update of the TTRACSI through the legislative process for its adoption.

We will continue with the policy of 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 have good practice in place and should only enhance it with even more effective tools for electronic inspections. This will save costs and time for all colleagues from the inspection bodies of BCPEA. However, the issue of conducting online meetings of the SC of BCPEA is much more complicated because it depends on the joint efforts of BCPEA and the Ministry of Justice, and at this stage there is no clear will to do so.

- 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 2023, the ESE educational activities of the should be intensified and enriched in the form of training programmes and workshops. Judging by the feedback in the annual poll among the private citizens, the Chamber members expect this to happen. As part of these efforts, we expect the expansion of the much desired by Chamber members distance form of learning (webinars), through which the system of professional development of PEAs and their employees goes to a qualitatively new stage - modern, state-of-the-art, and EU-consistent approach. ESE should be established as an indispensable and easily accessible assistant to every employee in the PEAs offices.

REPORT
on
2022 Activity of BCPEA Disciplinary Committee



DEAR COLLEAGUES,

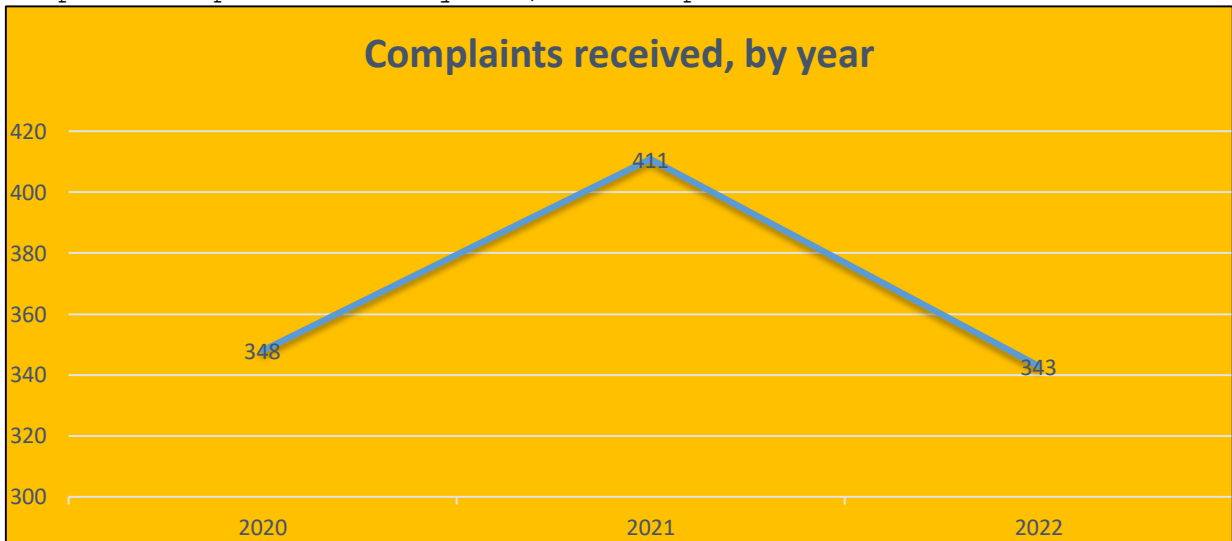
We submit to your attention a report on the activities of the Disciplinary Committee of BCPEA for 2022.

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

I. Statistics on Complaints

In 2022, BCPEA received 343 complaints. In the previous 2021, their number was 411, and in 2020. - 348 We also present a quantitative distribution of the received complaints over the past three years.

Compared to previous two years, the complaints received in 2022 are in



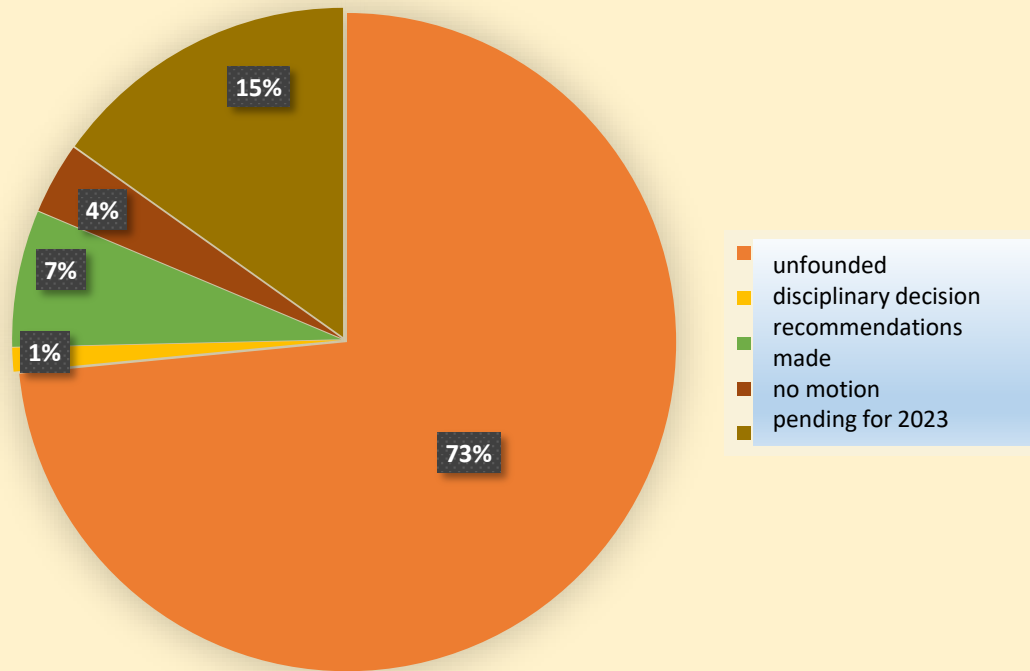
the following percentage rates:

- compared to 2020 - decrease by 1%;
- compared to 2021 - decrease of 17%.

Out of 343 complaints received in 2022, **252** are unfounded (**73.47%**), recommendations are made on **23** (6.7%), **12** (3.5%) are left without consideration, 4 of them (**1.17%**) ended in disciplinary proceedings, **52** of them are pending consideration is forthcoming in 2023. (15.16%).

Distribution by result of those admitted in 2022. complaints
Distribution by result of those admitted in 2022. complaints

Distribution of 2022 complaints, by outcome



Distribution by result of those admitted in 2022. complaints In the past year, **five** withdrawn complaints were reported. According to the Decision of the Chamber Council of Private Enforcement Agents of 02 October 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.

Compared to the previous 2020 and 2021, the analysis shows that there is a trend of unfounded complaints.

	2020	2021	2022
Unfounded	71.55%	76.64%	73.47%
Recommendations	7.47%	9.25%	6.7%
Formed DP	0.57	0.73%	1.17%
No consideration	5.75%	3.90%	3.50%
Pending consideration	14.66%	9.48.	15.16%
	100%	100%	100%

Statistics show that on average there are 28 complaints per month and 6 per week. In the past year, most complaints were received I October - 34, and the lowest number in December - 21.

It is interesting to note that against 35% of those operating in 2022 private enforcement agents have not received any complaints in the Chamber against their actions. Over 25% of private enforcement agents operating in 2022 were subject to one complaint each in the past year. Just over 25% had under five complaints (between 2 and 5 complaints);

12% had between five and nine complaints, and nearly 2% had over 10 complaints.

By regions of action, the data are as follows: most complaints were filed against PEAs with area of action Sofia District Court (SCC) - 39.35% of the complaints received in 2022; followed by Varna District Court - 8.45%; Plovdiv District Court - 7.87%. In the past 2022, like in the previous 2021, there are two areas of action without a complaint, and for seven regions less than 5 complaints have been received for the whole region.

In 2022, more than 334 complaints were distributed to Committee members.

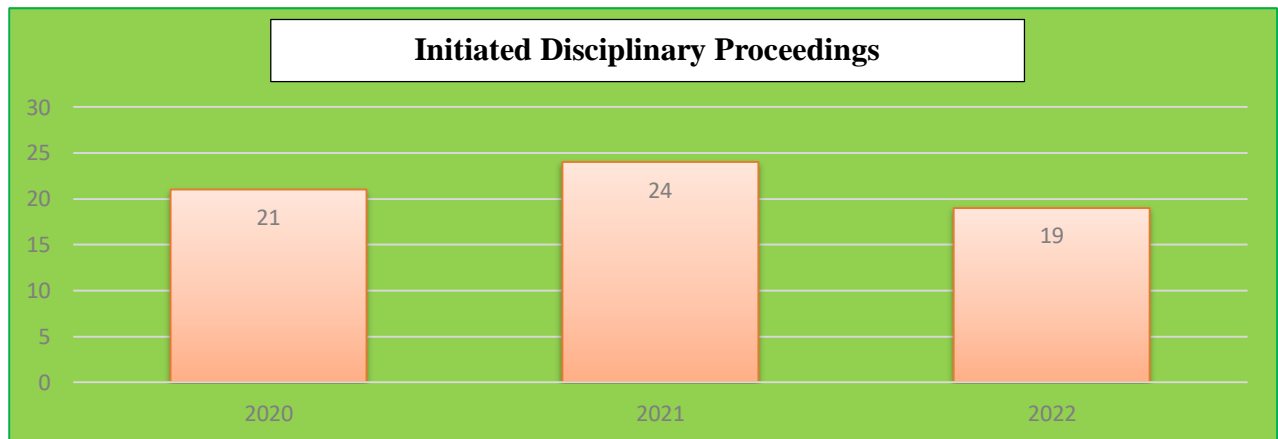
II. Statistics on the activity of the Disciplinary Committee for 2022.

From 2006 until the end of 2022, the Disciplinary Committee of BCPEA has initiated a total of **500** disciplinary proceedings against private enforcement agents. We present the initiated disciplinary proceedings for the period 2020 - 2022. The data are as follows:

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.

2021 - 24 disciplinary cases - **two** by the Chamber Council and **twenty-two** at the request of the Minister of Justice.

2022 - 19 disciplinary cases - **three** by the Chamber Council, **twelve** only at the request of the Minister of Justice and **four** at the request of both bodies.

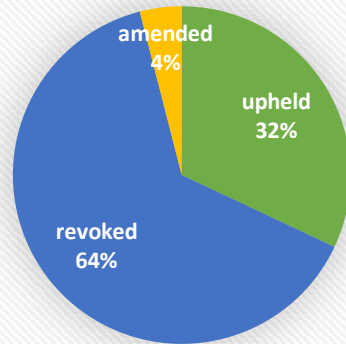


The statistics show that out of a total of **500** disciplinary proceedings, 176 proceedings were initiated by a decision of the Chamber Council (35.2%), 283 (56.6%) at the request of the Minister of Justice, and 41 were initiated at the request of both requesting bodies (8.2%).

To date, the Disciplinary Committee has ruled a total of **490 decisions**. For the past three years the statistics are as follows:

- 2020 - enacted **twenty-seven** decisions.
- 2021 - enacted **twenty-eight** decisions.
- 2022 - enacted **thirty** decisions.

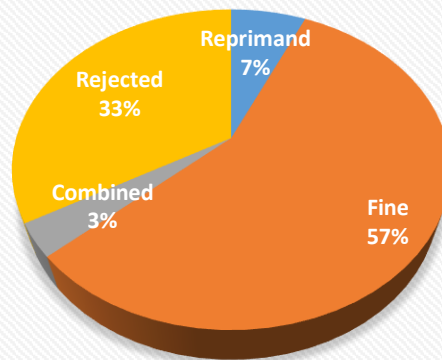
Result of SCC Decision adopted in 2022



Legend: upheld (green), revoke (blue), amende (yellow)

Of the 30 decisions of the disciplinary panels in the past 2022, the most disciplinary penalties "fine" were imposed - 17, with imposed fines below the average amount prevailing. In two disciplinary proceedings, a disciplinary sanction "reprimand" was imposed. In the 2022 reporting year, only one combined disciplinary punishment was imposed. Requests on ten of the decisions issued in 2022 were declined - one of BCPEA Council and nine of the Minister of Justice. Out of these 10 declined requests, two were not appealed to the SCC, while the remaining 7 include: three are in appeal proceedings, one is pending SCC decision, one was upheld by the SCC and two were revoked by the SCC (a disciplinary sanction "rebuke" has been imposed).

Result of enacted DC Decisions for 2022



Legend: reprimand (blue), fine (orange), combined (grey), rejected (yellow)

In the past 2022, the Supreme Court of Cassation has ruled on 25 decisions, the results of which are as follows:

- leaving in force - 8;
- revoking - 16;
- amending - 1;

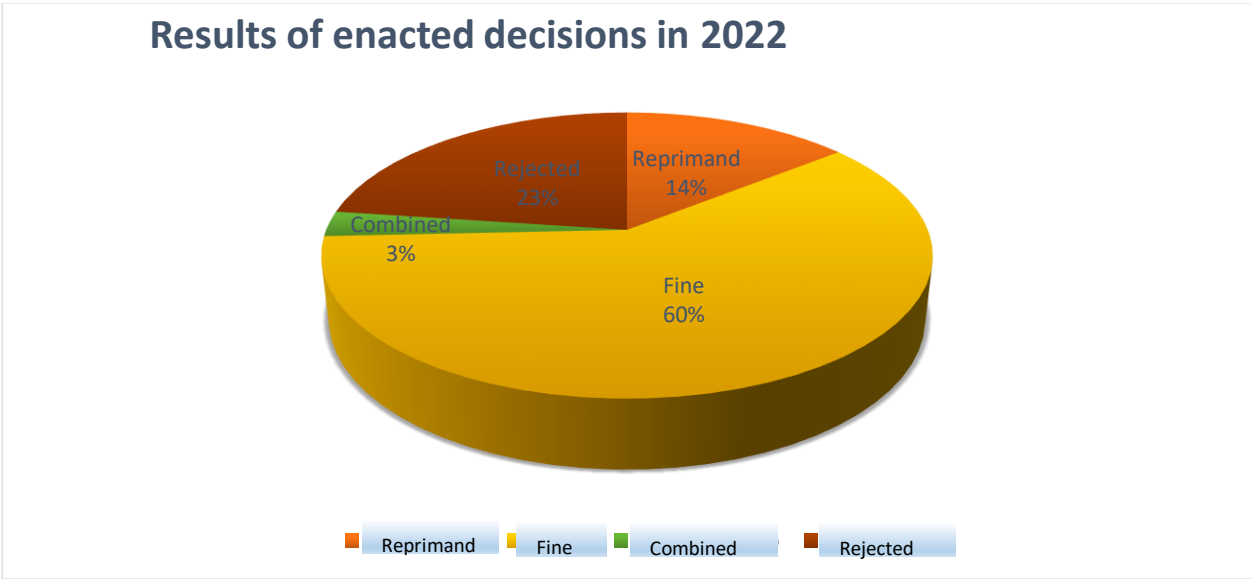
At its meetings held in 2022, BCPEA Council adopted five decisions for instituting disciplinary proceedings (on one complaint received in 2021, and on four complaints received in 2022).

In 2022, the Minister of Justice received a total of **12** requests for instituting disciplinary proceedings: on **10** of them disciplinary proceedings were instituted in 2022. and on **two** requests, disciplinary proceedings will be initiated in 2023.

On thus formed **19** disciplinary proceedings **only** in the reporting 2022, the Disciplinary Committee has issued 9 decisions (over 47% of the initiated disciplinary proceedings in 2022). Of these 9 judgments, only two have entered into force. In the remaining **10** proceedings: **five** of them have been announced for decision by the disciplinary panels and **five** are pending consideration in 2023.

A total of 35 decisions took effect in 2022, the result of which is as follows:

- 1. Reprimand: 5.
- 2. Fines - 21, including:
 - up to BGN 1,000.00 - 4;
 - over BGN 1,000 - under BGN 5,000.00 - 13;
 - over BGN 5,000 - under BGN 10,000.00 - 3;
 - BGN 10,000.00 - 1.
- 3. Combined penalty - 1.
- 4. Rejected requests for disciplinary proceedings - 8.



In 2022, The disciplinary committee held 43 meetings.
The decisions taken by the disciplinary panels in 2022. 30 are written in the following terms:

- up to **1 month** - 9 decisions or over 30% of the decisions issued in 2022.
- from **1 to 3 months** - 10, which is over 33% of the decisions in 2022.
- from **3 to 6 months** - 7 or over 23% of the decisions issued in 2022.

- over **6 months to 1 year** - 4 or slightly over 13% of the decisions issued in 2022.

The analysis of the Committee activity during the reporting period shows that all requests for initiating disciplinary proceedings, both by BCPEA Council and by the Minister of Justice, refer to numerous violations.



Todor Lukov,
Chairperson of the Disciplinary
Committee
of the Chamber of Private Enforcement
Agents

REPORT

On 2022 Activity of BCPEA Control Board



DEAR COLLEAGUES,

The past 2022 was another testing year for the private enforcement offices in Bulgaria. The difficult economic situation facing our profession continues, despite our expectations that this trend would reverse. Objective internal and external factors are the reason why many law companies fight for their survival.

Therefore, from the very beginning of the reporting period, the BCPEA Council directed all efforts to improve the situation of the companies. Numerous meetings were held with ministers, deputy ministers, MPs. Numerous letters were sent to the responsible institutions regarding the problems of the profession and proposals for their solution. Efforts were directed in three directions. Firstly, eliminating the unfair and contrary to the Constitution of the Republic of Bulgaria taxation of PEA, where taxes are paid not on real income, but also on costs. The latter, for objective reasons, have exceeded the statutory 25% for years. Unlike all other liberal professions, however, only PEAs and notaries have a legal prohibition to organise their activities as an enterprise and, accordingly, to be taxed under the *cita*. Contrary to all logic, law and justice, however, the National Assembly and the Ministry of Finance not only did not respond to our appeals, but also made changes in the legislation (increase of the NRP from 25% to 40% and the possibility of creating sole proprietorships) only for lawyers. Obviously, not only our political system is in crisis, but our entire society, because what happened can be qualified by only one word - "scandalous". And the fact that the three legal professions - lawyers, PEAs and notaries have been fighting this battle for legality and justice for years together, and in 2022 the management of the lawyer's office acted only for themselves will leave without comment, on the conscience of colleagues from the Supreme Bar Council.

In parallel with the work on the above problem, BCPEA Council has put maximum effort into the urgent need to update the TTP to the LPIS in the area of simple fees. The tariff of PEAs is the only one in Bulgaria, which since its adoption has not only not been increased, but has also been constantly reduced through legislative amendments to the Private Enforcement Act and the Civil Procedure Code. The fees in it are determined on the basis of an economic analysis from the distant 2006 and for many years they not only do not form a remuneration for the performed actions of the PEA, but also do not cover even the real costs for them. At the same time, PEAs finances the implementation with their own funds without any fees in about 30% of the cases, which is the share of enforcement proceedings for alimony, labour disputes, child surrender and collection of public state and municipal receivables. The claimants in these cases from 2017 are exempt from advance fees.

BCPEA Council commissioned a team of four eminent economists to prepare an analysis of the actual amount of fees in the PEAs system, considering

all changes that have occurred since 2006. The report did not surprise us, it only objectively and scientifically showed the facts that are known to everyone, namely that the charges indicated as a hard amount in the tariff are many times lower than the actual values at the moment. On the basis of the conclusions of the economists' report, the Council of the BSECP sent several letters to the Ministers of Justice during the reporting period demanding an urgent update of the tariff. Several meetings were also held with the various leadership of the Ministry of Justice, eventually forming a working group on the regulation of state fees in the judiciary. At the meeting held in June 2022, all participants in the working group agreed on the need to update the fees in law enforcement. Unfortunately, the country again fell into a political crisis and a caretaker government was formed. A meeting with the new Minister of Justice Mr. Krum Zarkov was also immediately requested in August. After it, the working group convened again, which held a meeting only in December 2022.

The third strand, in which the Council of the FRSI focused its efforts to improve the position of the private enforcement offices, was to achieve greater workload by assigning more cases by the state authorities, as well as expanding the activities of the FRS with new powers. The system of PEAs in our country has a much larger capacity that the state and society do not fully use. In order to engage as creditors of more public institutions, numerous meetings were held, including with the Minister of Interior Mr. Ivan Demerdzhiev on the claims of the Ministry of Interior and in particular the Traffic Police. The creation of software for random allocation of shares for public creditors was assigned, which is already ready and was recently presented to many state and municipal institutions. Its purpose is to eliminate the problem facing public creditors when choosing a specific PEAs in view of the reproaches for compliance with the PPL and possible corrupt practices. Regarding the new activities that could be burdened by the Private Enforcement Agencies, there was no objective opportunity to make progress in view of the need for changes in the legislation, which, however, require a normally and permanently working parliament.

During the reporting period, the BCPEA Council managed to eliminate to the maximum extent the misunderstandings enshrined in the Ordinance on the Law Enforcement Information System.

An important progress in the field of digitalization of the executive process is the launch of the information system of Sofia Municipality, through which PEAs can make inquiries and receive information about debtors. The platform was launched only for the city of Sofia, but the prospect is that it will cover many other municipalities in the country.

In the past year, the Supreme Court of Cassation issued two interpretative decisions of particular importance for the law enforcement in Bulgaria and we can express our satisfaction with the fact that the opinions of the Chamber and the majority of the Supreme Judges on the issues raised coincided.

Unfortunately, last year our country again fell into a political crisis. Permanent changes in the legislative and executive power continued. In such a situation, it was extremely difficult for BCPEA to achieve its goals of improving not only the legislative framework, but also the overall activity and status of the profession.

BCPEA Control Board, in addition to exercising its control powers under Article 64 of the Private Enforcement Agents Act, sought to provide maximum

assistance to the Board, given the difficult situation. The Chairperson and several members of the Control Board participated in BCPEA Council meetings, as well as in numerous meetings and working groups.

The Control Board considers that **the activity of the Chamber Council in 2022 is lawful, effective and in the spirit of continuity**. A total of 13 meetings were held, and 458 decisions were taken, including 115 resolutions on institutional, economic, and current operational and organisational issues, while 343 decisions referred to complaints received. Meetings are held regularly and with the necessary quorum, decisions are taken in compliance with the Chamber Statutes and internal rules. At each meeting, they are informed about the implementation of previous decisions taken, while monitoring compliance with the deadlines for their implementation.

During this period, **the Chamber continued to function as an independent and financially solvent entity**. Revenues of the Chamber for 2022 total BGN 744,585.44. Revenues from economic activity amount to BGN 323,163.77 and from non-economic activity total BGN 421,421.67. In 2022, BCPEA ends financially with a net accounting positive result in the amount of BGN 138,000, formed as a result of loss from non-profit activity in the amount of BGN 71,753.47 and an accounting positive economic result in the amount of BGN 66,814.33, which after payment of taxes will increase the reserve of the Chamber. The financial result for 2022 is more than satisfactory, given the projected deficit of the adopted budget for 2022.

It is imperative that the Chamber raises its revenues, as the recommendations of the CC to the Council from last year regarding the revenues from the Register of Public Sales and that of the filed cases have not yet been implemented to the maximum extent. At the end is the process of forming the refinements that the Chamber will assign to improve the sales register, after which its potential could be used in terms of revenue from advertising and through access to statistical information.

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 incurred amount to BGN 598,689.32 as the main expenses are for the salary fund of the administrative staff of the Chamber, maintenance of the Chamber's office, consumables, contract subscriptions, maintenance of BCPEA sites, General Assembly, business trips, etc.

Reserves for 2023 are in the amount of BGN 810,000.

The accounting and financial records are kept in accordance with the requirements of the national accounting.

BCPEA 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, businesses, and the society.

GUEORGUI DICHEV,

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