



**REPUBLIC OF
BULGARIA**



CHAMBER OF PRIVATE ENFORCEMENT AGENTS

ANNUAL REPORT

2 0 2 3



Distribution and number of private enforcement agents /185/ on the territory of the Republic of Bulgaria by judicial areas of action as of 31 December 2023

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	11	Montana	2	Sofia City	37
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	3	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		

BCPEA COUNCIL

Ivan Hadjiivanov - Chairperson
 Stefan Gorchev - Deputy Chairperson
 Maria Tsacheva - Deputy Chairperson
 Delyan Nikolov
 Rositsa Apostolova
 Nikola Popov
 Victor Stoyanov
 Siyka Anadolieva
 Gueorgui Tarlyovski
 Maria Nikolova-Angelova
 Dilyana Ilieva - Kostadinova
 Siya Haladzhovala - alternate member
 Hristo Gueorguiev - alternate member

DISCIPLINARY COMMITTEE CONTROL BOARD

Todor Lukov - Chairperson
 Dragomira Mitrova
 Magdalena Stoyanova
 Gergana Grozeva Kostova
 Sonya Dimitrova
 Diana Koleva - Stefanska
 Zhana Sharankova
 Grigor Todorov
 Daniela Radoevska
 Eleonora Dimitrova
 Daniela Gueorguieva
 Lilyana Kuzmanova
 Mariana Kirova - alternate member
 Ivanka Tsonkova - alternate member
 Stefan Evtimov - alternate member
 Nevena Zheleva - alternate member

Table of Contents:

ADDRESS BY THE CHAIRPERSON	p. 4
1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM	p. 8
2. BCPEA DETAILS	p. 10
3. ACTIVITY OVERVIEW	p. 10
3.1. CONFERENCES AND WORKSHOPS	p. 17
3.2. INTERACTION WITH INSTITUTIONS	p. 23
3.3. PUBLIC RELATIONS AND MEDIA	p. 39
3.4. CONTROL OVER THE PEA ACTIVITY	p. 38
3.5. INTERNATIONAL COOPERATION	p. 43
3.6. SERVICES PROVIDED TO BCPEA MEMBERS	p. 51
3.6.1. ELECTRONIC ENVIRONMENT AND TECHNOLOGIES DEVELOPMENT	p. 51
3.6.1.1. REGISTER OF PUBLIC SALES	p. 52
3.6.1.2. CENTRAL REGISTER OF DEBTORS	p. 54
3.6.1.3. BCPEA RECORD-KEEPING SYSTEM	p. 55
3.6.1.4. ELECTRONIC SYSTEM FOR ASSIGNMENT OF ENFORCEMENT CASES TO PUBLIC CREDITORS (ESDECPC)	p. 54
3.6.1.5. INFORMATION SYSTEM OF SINGLE-ENTRY POINT FOR DISTRAINTS AND SYSTEM OF ELECTRONIC PUBLIC AUCTIONS	p. 56
3.6.1.6. INFORMATION SYSTEM OF JUDICIAL ENFORCEMENT (ISJE)	p. 57
3.6.1.7 ELECTRONIC DISTRAINTS	p. 59
3.6.1.8. PERSONAL DATA PROTECTION SYSTEM	p. 59
3.6.2. TRAINING – EUROPEAN SCHOOL OF ENFORCEMENT (ESE)	p. 59
3.6.3. INFORMATION AND ADMINISTRATIVE SERVICES	p. 60
3.6.4. SERVICES UNDER DEVELOPMENT	p. 62
4. REPORT OF THE BCPEA DISCIPLINARY COMMITTEE FOR 2023	p. 66
5. REPORT OF THE BCPEA CONTROL BOARD FOR 2023	p. 73
6. FINANCIAL STATEMENT FOR 2023	p. 73

ADDRESS BY THE CHAIRPERSON



COLLEAGUES, LADIES AND GENTLEMEN,

Kindly let me take the opportunity of presenting the Annual Activity Report of the Chamber of Private Enforcement Agents for 2023 to make a brief assessment at the end of my term as BCPEA Chairperson.

Over the past year, the unfavourable trend given the severe economic situation of PEA offices has continued. The domestic political crisis throughout our mandate undoubtedly hinders the implementation of many of the tasks we have set ourselves, especially those aimed at improving the economic situation of PEAs. For 3 years, we had to work with justice ministers in 7 governments and 5 national assemblies. However, we actively participated in all working and consultative formats of the legislative and executive authorities and continued to bring our urgent problems to their attention.

This continuous dynamic creates great difficulties in interacting with the institutions in our attempts to present new policies and legislative changes. I will give just one example: the interdepartmental working groups, whose activities are frozen at every change of government, and they are, as you know, the basis of many strategic documents, regulations, policy formation and legislative initiatives. For example, the working group on state fees of courts at the Ministry of Justice had a very good start in 2022, but it never resumed under the successive caretaker governments. Namely, it had to discuss and solve the problem of updating the fees in court enforcement, which are the only ones in the country at their 2006 level. The minimum wage in the country for this 18-year period increased not in percent, but 6 times - from BGN 160 to BGN 933. The lack of a management horizon was a major obstacle we faced in our talks with the caretaker ministers of justice. This serious problem was also clearly outlined in our interaction with the MPs and did not allow the BCPEA to meet its goals, which are related to legislative changes.

Despite the political crisis, which has undoubtedly put us to new tests, for the first time since 2012 we have a mandate in which the profession has not been subjected to external attacks and has not been the subject of media attention in a negative way. The sustained and far-sighted actions of BCPEA over the years, both internally and externally, regarding legislative changes, control, disciplinary and media policies have given the desired result, and now we can enjoy a more normal working environment in this regard.

In 2023, the focus of our work was on how to improve and create new job opportunities for law firms. Our efforts were once again focused in three directions: Urgent need to update the Tariff of Fees and Expenses to the Law on Public Enforcement Agents (LPEA) in the part

on simple fees; Elimination of unconstitutional taxation of the PEAs, where taxes are paid not on real income, but also on costs; Assignment of more receivables by the state authorities and expansion of the activity of the PEA with new powers, as the judicial enforcement is objectively reduced as an activity and the offices could not be supported by it alone.

We had many conversations both with representatives of the caretaker governments and with mainstream ones, once even leading to the creation of a working group, but the problem of updating simple fees has not been solved to this day. A few weeks ago, we also met with the current Minister of Justice and we sincerely wish his teammates, in view of the above, to continue to work as long as possible. We hope that after this meeting, the matter will be forwarded as quickly as possible, because it does not concern the future, but the survival of PEA offices.

Regarding the unconstitutional tax regime of PEA and notaries, we have sent numerous letters to all competent institutions on the matter, and held numerous meetings. The last one was at the end of last year with the Minister of Finance. Given his expressed desire to find a solution, we started communication with the experts from the Ministry of Finance's tax policy, but we could not make it up until the adoption of the tax laws by the National Assembly. On this matter, we are acting jointly with the Notary Chamber; we hope this year we will successfully wrap up our long-standing efforts.

In pursuance of the third objective of expanding the PEA activities, numerous letters were sent and numerous meetings were held - with the National Association of Municipalities, FSC, Ministry of Interior and Traffic Police. In 2022, the software we designed for random allocation of cases for public creditors was developed and presented, which eliminates the problem of selecting a specific PEA in view of reproaches for non-compliance with the PPA and possible corruption practices. At the end of November 2023, we signed a new agreement with the FSC, which will assign not only public but also private receivables through this software. We have built sustainable relations with the municipalities, and they are working with us as a priority today. The PEA remains not only the only legal but also the most effective instrument for recovering receivables in Bulgaria.

BCPEA has always strived to work in the public interest, as in the interests of its members and those of society converge entirely. Therefore, on 20 June 2023, BCPEA organised a large international conference on the topic of personal bankruptcy. During the conference, the BCPEA proposals reaped great support from the legal community and especially from the court. We expect them to be reflected in the forthcoming adoption of the Personal Bankruptcy Act.

BCPEA also made a very serious, detailed proposal, accompanied by a full impact assessment, to the working group on the transposition of Directive (EU) 2021/2167. In order to maximize the objectives of the Directive and in pursuance of Article 17 (4) thereof, we proposed to allow bank loan buyers to be able to entrust the collection of their receivables not only to loan servicers, but also to PEAs. Given that

the working group consisting of representatives of the Ministry of Finance, BNB, CPC, FSC and other state bodies approves this proposal, we strongly hope that the MoJ will not be the institution that will prevent its inclusion in the bill.

The long-awaited launch of electronic auctions can be described as a huge success. The BCPEA has been working on this issue for nearly 10 years and is not only the initiator, but also the main driver of this process. Of course, their implementation 6 years after the National Assembly, at our suggestion, finally put them into the Civil Procedure Code in 2017 is quite disturbing, but this delay is entirely for reasons outside our country. Electronic auctions are already a fact and not only in the Civil Procedure Code, but also in the Commercial Code in insolvency proceedings, the rest no longer matters.

BCPEA has always made efforts to improve the implementation process and the legal framework in which PEA operates. After serious efforts on our part, finally in 2023, through amendments to the Commerce Act, the competition between individual and universal enforcement was adequately settled by resolving many problems not only for the PEAs, but also for the litigants, as well as for buyers at a public sale. This was of particular importance because, among other things, the auctions themselves were compromised, which led to less interest in them, and consequently to lower sale prices.

On the other hand, we are satisfied with the level of our expertise, after the General Meeting of Civil and Commercial Colleges with the Supreme Court of Cassation in two interpretative decisions that are particularly important for enforcement adopted the opinions advocated by the BCPEA.

In 2022, we made serious efforts together with the Ministry of Justice to eliminate the misunderstandings set out in the Ordinance on the Information System of Judicial Enforcement.

In 2023, we also achieved some reduction of the administrative burden on PEAs, which, along with notaries, were excluded from the PNAPI regime.

Throughout the mandate, BCPEA worked purposefully to solve the problem of service by electronic means, respectively Secure Electronic Delivery System, after receiving legal regulation, to be used for service of distraints to banks and other third parties. The National Assembly last year accepted the amendments to the Civil Procedure Code proposed by us and the State e-Government Agency and already summonses and messages are served to a number of state bodies, municipalities and banks electronically, including distraints on receivables. It is gratifying that an increasing number of banks are adopting this system, which allows PEAs in the interest of litigants to reduce costs by eliminating postage costs.

After in 2021, the National Assembly accepted the Chamber's proposal to exempt from state and local fees the information received electronically (Article 431, para. (3) of the Civil Procedure Code) in 2022. The PEAs received electronic and free access to the notarial deeds of the Registry Agency, which significantly improved the speed and efficiency of implementation on real estate.

In 2022, Sofia Municipality implemented the system of free reports on local taxes and fees and tax assessments for all private enforcement agents. This project is indicative of how such decisions can reduce the administrative and financial burden on citizens and debtors. The platform was launched only for the city of Sofia, but the prospect is that it will extend to other municipalities.

The Chamber also successfully fulfils its commitments to its foreign partners. Last year, the Chamber actively participated in 7 international forums and initiatives.

Today, when I make this report, I feel some satisfaction, because despite the difficult environment, the constant changes, the very dynamic and unsustainable political environment internally and externally, we, together with our colleagues from the Control Board, managed to complete a significant part of the tasks in the plan that we set in 2021. Those not yet completed are in the process of being implemented. I am convinced that with a little patience they will soon be a fact.

Sometimes it may take us longer, but we are an institution that is a pillar of the rule of law and the efficiency of the judiciary. It obliges us to be precise in every action and decision, not to allow the replacement of our professional principles with approaches typical of organisations with questionable business ethics and techniques.

In conclusion, I would like to share with you my conviction that the Chamber of Private Enforcement Agents will continue to be a stable organisation that has made a significant contribution to upholding the rule of law, protecting the rights and interests of the profession, of citizens, of business, but while taking into account the public interest and the principles of the rule of law!

IVAN HADJIIVANOV,

CHAIRPERSON OF THE BCPEA COUNCIL OF PRIVATE ENFORCEMENT AGENTS



1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

18 years ago, with the introduction of private judicial 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. The reform has brought efficiency and sustainability. There is currently no institution that can deny the role of private enforcement. Moreover, creditors give a firm assessment, preferring it to state enforcement.

The system of private judicial enforcement is an effective regulator of the business environment, a source of revenue for state and municipal budgets, a tool for solving problems with due funds 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. This is what the figures say: the amount collected since our profession was established totals BGN 14.5 billion (EUR 7.4 billion). The state budget, without spending a penny for this activity, received BGN 1.7 billion (EUR 870 million).

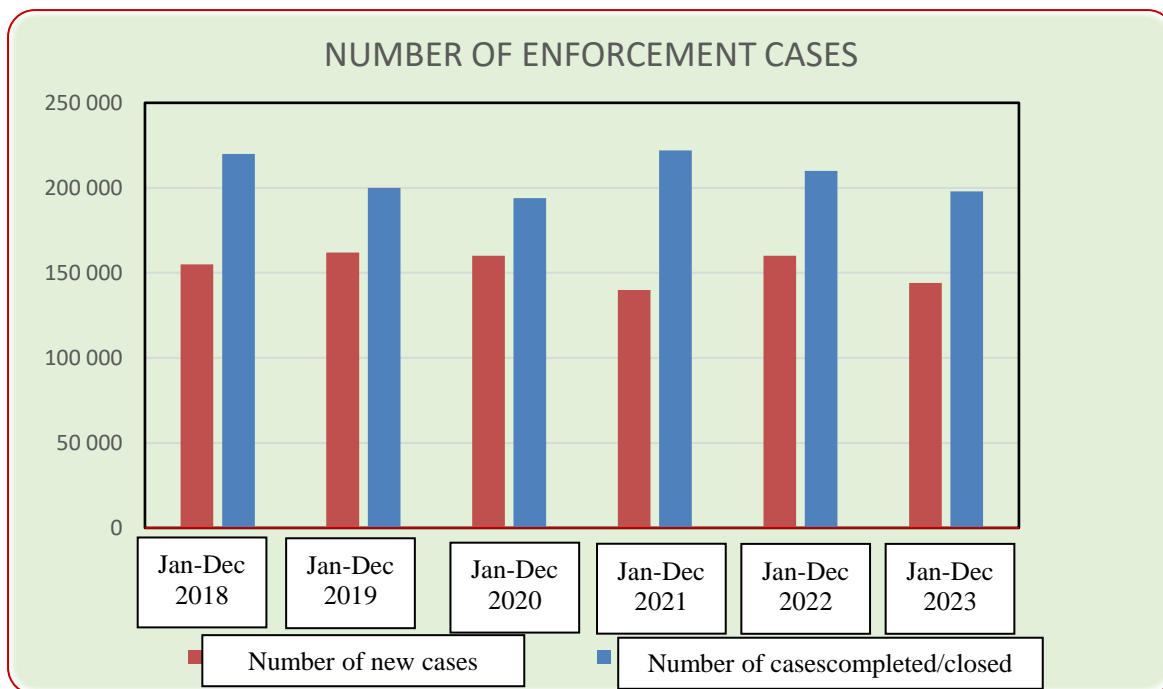
Today, several thousand employees work in the PEAs offices. During the first years of the profession, there was a lot of talk about the role of PEA as a regulator of the business environment. For the billions of leva that have returned to business and the state budget. Now, in addition to this function,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

At the end of 2023, there were **185** PEA offices in Bulgaria, employing over 1800 employees. In previous years, the number of these employees was even higher, but the health and economic crises since 2020 have collapsed the labour market, as well as the ability of PEA to maintain sufficient and qualified staff due to the unenviable financial situation of the offices.

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

<u>Formal proceedings:</u>	<u>Cases closed:</u>	<u>Amount collected:</u>
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
2023* - 198,000	2023* - 144,000	2023* - BGN 820 million

* Note: Data for 2023 are approximate, as they are still being collected and summarised.



In the eighteen years since the establishment of private judicial enforcement, so far in PEAs, **2 million and 885 thousand** cases have been initiated, **1 million and 536 thousand** cases have been closed, and the amount collected exceeds **BGN 14.5 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 40%, followed by the state and municipalities with 32%, in third place are citizens with 11%. For years, cases in favour of banks have been permanently under 10% of the total.

The cases of PEA in favour of the state, municipalities and citizens are on average about 50,000 per year, and for the last 2023 this number even exceeds 60,000 According to statistics from the Chamber of Private Enforcement Agents, the figures point to an enhanced public function of PEAs. We are returning an increasing number of "state money", and in the difficult financial situation in which the Bulgarian municipalities find themselves, they prefer to work with PEAs. Most of the municipal administrations already use the services of PEAs. Private enforcement agents annually collect and contribute to the republican budget amounts constituting public receivables on enforcement cases from PEA on an annual basis, calculated in millions of BGN.

In 2023, the complaints filed through the PEAs to the district courts were about 2,9300, of which the court upheld about 400.

More than half of the private enforcement agents have empowered their assistants - as of 31 December 2023, 201 PEA assistants were operating throughout 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. It should be considered that with the amendments to the Civil Procedure Code of 2017, claimants in maintenance cases, child handover, labour disputes and public claimants are exempt from advance fees.

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. BCPEA DETAILS

Since its establishment on 26 November 2005, BCPEA has managed to establish itself as a good partner for Bulgarian and international institutions. After 18 years of hard work, although they continue to take undeserved negatives from the economic crisis and political controversies in the country, PEAs have proven that they work for the benefit of society as a whole, that they strive to impose high standards of professionalism and ethical behaviour. The Chamber maintains effective working relationships with authorities and institutions and offers a wide range of services to its members.

Private enforcement agents operate on the territory of all district courts in the Republic of Bulgaria and as of 31 December 2023 there were a total of 185, including 91 men and 94 women.

During the reporting period, a total of three private enforcement agents have lost legal capacity forever, as follows: two with area of operation Sofia City Court pursuant to Article 31, para. (1), sec. (1) of the Law on Public Enforcement Agents (LPEA) and one with area of action Municipal Court - Pernik, pursuant to Article 31, para. (1), sec. (2) of the Law on Public Enforcement Agents (LPEA).

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 Law on Public Enforcement Agents (LPEA), 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, it also has administrative staff, which as of 31 December 2023 consisted of five employees under an employment contract and three employees under civil contracts. It is a financially independent organisation and does not receive funding from the state.

3. ACTIVITY OVERVIEW

In order to obtain an objective picture and make a better account of the past very difficult year, at the beginning of 2024, the traditional survey among private enforcement agents was conducted, concerning 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, 30% of BCPEA members responded to our request to give their opinion. That is nearly a third of our industry members. We sincerely thank all colleagues who, despite the difficult daily work in the offices, took their time and took part in the survey, expressing 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?	5.22	87.04%
How do you rate the services provided by the Chamber?	5.30	88.27%
Administrative services	5.48	91.36%
EAS trainings	4.81	80.19%
How do you rate the Chamber management of Private Enforcement Agents?	5.36	89.36%
Activity	5.20	86.37%
Willingness to communicate with members	5.41	90.12%
Media communications	4.91	81.76%
How do you rate the Chamber administrative staff?	5.64	94.03%
Activity	5.63	93.83%
Communication with members	5.72	95.37%
timely	5.72	95.37%
comprehensive	5.67	94.44%
overall attitude	5.78	96.30%
Overall rating of the Chamber activities according to the needs, expectations and usefulness of its members	5.30	88.33%
What is the quality of the materials made by the Chamber?	5.21	86.86%
Internet site	5.32	88.68%
Register of debtors	5.54	92.31%
Register of public sales	5.38	89.62%
How do you rate trainings organised by ESE?	4.76	79.32%
Teachers	4.92	82.08%
Content of the study material	4.90	81.73%
Quality of teaching materials	4.85	80.77%
Price	4.68	77.99%
Number	4.42	73.72%
Public Relations		
Overall work with the media	4.63	77.24%
Quantity of published materials for PEAs in the press	4.54	75.64%
Quality of the materials and their effect on the PEAs profession	4.49	74.84%
Interaction with institutions	4.81	80.19%
Digitization of enforcement procedures	4.91	81.76%
Improving the institutional environment for the work of PEAs	4.73	78.76%
How do you rate your personal involvement and contribution to the work of the Chamber?	4.22	70.26%

After processing and analysing the results, the general conclusion is that, with a few exceptions, overall, the college's assessments of another extremely difficult year for the profession in 2023 clearly increase their levels compared to the previous year in 2022. We attribute this positive trend to the fact that, although at a slow and painful pace, economic and political life in the country has recovered after unprecedented crises of all kinds since 2020. The PEA score given for the administrative staff of the Chamber is traditionally quite high and in 2023 - **5.64** (for comparison 5.60 for 2022). All PEAs who have filled in and sent questionnaires are a total of 55 colleagues. The overall rating obtained for the services provided by the Chamber and its usefulness for the individual PEA is **5.30** (for comparison 5.16 for 2022) on a six-point scale, as the performance of administrative services for members this year was rated the highest - **5.48**.

50 respondents to the survey have defined the activity of BCPEA as generally positive, and 4 PEAs believe the opposite. Regarding the question of whether in 2023 there was progress in the overall work of the Chamber compared to 2022, opinions are conflicting. 2/3 of respondents believe that there is progress. Some PEAs have noted that rather the levels and rates of development remain unchanged compared to the previous year or that there has been some progress, but more can always be desired. Another part of our colleagues believes 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. A small number of respondents believe that there is no progress for the benefit of the profession.

The summary takes into account very good results in the work of BCPEA management and excellent certificates for the Chamber administrative staff. The average management performance score in 2023 was **5.36** - for comparison, the score obtained in 2022 was 5.38, in 2021 it was 5.54, 2020 was 5.46, 2019 was 5.46), and the administration staff team was rated **5.64** (for comparison: 5.60 for 2022, 5.67 for 2021, 5.65 for 2020, 5.66 for 2019). Considering all the severe trials that our country has faced over the past three years, and in particular the Chamber and the profession, the assessment given by the PEA for the management and administration of the BCPEA shows once again that the 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:

- The provided electronic access to numerous national registers and improvement of the provision of electronic services, which led to facilitating the work of the PEA and reducing the costs for the parties in the enforcement proceedings. The introduction of electronic public sales;

- 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;

- There is always a willingness to cooperate; good, fast, and correct communication with BCPEA staff and 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;

- Several 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 amount of the membership fee to the activity of BCPEA, a very large part of the opinions this year are consolidated around the conclusion that despite the seriousness of the situation in the last two years with the emergency crisis due to a pandemic and wars in Europe and the world, the ratio of membership fee to the activity of the Chamber is fair and normal. According to this criterion in the survey, the conformity assessments range from adequate to fair, balanced, proportionate to the activity, objective, optimal, to acceptable and satisfactory. Several PEAs have indicated that the amount of the membership fee corresponds to the economic situation in PEA offices and across the country. Two out of 55 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. Assuming that this is a representative sample of the opinion of the members of the entire industry, then we can summarize that the industry accepts the membership fee as fully proportional to the activity of the Chamber.

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. Judging by the final respondent outcome to the survey, they have a barely noticeable lowered opinion regarding media relations in 2023 (given an average score of 4.63), compared to the previous 2022 (average score of 4.66). One part of the recommendations of the colleagues addressed to the management of the Chamber is precisely related to the investment of more effort in building a comprehensive media strategy and the targeted work for more broadcast information in the media about the role of the private enforcement agent in protecting the public interest.

Regarding the criteria "Interaction with institutions", "Automatization of judicial enforcement procedures" and "Improving the institutional environment for work", the assessments this year are surprisingly much more positive than in previous years, when the opinion of the PEA on these indicators was traditionally sceptical and low compared to other activities and initiatives of the BCPEA. The assessments of colleagues in this regard can be summarized as follows: very good assessment of the interaction with institutions - **4.81** (for comparison in 2022 - 4.75; in 2021 - 4.77, in 2020 - 4.91) and the achievements in the field of automatization of enforcement procedures - **4.91** (for comparison in 2022 - 4.81; in 2021 - 4.78, in 2020 - 4.65). In terms of improving the institutional environment for work, the level of satisfaction also indicates an increase, as for

2023. The PEA gave an overall score of **4.73** (compared to 4.61 in 2022; 4.59 in 2021), i.e. an improvement in the institutional environment for work is already beginning to be reported - a fact that brings optimism after too long and has caused chaos and stupor in all political, public, health and economic spheres in the country since 2020.

To the question of what, according to the PEAs, 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. Update of the TRPRCSI (it was adopted in the distant 2006 and if it has changed over the years, it was only in the downward direction). Elaboration and adoption of a reasonable option only in the part of the simple fees and sending it to the Ministry of Justice and the Ministry of Finance. As an alternative, an entirely new Tariff on Fees and Costs to the LPEA. The current charges are extremely inadequate to the reality and the current economic situation; 2. Personal Income Taxation Act, Law on Public Enforcement Agents (LPEA), 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. Taking action on a legislative initiative in relation to the assignment of new powers to PEA in accordance with best practices in the European Union. Efforts to attract an increasing number of public creditors;

- Reduction of the administrative burden of the offices and the continued imposition by the state in the face of the Ministry of Justice of new and new PEA obligations, incl. ISJE, IS for a single-entry point of distraints, etc.;

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

- Organising meetings of PEA from a certain region in connection with operability in their joint work. Harmonization of PEA practices and case law in enforcement proceedings;

- A PEA knows the pressing problems and issues of the PEA community and tries to improve the working environment. The Chamber makes sufficient efforts, but in the current situation everything the Chamber does or tries to do is ineffective. 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 2023. Only a few recommendations have been made in the following areas to improve the Chamber activities throughout 2024:

- Update of TRPRCSI. Normal environment for PEA work and normal pay for their work (including the employees in their offices);
- Change in the taxation regime of PEAs;
- Expanding the electronic work environment and comprehensive introduction of electronic services;
- To continue the initiatives for assigning additional powers to the PEA;
- Paying more attention in the Chamber's interaction with the media. Active media participation is needed to protect the image of PEAs. A firmer stance on matters concerning the profession and its exercise;
- To rethink the image of the Chamber and to emphasize its contribution to society through more conferences, including international thematic workshops, articles, awareness campaigns;
- Introducing an administrative fee for handling complaints in the BCPEA;
- Sharing the ambition and teamwork to ensure even better communication between individual enforcement agents and the Chamber;
- Updating the business model of PEAs, reducing legal uncertainty in the work of PEAs, active presence in the public space. As a unified profession, to become significant again;
- 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.

Private enforcement agents themselves this year score higher than in previous years for their personal participation and contribution to the work of the Chamber - **4.22** (for comparison 4.16 in 2022; 3.90 in 2021; 3.87 in 2020, 3.96 in 2019). The assessment of this indicator for us is a clear signal of the difficulties experienced by private enforcement agents in their daily work and the balance they probably assume that their efforts and role to do 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 express our faith and confidence that in 2024 we will remain consolidated and focused on achieving balance, prosperity of our institution and the affirmation of the fundamental values in the profession.

3.1. Conferences and Workshops

International Conference on Individual Insolvency

On 20 June 2023, the Chamber of Private Enforcement Agents organised an international forum in the city of Sofia.

The **Conference "Individual Insolvency"** was held at the Hyatt Sofia Hotel. The conference was attended by Deputy Minister of Justice Yulia Kovacheva, the Chairpersons of the Committee on Legal Affairs at the National Assembly Stoyo Stoev and the Commission for Consumer Protection Stoil Alipiev, representatives of the Association of Banks in Bulgaria, employers' and consumers' organisations, the Supreme Bar Council, judges, speakers and others.



The conference is intended to be a platform for a fruitful discussion on the institution of "Individual Insolvency" in all its aspects, including the draft law submitted by the Council of Ministers to the National Assembly. The aim is for all participants in the process and all stakeholders to have the opportunity to share their proposals for the improvement of the draft law. During the forum, there was a lot of sharp criticism of the texts proposed by MPs. The bill on the Individual Insolvency, adopted at first reading by the National Assembly, has significant shortcomings that need to be improved before its final vote. This was the main conclusion of the international conference.

In his statement, BCPEA Chairperson Ivan Hadjiivanov stressed that the Chamber has always expressed its principled support for the introduction of a law regulating the insolvency of individuals, but warned that if the law does not rest on good European practices consistent with Bulgarian conditions and is not precise, it can have severe consequences for citizens, businesses, and the judiciary.

"The project can be significantly improved in terms of procedure, its scope, timeframes and consequences, the persons who conduct it, and last but not least in terms of costs. The cost of production is essential for insolvent citizens, because it is they who will pay it", Hadjiivanov said.

Alexander Katsarski, Professor at the Faculty of Law, Sofia University "St. Kliment Ohridski", outlined the problematic areas in the bill, thus launching the discussion.

"The project is the result of serious preparation, following the traditions of the Bulgarian legal system. It struck a balance between the protection of the interests of the debtor and its creditor, between the financial security of the proceedings and the limited

financial capabilities of the debtor", said Deputy Minister of Justice Yulia Kovacheva and assured that during the public consultations all the views of stakeholders were carefully considered.

Conference participants expressed the opinion that the mechanical transcription of the Commerce Act has led to an unnecessarily complex and slow procedure that will block the district courts for years. The introduction into Bulgarian legislation of both absolute statute of limitations, non-sequestrability and insolvency of individuals, severely threatens the rights of creditors. A large part of the participants in the discussion pointed out that the adoption of this bill should revise the institute of absolute statute of limitations. They agreed that the costs of the procedure are greatly inflated, which damages debtors and creditors.

Support was met with the proposal to use the actions already performed by enforcement agents in the insolvency proceedings to investigate, attach and describe the assets of the debtors, as it will save time and significant funds for the debtors. As well as the threshold for initiating the procedure, which in the draft law is 10 minimum wages, to be increased, similar to the practice in other European countries. For example, there are 25 minimum wages in Lithuania. The current threshold is unjustified in view of the large resources of the institutions that will be involved in the process and creates opportunities for abuse by unscrupulous debtors, it was pointed out at the conference.



Aware of the social and societal importance of such a law, BCPEA believes that the presentation of the European experience and opportunities for borrowing of successful models and good practices was of exceptional benefit within the conference. The bankruptcy of individuals is a completely new institute for the Bulgarian legal system, therefore the list of speakers included Dovile Satkauskienė, Executive Director of the Chamber of Judicial Officers of Lithuania and Jos Uitdehaag – First Vice President of the International Union of Judicial Officers. In Lithuania, such a law has been in force for 10 years, with enforcement agents and receivers performing the procedure within a few months. In the Netherlands, the focus is on the voluntary phase, in which negotiations are conducted and agreements are reached with the participation of enforcement agents, carrying out 2 million visits to the debtors' addresses annually. The goal is not to reach the next phase – forced sale of property.

The participants in the conference insisted that the organisers summarize the opinions expressed in order to be taken into account before the vote on the bill at second reading. The summary was prepared by the BCPEA and sent immediately to the Committee on Legal Affairs at the 49th National Assembly, as well as to the Minister of

Justice. As a result, MEPs gave themselves three weeks for proposals between the two readings and promised not to rush its consideration.

The International Conference received a wide response in the Bulgarian media. Summaries of the forum takeaways were published in over 30 media outlets.

PEA National Conferences

After a long period of pandemic and inability to hold in-person workshops and conferences, in 2023 The Chamber of Private Enforcement Agents has fully restored the normal activity of holding national conferences of private enforcement agents, as there were two during the reporting year.



Industry members gathered in Sunny Beach resort on June 10 to discuss key issues related to the activities of the industry. Colleagues were pleased to have the opportunity to see each other live in a pleasant and relaxing environment. The 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 the Central Committee Ivan Hadjiivanov, the Chairperson of the Central Committee Georgi Dichev and the members of the Council Stefan Gorchev and Dilyan Nikolov.

Part of the agenda was the discussion of the BCPEA initiative to update the Tariff on Fees and Costs with the LPEA. The BCPEA's IT projects in development were presented by Dilyan Nikolov and Stefan Gorchev. The possibilities for legislative initiatives by 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 Law on Public Enforcement Agents (LPEA). The 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. The electronic system developed and put into operation at the end of 2022 for random distribution of executive cases of public claimants is a useful tool in this direction.

With considerable dissatisfaction, the attendees took note of the fact that the Chamber's current leadership finds it very difficult to implement its priorities under the 2021-2024 programme for a change in the current legislation regarding judicial enforcement, as progress could be extremely difficult in the conditions of an extremely unstable political situation in our country, and this has been the case for the third consecutive year.

The Chairperson of the Committee on Legal Affairs and Control of Activity (CLACA), Mr. Stoyan Yakimov, presented the results of the national online monitoring of the PEA offices' activity held in April-June 2023. By decision of the BCPEA Council, the topics of this year's inspections were two: 1) compliance with local jurisdiction in the initiation of enforcement cases; 2) charging fees and implementation costs. The conclusions from the analysis show that there are no drastic deviations from the law and good practices in both tested criteria.

The Chairperson of BCPEA's Disciplinary Committee (DC) presented a report on the activities of the Disciplinary Committee for the first half of 2023. The PEA also discussed specific procedural issues and problems of judicial enforcement and unification of practices. In a separate panel, answers were given to questions posed by private PEAs to the BCPEA Council.



The second national conference of PEAs took place on 21 October 2023 in the city of Razlog, Pirin Golf Hotel.

In the year end's joint working forum of private enforcement agents, the discussion and discussions focused mainly on the latest legislative amendments and initiatives - the Commercial Law, the Civil Procedure Code, the Law on Individual Insolvency, etc., but enough time and

attention was devoted to the work of enforcement agents with the national electronic registers and platforms - the Register of Electronic Attachments of Movable Goods and Electronic Auctions, the Information System of Judicial Enforcement, the System for Secure Electronic Service of Papers and Documents and the Unified e-Justice Portal. The BCPEA Board provided an opportunity for colleagues to discuss specific procedural issues and problems of judicial enforcement. Unfortunately, even at the end of the past 2023, we were unable to report progress in our continuous efforts for a useful dialogue with the legislative and executive authorities on the toughest topics for the profession - the update of the TRCPESI and a change in the tax regime of PEAs. The institutions responsible for this sincerely demonstrate their disengagement in solving these serious problems for our profession, concerning the survival of PEA offices.

The national conferences and working meetings of the PEAs, along with the constant exchange of information between the administration of the Chamber and its members, despite the difficult conditions (political, economic, military and health crises) in which we have had to work over the past three years, remain and continue to be a major tool for information and mutual support within our industry.

REGIONAL MEETINGS AND EVENTS

On January 24, 2023, at the initiative of former judge in the Supreme Court of Cassation Simeon Chanachev, an online meeting was held on topics and issues of the association of PEAs.

Mr. Chanachev is preparing a study on the association of the legal professions, including the PEAs, which is why he sought contact and assistance from the PEA to organise a discussion and share experience. The meeting was technically provided by the BCPEA administration and moderated by Private Enforcement Officer Stefan Gorchev. Representatives of 5 (five) out of 7 (seven) companies were present - "Lukov, Gorchev and Daskalov", "Haladjova-Dimolarova"; "Gueorguiev-Stoyanova"; "Petkov-Stoyanov"; "Dobrinova-Angelakov".

During the meeting, the following main issues were raised and discussed:

- What is the scope of activity (common activity) in association under Article 30, para. (1) of the LPEA?
- What is the general purpose in associating private enforcement agents under the conditions of a civil company?
- What is the intention for association in the contracts under Article 30 of the LPEA?
- How is it regulated in the same contracts and how is the partner's contribution obligation fulfilled? In what forms does the fulfilment of the same obligation take place?
- How is the participation of the partners in the losses regulated?
- How are the rights to participate in the profits negotiated and, accordingly, how is the compensation of the partner for expenses in the common activity, respectively, the right to compensation for damages suffered by the partner?
- Do they find the following rights in the content of the contract: right to manage the common activity; right to vote, right to veto, right to control?
- Which conditions are included as grounds for termination of the contract?
- How is the distribution of the total property agreed upon termination of the contract?
- What problems do PEA companies encounter in the implementation of the contracts they have concluded and are they willing to change the regulation in order to optimize the content and status of these contracts?

The meeting was held in a constructive and mutually beneficial atmosphere. Colleagues shared with the scientific study author their experience of their participation in companies under the Contracts and Obligations Act (COA) under Article 30 of the LPEA, as well as the problems and challenges they have encountered over the years in the management and implementation of the company contracts. We hope

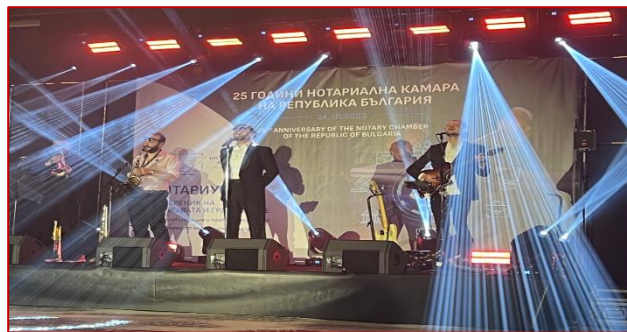
that when the study is ready, it will prove to be a valuable tool for all stakeholders in their experience in setting up companies under the Obligations and Contracts Act.

On April 22, 2023, private enforcement agents with the District Court of Plovdiv, Pazardzhik and Stara Zagora took part in the Ball of Lawyers in the city of Plovdiv on the occasion of April 16 - the Day of the Bulgarian Constitution and the Day of the Lawyer, organised by the Plovdiv Bar Association. A tradition has been established in the region for lawyers to gather the entire legal community to celebrate the holiday of the lawyer - lawyers, notaries, enforcement agents, judges, prosecutors, investigators, judicial and prosecutorial assistants, lawyers, speakers from the University of Plovdiv. The guests of the celebration were the Chairperson of the Supreme Bar Council, constitutional judges, ministers, and other officials.



On April 27, 2023, albeit with a small number of willing participants, three private enforcement agents from Plovdiv traditionally took part in a bowling tournament for lawyers organised by the Plovdiv Bar Association. The PEA team took the prestigious second place among the several teams dominated by lawyers and other legal professions. Once again, it has been proven that good performance can be presented beyond the covers of civil, administrative, commercial or enforcement cases.

On 24 October 2023, The Notary Chamber in Bulgaria celebrated its 25th anniversary. The anniversary celebrations were attended by notaries from Bulgaria and several European countries, and as guests - representatives of ministries, agencies, and liberal professions. In their congratulations to the notaries, Atanas Slavov - Minister of Justice and the representatives of the Supreme Constitutional Court and the Supreme Bar Council expressed their high appreciation for the activities of the Bulgarian notary and the achievements of the Bulgarian notaries for the stability of the notarial activity and the civil turnover. At the solemn meeting, Stefan Gorchev - Deputy Chairperson of the BCCI read and handed Dimitar Tanev - Chairperson of the Notary Chamber a congratulatory address by Ivan Hadjiivanov - Chairperson of the BCCI and a plaque of the Chamber of Private Enforcement Agents. The Chamber received an anniversary statuette with the Notary Chamber sign.



Both at the solemn assembly and at the talks between the representatives of the three liberal legal professions, the need for joint actions to solve common economic and social problems, as well as more active cooperation in changing regulations and unifying contradictory practice, was reaffirmed.

3.2. Interaction with Institutions

In 2023, the BCPEA Council's work with state institutions, media and public organisations was again severely hampered. The domestic political crisis in the country, which has been going on for three years, undoubtedly delays the implementation of many of the tasks we have set ourselves, especially with regard to those aimed at improving the economic situation of the PEAs. In significant periods in recent years, our country has been governed by caretaker governments whose powers exclude the initiation and implementation of legislative changes. The Ministers of Justice and the heads of other key institutions regulating our profession have been constantly changing. In 3 years, we have had to work with Ministers of Justice in 7 governments and 5 National Assemblies. The lack of a management horizon was a major obstacle we faced in our talks with the caretaker ministers of justice. This serious problem was also clearly outlined in our interaction with the MPs and did not allow the BCPEA to meet its goals, which are related to legislative changes. However, we actively participated in all working and advisory formats of the legislative and executive branches and continued to bring our urgent problems to their attention.

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.

Throughout the past 2023, the persistent attempts of the BCPEA management to initiate legislative changes regarding the taxation of private individuals and the updating of the private sector have continued. The BCPEA Council focused all efforts to improve the situation of the offices. Numerous meetings were held with ministers, deputy ministers, lawmakers. Numerous letters were sent to the responsible institutions regarding the problems of the profession and proposals for their solution. This continuous dynamic creates great difficulties in interacting with the institutions in our attempts to present new policies and legislative changes.

BCPEA has always made efforts to improve the implementation process and the legal framework in which PEAs operate.

Several years of efforts of the Chamber of Private Enforcement Agents to solve the problem of electronic service have yielded results and the National Assembly adopted the necessary amendments to the Civil Procedure Code.

Already in January 2023, amendments to the Civil Procedure Code were finally adopted in the Parliament, introducing the electronic ordering procedure, as well as introducing an electronic writ of execution.

We are pleased that in the last reporting year we finally managed to eliminate a legislative misunderstanding that for years had additionally created an administrative burden for the profession, namely the inclusion of PEAs in the regime of Law on Confiscation of Illegally Acquired Property.

After serious efforts on our part, finally in 2023, through amendments to the Commerce Act, the competition between individual and universal enforcement was adequately settled by resolving many problems not only for the PEAs, but also for the litigants, as well as for buyers at a public sale. This was of particular importance because, among other things, the auctions themselves were compromised, which led to less interest in them, and consequently to lower sale prices.

The BCPEA also made a very serious, detailed proposal, accompanied by a full impact assessment, to the working group on the transposition of Directive (EU) 2021/2167 of the EUROPEAN PARLIAMENT and of the COUNCIL of 24 November 2021 on credit servicers and credit buyers and amending Directives 2008/48/EC and 2014/17/EU. In order to maximize the objectives of the Directive and in pursuance of Article 17 (4) thereof, we proposed to allow bank loan buyers to be able to entrust

the collection of their receivables not only to loan servicers, but also to PEAs. Given that the working group consisting of representatives of the Ministry of Finance, the BNB, the CPC, the FSC and other state bodies approves this proposal, we strongly hope that the Ministry of Justice will not be the institution that will prevent its inclusion in the bill.

MINISTRY OF JUSTICE

In 2023, another difficult year in terms of constructive legislative work, in letters and meetings with the leadership of the Ministry of Justice, the BCPEA management has invariably continued to insist on its proposals for improving the status of our profession - legislative and economic.

Our work focused on how to improve and create new job opportunities for law firms. Our efforts were again focused on the urgent problems - the urgent need to update the TRPRCSI in the part on simple fees and the elimination of unconstitutional taxation of the activities of the PEAs. We had many conversations with representatives of the caretaker governments as well as with the regular ones. At some point, a working group was created, but it did not last long, and the problem of updating simple fees again remained unresolved. We also worked hard on the topic of assigning more receivables from the state authorities and expanding the activities of the PEA with new powers.

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

- ***Development and implementation of an electronic information system "National Register of Distraints"*** - our representative in the working group is Delyan Nikolov.

In issue 35 of the State Gazette of 18 April 2023, Ordinance No. H-3 of 6 April 2023 on the keeping, storage, and access to the information system for a single-entry point for the attachments of movable property subject to registration by law and on the organisation, rules, and activities of the online platform for electronic public auctions was published. The Ordinance entered into force three months after its promulgation in the State Gazette.

Pursuant to the provisions of Article 450b, para. (1) and 501a, para. (5) of the Civil Procedure Code, the Minister of Justice shall establish and maintain an information system for a single-entry point for the attachment of movable property subject to registration by virtue of a law and a single online platform for electronic public auctions. The main purpose of the Ordinance on the keeping, storage and access to the information system for a single-entry point for seizures of movable property subject to registration by law, and on the organisation, rules and activities of the online platform for electronic public auctions, is the regulation of the information system serving seizures, including the module for electronic public auction, and the exchange of information electronically with other registers with a view to the development of electronic services provided to citizens and businesses.

The information system for a single-entry point for distraints in the Republic of Bulgaria provides an opportunity for the information on movable property with registration regime on which distraints have been imposed on enforcement cases to be centralized in one database. The system allows access for the entitled authorities and all persons within the territory of the country or outside it.

On 06 June 2023, at the invitation of the Ministry of Justice, an online meeting was held between the Ministry of Justice, Kontrax (the developer company) and the private enforcement agents - to present the system and explain to the PEA about the dstraint module and the electronic auctions module. More than 50 PEAs took part in the meeting. Subsequently, the Ministry of Justice also provided us with a recording of the event, which was sent to all PEAs who were unable to attend.

The long-awaited launch of electronic auctions can be described as a huge success for BCPEA. We have been working on this for nearly 10 years. In 2017 The Parliament adopted the texts in the Civil Procedure Code and a full 6 years later electronic auctions are already taking place. The above deadlines clearly show how difficult positive changes are in our country, even on issues where there is no strong resistance, such as electronic auctions. Of course, they eliminate any opportunities for manipulation, respectively they also have an impact on insolvency procedures.

- **"Improvement of the legal framework of state fees collected by the courts"** - our representatives in the working group are Maria Tsacheva and Georgi Dichev. The BCPEA Council commissioned a team of four eminent economists to prepare an analysis of the actual amount of fees in the PEA 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 current values. Based on the conclusions of the economists' report, the BCPEA Council 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. The Task Force started very well in 2022, but never resumed its work under the successive caretaker governments and throughout the past 2023 It was she who had to discuss and solve the problem of updating the fees in court enforcement, which are the only ones in the country at their 2006 level. The minimum wage in the country for this 18-year period increased not in percent, but 6 times - from BGN 160 to BGN 933. The lack of a management horizon was a major obstacle we faced in our discussions with the caretaker ministers of justice.

The problem of updating the TPR to the LPFI in previous years was deflected by the Ministry of Justice with the explanation that it is not right for caretaker governments to deal with it. Without agreeing with this, we hoped that the new leadership of the Ministry of Justice, elected by the Bulgarian Parliament, would finally take up this elementary task of updating ordinary fees with the accumulated inflation coefficient. Moreover, the economic analysis was long overdue. Unfortunately, despite the constant efforts and reminders

from the BCPEA Council, the leadership of the MoJ has not taken any steps in this direction.

- **"Information System of Judicial Enforcement" (ISJE)**- our representatives in the working group Georgi Dichev, Maria Tsacheva; The State Gazette issue 71 of 02 September 2022 promulgated Ordinance on amendment and supplement to Ordinance № N-1 of 2022 on the Law Enforcement Information System. the ordinance entered into force on November 1, 2022.

Despite our insistent letters and conversations within and outside the ISE Working Group (we sent a total of **five letters** - on 5 January, 2 February, 31 August, and 14 October 2022, as well as on 22.02.2023), **only in the middle of the already past 2023** the Chamber of Private Enforcement Agents received technical instructions regarding the implementation of the UIHJ in the registry software of the offices of the Private Enforcement Agents. With these delays and obstructions unexplained to us, it was practically impossible for private enforcement agents to comply with the legal deadlines for the implementation of the Judicial Enforcement Information System. Our software specialists were for a long time objectively unable to connect the registry systems of the offices with the ISJE, because there was a lack of technical data for the implementation of this process, which had to be officially submitted by the Ministry of Justice to the Chamber of Private Enforcement Agents.

Subsequently, the Ministry of Justice began to insist on the rapid inclusion of all PEAs in the ISJE. In several letters, we had to answer the ministry why the process was delayed.

The elaboration of the technical amendments, the creation of the additional modules that are necessary for the accession of the individual case management programs to the ISJE represents a serious additional cost for the offices. The very process of joining the systems to the UIHJ requires, in addition to financial, personal, and logistical resources, which is at the expense of each individual private enforcement agent. We have reason to fear that many colleagues may not have one at this stage. Apart from the payment of the technical improvements that each private enforcement agent will make with their own funds, the introduction of the system requires additional qualification and training of the employees in the offices, as well as of private enforcement agents.

We insisted that private judicial enforcement is currently literally failing - with inflation rising by over 60%, we are working on a Tariff that has not been updated for 17 years, while at the same time increasing the requirements for the activity of private enforcement agents and the administrative and technical burden of work. In 2022 and 2023, over 30 percent of enforcement agents' office workers left due to low pay, and it is increasingly difficult for the rest of them to be motivated to work tense and high-risk jobs, to master and apply new technologies, to acquire additional qualifications.

However, the Council of BSEC assured the management of the Ministry of Justice that against this background, colleagues are making efforts to strictly implement all regulatory requirements, including to develop, finance and implement to their case management programs the connection with the ISJE, as far as their personal capabilities,

technological and human resources allow. We made it clear that in the absence of support from the State, especially in the face of the Minister of Justice, private judicial enforcement cannot develop. We reminded that the BCPEA Council has repeatedly reported on the difficult financial situation of the offices, and we have made more than one proposal to update the Fees Tariff to the Law on Public Enforcement Agents (LPEA). So far, we have not even received a response from the Ministry of Justice, let alone any real actions to update the Tariff on Fees and Costs. The working group formed to update the Tariff of State Fees has held only one organisational meeting and its work has not been renewed.

In summary, we stated that we will send the PEA to familiarize and organise the process of joining the systems to the UIHJ the developer guidelines we received only on 02 August 2023, but that we are not able to influence the speed of this process, which will move at an individual pace, according to the financial, human, and organisational capabilities of each law firm.

- **"Preparation of a proposal for improving the legal framework for the implementation of the obligation to surrender a child in Chapter 48 of the Civil Procedure Code"** - our representatives in the working group PEA Siyka Anadolieva and PEA 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.

- **"Preparation of legislative changes to Ordinance No.2 of 2005 on the keeping and preservation of the property register"** - our representatives in the working group Rositsa Apostolova and Maria Tsacheva. The Working Group operated during the period October-December 2023. A total of two meetings were held concerning a change in the cadastre, which do not directly concern the activities of the PEAs. The group has completed its work.

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

In the past reporting year, several informal meetings of the Chairperson of BCPEA were held separately with Deputy Ministers of Justice Georgi Nikolov and Julia Kovacheva. At the meetings, urgent issues for the judicial implementation were raised for discussion - updating the TDRCSSI, change in the taxation regime of the activities of the private enforcement agency, the proposal of the private enforcement agency for amendments and additions to the LPFL, access to the vehicle arrays of the Traffic Police, collection of fines of the Traffic Police, interaction between the private enforcement agency and the inspectorate on the inspections carried out by the inspectors, implementation of the private enforcement agency in the registry software of the private enforcement agency offices,

disciplinary proceedings against private enforcement agencies for violations committed by the private enforcement agency, etc.



At the initiative of BCPEA and as a continuation of our tradition for years, on 24 February 2023 in the city of Sofia on the topic: *"Improving the interaction between BCPEA and the Ministry of Justice in supervising the activities of private enforcement agents"*. The event was officially opened with greetings from Justice Minister Krum Zarkov and BCPEA Chairperson Ivan Hadjiivanov. Almost all

inspectors from the JSA Inspectorate to the Minister of Justice were invited and attended the meeting, as well as the members of the governing bodies of the BCPEA - Council, Control Board, Disciplinary Committee and Committee on Legal Affairs and Control of the Activities of the PEAs.

The main work panels included the following topics: "Interaction between BCPEA and the JSA Inspectorate at the Ministry of Justice in connection with the control of the activities of the PEA" (moderator Maria Tsacheva - Deputy Chairperson of BCPEA); "Activity of the DC of BCPEA - formation and conduct of disciplinary proceedings; procedural practice. Online meetings of the SC - preliminary design, logistical and legal aspects" (moderator Todor Lukov - Chairperson of the SC of the BSEC); Discussion of questions and problems, controversial practices in controlling the activities of the PEAs. Unification of opinions in connection with the implementation process under the CPC" (moderator Georgi Dichev - Chairperson of the Control Board of BCPEA). Moderators of individual panels.

The meeting turned into a constructive and dialogical tone, with the participants exchanging legal opinions, sharing the problems in their work on controlling the PEA activities and reaching mutual agreement on some controversial points during the inspections by the Inspectorate. Regular meetings of this nature are extremely useful for our joint work with the Ministry of Justice.



MINISTRY OF FINANCE

The issue of eliminating the unfair and contrary to the Constitution of the Republic of Bulgaria taxation of PEA activity, where taxes are paid not on real income, but also on expenses, remains a top priority for PEA management. 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. The costs of PEA offices for objective reasons have exceeded the statutory 25% for years. Unlike all other liberal professions, however, only PEA and notaries have a legal prohibition to organise their activities as an enterprise and accordingly to be taxed under the Corporate Income Taxation Act (CITA).

Numerous letters were sent to the Ministry of Finance on these urgent issues in the reporting year 2023, and the notary chamber acted jointly on this issue. A meeting was also held between the BCPEA leadership and the Minister of Finance, at which he showed an understanding of the problem and proposed a solution. Work was started on the preparation of the specific legislative amendments, but unfortunately there were only a few days left until the adoption of the package of laws related to the budget and the proposals of the BCPEA and the Notary Chamber could not be submitted for consideration to the Parliament. We hope that the issue will be resolved in 2024.

SUPREME COURT OF CASSATION

By Order of the President of the Supreme Court of Cassation of 09.03.2023, Interpretative Case No. 2/2023 was initiated on matters concerning judicial enforcement. Although we were not invited by the SCC to state an opinion on the questions raised for interpretation, the Council of the BCPEA considered it our professional duty to express our position, which could give, among other arguments, a more practical view of the problems. The BCPEA opinion was deposited with the SCC at the end of July 2023.

By Decision of 20 May 2022 under Commercial Case No. 6/2020, it was judged that decrees enacted under Article 496, para. (1) of the CPC for the assignment of real estate are not subject to revocation under Article 303 et seq. of the CPC.

Under Commercial Case No. 2/2021 of 22 November 2022, the judgment unequivocally resolved the issues of dispute 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 but be satisfied with the level of our expertise after the GCTC of the Supreme Court of Cassation in two interpretative decisions that are particularly important for enforcement adopted the opinions advocated by the BCPEA.

AGREEMENTS WITH GOVERNMENT INSTITUTIONS FOR COLLECTION OF THEIR PUBLIC RECEIVABLES

The 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. In the new text, changes were agreed in some texts on the formation of cases, accountability, collection of statistics and optimization of the work of the PEA on these cases.

Eight years after the signing of the Agreement on increasing the collection of public state receivables in favour of the judiciary between the SJC and the BCPEA, the effects of it are not only fiscal. As a result of the work of the PEAs, a real implementation of sanctions and penalties under the Penal Code has been achieved. The preventive function of the enforcement is also activated - an increasing number of 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. The debtors in cases for collection of public state and municipal receivables since 2017 are exempt from advance fees.

FINANCIAL SUPERVISION COMMISSION (FSC)

The first agreement between BCPEA and FSC took effect on 10 July 2015. With § 82 of the Final provisions of the Law amending and supplementing the Law on Public Offering of Securities (prom. SG 103/2012) amendments and additions to the FSCA were made. Pursuant to the provision of Article 27, para. (7) of the FSCA, the fees determined in the law collected by the FSC that are overdue are subject to enforcement by public executors under the Tax and Social Security Procedure Code (TSSPC) or by enforcement agents under the Civil Procedure Code. According to Article 27a, para. (1) of the FSC, fines and pecuniary sanctions are subject to enforcement by public executors under the Tariff of Fees and Costs or by enforcement agents under the Civil Procedure Code.

Unfortunately, the agreement as it stands did not work and remained only a good intention for many years. The reason was that there were

no clearly defined objective criteria for the selection of enforcement agents to be assigned to the FSC's cases. The Commission expressed its concerns in this regard. This obstacle was finally removed in 2023, when, at the initiative of the FSC, a series of meetings were held with our representatives to get acquainted with the possibilities of the electronic system for random distribution of executive cases of public claimants (ESRDECPCs). As a result of the talks, an updated version of the Agreement was developed, which was agreed, approved, and signed bilaterally by both institutions on 27 November 2023.

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 2023, we have 377 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 (862 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

The main directions for joint work with the Ministry of Interior and the Traffic Police - Traffic Police, on which the Chamber of Private Enforcement Agents has been trying for years to cooperate and lead to successful implementation are: the collection by the Private Enforcement Agents of the fines imposed by the Traffic Police; ensuring access of the Private Enforcement Agents to the electronic database and the information system of the Traffic Police, including the possibility of electronically recording the imposed distraints; free of charge receipt of the reports from the Traffic Police received electronically, as well as for stopping the movement of the seized vehicles. Despite the meetings held with the Ministers of the Interior and their teams, as well as the numerous letters sent to the Ministry of Interior in the last few years, so far, we have achieved almost no success.

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 then responded positively to our proposal, but unfortunately to this day (six years later) the Ministry of Interior has not responded to the hand of the BCPEA for assistance.

On September 11, 2023, we once again sent a letter to the Minister of Interior with a copy to Prime Minister Denkov and the Minister of Finance, regarding the actions taken by the Bulgarian government against the war on the roads, as we consider it our responsibility to support the government's efforts to comply with the rules. In his letter, the BCPEA declares its readiness to provide free assistance to the Ministry of Interior and the NRA by taking over the collection of the most serious cases of unpaid fines from offenders who believe that the law and rules do not apply to them. Through its high collection rate, a strong prevention against this type of violation will be achieved, the rule of law will be imposed and ultimately human lives will be saved. We reiterated that the partnership with the PEA will not cost the budget anything and that the costs will be covered only by the violators. On this principle, CSFI works very successfully with several state institutions. In the letter we also presented the possibilities provided by the Electronic System for Assignment of Enforcement Cases to Public Debtors " (ESRIDPV). We also appealed for efforts by the Ministry of Interior to submit and adopt a Draft Amendment to Ordinance No I-45 of 2000 on registration, report, stop and start, temporary withdrawal, termination, and restoration of the registration of motor vehicles and trailers towed by them, and the procedure for providing data on registered road vehicles, in its part, which regulates service stop, at the request of an enforcement agent under Article 431, para. (6) of the Civil Procedure Code for a vehicle on which enforcement is directed for a period of up to three months. We drew attention to the fact that if BCPEA can take over the collection of systemic offenders' fines free of charge, and if this amendment to the Ordinance becomes a fact, we believe that through their professionalism private enforcement agents will support the fight against the war on the roads to the extent that no other administrative authority has succeeded so far. Unfortunately, the response we received from the Ministry of Interior was purely formal, in-depth and without demonstrated insight into the proposals put forward by the PEA Chamber.

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 of Executive Agency Vehicles Administration, National Revenue Agency (NRA), municipal administrations and RIA, refactoring AIS KOS, implementation of AIS CHOD and development of new electronic services", as well as access to the administrative service "*Issuance of a certificate with data for registered and deregistered vehicles*". The BCPEA informed the Ministry of Interior that in early 2020 the new website of the organisation was put into operation, which will offer the functionality "*Register of Private Enforcement Agents*" - designed and

developed according to a technological model corresponding to its use through the Web protocol. API (Application Programming Interface). 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 multiple problems of debtors, creditors and the PEA 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 line with the automatization of the processes in the state administration over the past few years, and as an adequate response to the difficulties caused by the COVID 19 pandemic in the administration of the paper document flow between departments and citizens, in 2020 the two institutions agreed to use the services of the RBSS entirely electronically by the PEAs.

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. The BCPEA collected and systematized all the necessary

information regarding the new UIC of the PEA operating on the territory of the Republic of Bulgaria. It was officially sent to the BNB.

In 2022, a new functionality for submitting information about the special registers kept by the authorities and institutions under Article 56a, para. (3) of the Credit Institutions Act was implemented in the RBSS and comparing the records in them with the actions of the authorized users registered in the system. The submission of information to the RBSS is through a structured file, for which we also received instructions from the BNB. 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.

As of 01 January 2023, new increased fees for the reports issued by the RBSS entered into force.

The BNB and BSEC also maintain regular correspondence in connection with the revocation and restoration of the powers of the PEAs, with a view to suspending or restoring their access to the RBSS.

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 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

It has now been two years since private enforcement agents have electronic access to the land register in the part of acts, requesting and receiving acts electronically, requesting and receiving certificates of encumbrances electronically, expanding the scope and possibilities for searching by person and property in the electronic portal - Single Portal for Requesting Electronic Administrative Services. 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 (Registry Agency desk in Sofia, in particular) 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, enforcement agents registered with the EPEUR can now receive free electronic information from the relevant registers maintained by the portal, including the documents necessary 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. The PEA has obligations under the Civil Procedure Code related to a thorough examination of the debtor's property, an obligation to initiate a number of reports in the relevant offices - in the registries, in the municipalities, the RDNCC, the DNCC, the Ministry of Interior, the Ministry of Health, the BNB and others.

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, the following reports are widely used by PEA through Regix: references from the NRA for employment contracts, public obligations and insured persons under Ordinance H-13; references from the Registry Agency for a property account of legal entities and individuals, by property account, current status, participation of individuals in the CRRNPLE; from the Ministry of Regional Development and Public Works general reference for a natural person (permanent and current address); from the Ministry of Interior reference for the validity of an identity document; from the CRPD reference search for participants, as well as references from many other national registers (31 in total).

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. Thanks to the active actions of BCPEA since 2022 and continued in 2023, some banks already receive distraint messages through CCEV - CCB,

Investbank and Tokuda Bank. Another part receives electronically signed attachment messages by e-mail - Eurobank, BACB, DSK, Ziraat Bank. The other banks, however, still refuse to receive documents and papers electronically due to the lack of an ordinance. Several years of BCPEA efforts to solve the problem of electronic service have yielded results and eventually in 2023. Parliament adopted the necessary amendments to the Civil Procedure Code. With an amendment to Article 38, para. (2) of the Civil Procedure Code (State Gazette No. 80/2023, effective from 19 September 2023), it is envisaged that the service will be carried out through the secure electronic service system under Article 26, para. (2) of the Electronic Governance Act.

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 Anti-Money Laundering Act (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 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 AMLA and its accompanying regulations. After a two-year break, in 2022 and 2023, the meetings and the attendance of our representatives at the compulsory trainings organised by the State Agency for National Security were resumed. 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)

Already at the beginning of the last reporting year, BCPEA addressed a letter to the National Institute of Justice regarding the inclusion in the curricula of nip of modules, topics, and programs on judicial enforcement.

Judicial enforcement is an integral part of civil proceedings, and in view of the provisions given in other procedural and substantive laws, it is also part of administrative and tax and social security law. The importance of enforcement in terms of the requirement of fairness under Article 6 of the ECHR and Article 47 of the CFREU is great insofar as it embodies the satisfaction of the country with the judicial activity that has developed most often over a significant

period. Therefore, it again intertwines both the interests of the creditor for faster enforcement and the desire of the debtors to preserve their property and assets for as long as possible. All this should be complied with by the requirement for the legality of the actions of enforcement agents.

The diversity of cases before enforcement agents, combined with the laconic legal framework in the procedural laws, led in the last ten years to a two-fold amendment of the provisions of the CPC - in 2017 and 2019, and at the same time, five interpretative cases were opened before the Supreme Court of Cassation, culminating in the rendering of interpretative decisions by the GACTC of the Supreme Court of Cassation.

The reason for the mandatory interpretation of provisions of the procedural law by the SCC is rooted in the diversity of different legal hypotheses and the corresponding contradiction in the relevant case law.

Insofar as the competence for examining appeals against actions of enforcement agents under the Civil Procedure Code has been assigned to three-member panels of the respective district courts, whose acts, with the exception of the cases of appeal of the distribution, are final, the pledge for the protection of the rights and interests of the parties in the enforcement proceedings is also significant. Often, junior judges who have successfully completed their compulsory initial training at the National Institute of Justice are members of the district courts. The interaction between the individual legal communities could strengthen the rule of law in enforcement under the CPC, APC and Tariff of Fees and Costs and thus lead to the avoidance of contradictory court decisions leading to the intervention of the SCC through interpretative activity.

In view of all the above, the Chamber of Private Enforcement Agents has turned to the NIP in their curriculum, both in the part of the compulsory training of junior judges and in the part of the current training, to establish a separate module "Enforcement" in which to discuss topics related to judicial enforcement and to examine current cases from the daily activities of enforcement agents with an emphasis on the current jurisprudence of the 28 district courts. We also expressed our willingness to name colleagues who would be willing to share their practical experience in the daily observance of the legality of the executive actions.

As a result of our proposal, we received a response from the Director of nip, Ms. Miglena Tacheva, informing us that the following topics are included in the curriculum of the mandatory initial training of candidates for junior judges in civil law and process: "Warrant proceedings" and "Appeal actions of the enforcement agent", which are part of the matter regulated in Part Five "Enforcement proceedings" of the CPC. The problems under "Enforcement List Issuance Procedure" and "Warrant Procedure" are also analysed in the "Civil Procedure Law Handbook for Candidates for Junior Judges". A complex of 12 self-learning resources is also under development at the nip, some of which will cover various aspects of procedural law: "Management of the Court of First Instance - District and District Court" and "Management of the Court of Appeal - District and Appeal Court, Commercial Disputes, Cassation Proceedings". Once the work on

compiling them is completed, the resources will be available in electronic format to all registered users in the nip e-learning portal.

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. It was designed to reduce the administrative burden on citizens and also the financial burden on debtors. Our representatives in this process were Siyka Anadolieva and Stoyan Yakimov. 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. 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.

The contractor of the project is Information Services AD. The service was launched in November 2022. Access to the system is by electronic signature. In practice, there is a technical possibility to connect this software to the API-appendix to the PEA Register through the CHSI website so that it can be checked at any time whether the person making the reference is a current PEAs.

The platform currently operates only for the city of Sofia, but the prospect is that it will extend to other municipalities.

3.3. Public Relations and Media

Unfortunately, over the past year, the state and our people have again been hostage to political and economic crises. Our profession is still recovering from the severe years of the pandemic. These are strong and significant factors that have also had an impact on the media policy of BCPEA. We expected from 2023 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 PEAs, 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 2023 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.

Throughout 2023, media showed moderate to meagre interest in the work of private enforcement agents, with the most widespread coverage being in electronic media. The most serious media coverage was received at the initiative of BCPEA at the international conference on "Individual Insolvency" in mid-June last year. Information about the more significant public sales of PEAs, extracted from the website of BCPEA Register of Public Sales, 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 with no serious prospects of lasting stabilization. Despite these unfavourable trends, the BCPEA management intends to restore the constant exchange of information 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 PEA activity

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 Activity (CLACA) is a subsidiary body at the BCPEA 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 BCPEA 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 BCPEA Council, as well as implementation of subsequent control; Collection, systematization and analysis of information about the work in PEAs offices; Giving opinions to the BCPEA 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 BCPEA 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 BCPEA 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. Comprehensive and partial monitoring campaigns were conducted regularly by BCPEA, with the first ones starting in the distant 2010. Periodic inspections of offices followed in 2013, 2015, 2016, 2018. The monitoring shall be comprehensive or thematic for each individual year. The purpose of the inspections was to establish the current situation, possible violations, and vicious practices in the profession. All offices with established violations received recommendations for the elimination of irregularities within a certain period. 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, until 2023, no large-scale monitoring of the activities of the PEA has been carried out, as in the last three years normal activity has been severely hampered and the situation in the offices has been extremely stressful - due to ongoing health, political and economic crises.

In the past reporting year, by a decision of the BCPEA Council in February 2023, the practice of conducting inspections of the offices of all private enforcement agencies in the country was restored. The inspections shall be carried out by the members of the CLACA on a schedule determined by the CLACA Chairperson. The topic of the monitoring was compliance with the rules on local jurisdiction and the correct charging and collection of implementation fees. All offices were checked remotely online - with full access of the inspectors to the official archive of the inspected, incl. and at the explicit request of the inspector to provide copies and/or printouts of the relevant documents or the entire enforcement cases. The checks were carried out in the period 31 March 2023 - 05 June 2023. The inspectors from the CCWC submitted their reports within the given deadline, and the results of the monitoring were analysed and summarized by the Committee Chairperson. The summary report with the conclusions and recommendations of the CWC was presented by Mr. Stoyan Yakimov at the National Conference of PEAs, which was held on 10 June 2023.

For years, the BCPEAs has pursued a constant policy of enhanced control and uncompromising those who violate the law or undermine 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 - and 185 PEAs (as of 31 December 2023), only in the last five years (2019 - 2023) the effective disciplinary punishments are 155, including 100 fines, of which 24 in the amount of over BGN 5,000, 3 warnings for debarment and 16 debarments. 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.

Hand its meetings held in 2023, The BCPEA Council has taken one decision to initiate disciplinary proceedings (on one complaint received in 2022). For its part, the Disciplinary Committee, although formally part of BCPEA, is in practice a fully independent body. Data from the past year suggest that the Supreme Court of Cassation confirmed approximately two-thirds of the decisions made by the disciplinary panels. The remaining one third of the SC's decisions are amended by 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 2023, BCPEA received 292 complaints. Their number is lower by 51 compared to 2022, when they were 343 (for comparison in 2021 - 398, 2020 - 348, 2019 - 548, 2018 - 530, in 2017 - 654).

The Chamber takes its control activity extremely seriously, devoting significant resources to investigate each complaint. A large part of each meeting of the Council is dedicated to the consideration of the received signals and complaints. A significant part of the citizens is not aware not only of the rights and procedures, but also of the functions and powers of the PEAs, 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 in BCPEA 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

The Chamber of Private Enforcement Agents is a full member of the International Union of Judicial Enforcement Agents (IUSE), an organisation created 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 the planning of conventions relating to the service of enforcement orders and the enforcement procedure, in particular. 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. In a global market dominated to a large extent by the economy, enforcement agents must fulfil their role by strengthening the rule of law. As far as law enforcement is concerned, the UIHJ proposes to use its experience and influence advantageously to ensure that wherever possible, judicial decisions are enforced with maximum efficiency. 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 ENFORCEMENT AGENT'S FONDATION (EUBF)

The European Enforcement agents' Foundation (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, 25 countries are members of the EUBF. The organisation is headquartered in Brussels. Its purpose is, in close coordination and under the direction of the ISRS, to carry out the following activities: development, promotion and presentation of the profession of enforcement agent in the different 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 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 judicial enforcement; coordination of the profession of enforcement agent within the European Union, in order to promote global standards and best practices in enforcement; organisation of

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 2023 was held on 11 May in the city of Luxembourg, Grand Duchy of Luxembourg - as part of the programme of the UIHJ Permanent Council.

20TH ANNIVERSARY OF THE ESTABLISHMENT OF THE CHAMBER OF ENFORCEMENT AGENTS OF THE REPUBLIC OF LATVIA

On 21 and 22 April 2023, the National Chamber of Enforcement agents of Latvia celebrated its 20th anniversary. At the invitation of our Latvian colleagues, a Bulgarian delegation took part in the event. Central to the celebration was the conference organised by the Latvian Chamber, which brought together enforcement agents from Latvia and abroad, representatives of other legal professions and focused on the problems and challenges in the enforcement agent's profession. The event was attended by the Minister of Justice of the Republic of Latvia, Ines Inese Lībiņa-Egnere, and President of the Supreme Court of Latvia, Aigars Strupiss. The UIHJ was represented by President Mark Schmitz, Vice President Jos Witdehaag, Bureau Secretary Patrick Guillen, Deputy Treasurer David Walker, and UIHJ Executive Bureau member Janek Poole.



During the official part, Mrs. Iveta Kruka - President of the Latvian Chamber, paid tribute to Mrs. Guna Berlande, Director of the Latvian National Council of Enforcement agents, for her unwavering dedication to the profession. This recognition highlighted the importance of Ms Berlande's contribution to the development and promotion of the profession nationally and internationally. The conference was

structured into three main panels. The first panel focused on the question of whether enforcement is a necessity or a formality. The second panel discussed the necessary means and methods for effective enforcement, including the ever-increasing digitalization of processes. The third panel focused on challenges related to the implementation of decisions concerning the handover of children.

In conclusion, the conference highlighted the challenges facing our profession and allowed different actors in the legal world to exchange views on issues related to enforcement. It became clear that enforcement is a necessity in a rule of law, but it is important to ensure that enforcement procedures remain within the competence of enforcement agents - the only professionals capable of guaranteeing the rights of the parties to the enforcement process.

In addition to the working part of the forum, an official celebration of the 20th anniversary of the establishment of the Latvian National Chamber of Enforcement agents took place. Our delegation paid tribute to our Latvian colleagues by attending a gala dinner hosted by kind hosts. Mr. Ivan Hadjiivanov greeted the attendees and presented a gift to the hosts of this official event.

UIHJ EUROPEAN PERMANENT COUNCIL



On 11 and 12 May 2023, the European session of the Permanent Council of the International Union of Judicial Officers (UIHJ) took place. This year's event was hosted by the Luxembourg Chamber of Enforcement agents. 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.

A special guest of the forum was the Minister of Justice and Culture of Luxembourg, Ms. Sam Tanson, who took part in the official part with a greeting to those present, emphasizing in her speech the exclusive role for society of the profession of enforcement agents in Luxembourg. Ms. Tanson also spoke about the importance of the initial and continuing education of PEA in her country.



IASF President Mark Schmitz opened the forum with a speech in which he did not fail to congratulate hosts for their excellent organisation and hospitality.

The focus of this year's meeting was on: the activities of the UIHJ, held after the last permanent council in 2022; the current projects of the UIHJ and the UIHJ, as well as the projects in development, which are managed by our European organisation in Brussels (FILIT enforcement project, BESP project, pace project, DIGIJUST project, era project, etc.); a draft of the World Code of Professional and Ethical Standards in Judicial Enforcement (for the presentation of the World Congress in Rio de Janeiro in 2024); Integration of the e-Codex in EU Regulation 2020/1784; interaction of the UIHJ with the European institutions, etc. In order to respond to the challenges on a European and global scale due to health and economic crises, the topic of UIHJ trainings, conducted in the form of webinars through an online platform with multiple participants from all Member States, is also becoming an increasing number of popular.

During the meeting, the participating countries reported on the 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 few 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. An increasing number of cases are being transferred onto collection agencies - both in Germany and in the Baltic states.

EUROPEAN WEBINAR ON JUDICIAL ENFORCEMENT

Since 2021, the UIHJ organises a series of online workshops (webinars) four times a year for its members and, also for all stakeholders to discuss topics that provide a quick overview of the most important issues of enforcement procedures in individual countries. The webinars are held by three countries, with enforcement agents from neighbouring countries presenting information about their country at the same time. In a webinar in March 2022, the implementation procedure of Estonia, Latvia and Lithuania was presented, in June 2022, the systems in Finland, Sweden and Denmark were presented, in



The image shows a screenshot of a webinar slide. In the top right corner, there is a small video feed of a man with a beard, identified as 'PETKOV Petyo'. The main content of the slide is on a light purple background. At the top, the title 'Enforcement procedure in Bulgaria' is written in a dark serif font. Below the title is the coat of arms of Bulgaria, which features a golden eagle on a red shield, surrounded by a circular border with the text 'REPUBLIKA BULGARIA' and '1878'. At the bottom of the slide, there is a block of text: 'Presented by Petyo Petkov – Private Enforcement Agent from Bulgarian Chamber of Private Enforcement Agents, member of Commission on professional ethics, member of the Committee on Legal Issues and Control of the Bulgarian chamber of private enforcement agents'.

September 2022 - Gabon, Congo, and Cameroon, in December 2022 - USA, Canada, and Brazil, and in March 2023, colleagues from Poland, the Czech Republic, and Germany hosted.

On September 14, a webinar of this series was held in English for the three Balkan neighbouring countries Bulgaria, Romania, and Greece. My colleague Petyo Petkov, a private enforcement agent from the Pleven Municipal Court, took part as a speaker from the Bulgarian Chamber of Private Enforcement Agents. The workshop was structured in 30-minute sessions with presentations on each of the presented countries. The highlights of the discussion were in several main directions for each individual country, namely:

- A brief introduction to the system of judicial enforcement in the country concerned;
- Price of the enforcement proceedings for the creditor;
- Is it possible to obtain information about the creditor before or after obtaining the enforceable title and what information is available;
- Whether and how the enforcement agent can attach a salary (pension, unemployment benefit);
- Whether and how the enforcement agent can attach the movable property.

The workshop was very successful and the feedback from the MSSSI on the presentation of our moderator Petyo Petkov was more than positive.

UIHJ WORLD PERMANENT COUNCIL

From 23 to 24 November, the Permanent Council of the International Union of Enforcement agents (UIHJ) meets in Paris. A day earlier, the



UIHJ held its general assembly, meeting on important topics for judicial enforcement in European countries. During the forum, the parties reported on the current issues of enforcement in their countries. The meeting was followed by a pace project workshop on GDPR. Ivan Hadjiivanov and Anelia Glavanova presented the Bulgarian Chamber of Private Enforcement Agents in both forums.

Among the highlights of the work of the Permanent Council of the UIHJ were: presentation of the new members of the UIHJ and signing of cooperation agreements; report on the activities of the UIHJ for 2023; adoption of the budget for 2023 and draft budget for 2024; the 2019 Judicial Convention of the Hague Conference on Private International Law; innovation, technology and artificial intelligence in judicial enforcement; relationships and interaction with other institutions; UIHJ projects in action, etc. Within the forum, a Workshop was held on the topic: "The enforcement agent and the media. The power of communication". Enforcement agents and journalists from

Belgium, the Czech Republic, Montenegro, and Brazil presented their experience, gave advice and practical examples of effective tools, methods, and ways of communication between enforcement agents and the media.

FIDE CONGRESS IN BULGARIA

In the period May 31 to June 3, 2023 in the city of Sofia fide (International Federation of European Law) held its jubilee XXX Congress hosted by the Bulgarian Association for European Law (BAEL). More than 450 leading foreign and national lawyers in the field of EU law participated in the congress, including judges, including from the Court of Justice of the European Union, senior officials, academics, lawyers and jurists from various fields of law. The Congress was opened by Alexander Arabadzhiev – President of fide from 2021 to 2023, Judge at the Court of Justice of the European Union since 2007, President of the 1st Chamber of the Court; Leonard Cohen – President of the Court of Justice of the European Union; Mark van der Woude – President of the General Court of the European Union. Rumen Radev, President of the Republic of Bulgaria, also addressed the congress via video link. Over the course of three days, topics and discussions related to European Union policy and law were presented in three different panels:

1. Mutual trust, mutual recognition, and the rule of law;
2. The new geopolitical dimension of competition and trade policies of the European Union;
3. European Social Union.

In the sub-topics of the above three panels were presented judges from constitutional and supreme courts of European countries; speakers from a European university; heads of directorates of the European Commission and the European Parliament; heads of legal departments of European administrations and institutes; lawyers from different European countries; representatives of international



organisations.

This is the first fide congress to be held in Southeast Europe and in practice represents one of the highest international forums of legal professions in the field of law and values of the European Union. The Chamber of Private Enforcement Agents was represented at this unique congress by several PEA colleagues (Stefan Gorchev, Siyka

Anadolieva, Stoyan Yakimov, Todor Lukov, Dragomir Yordanov), who took part in various panels of the congress programme.

MEETING OF THE CSCI MANAGEMENT WITH REPRESENTATIVES OF U.S. EMBASSY

In April 2023, at the invitation of the U.S. Embassy in Bulgaria, a meeting was held between the BCPEA management and representatives of the U.S. State Department and the Embassy in connection with monitoring on the pronouncement and implementation of the Decisions under the 1980 Hague Convention on the Civil Aspects of International Child Abduction. The topic of the meeting was *"Enforcement of judgments related to international child abduction"*.

On the U.S. side, the meeting was attended by:

- Michelle Bernier-Toth, Special Adviser for the Office of Childrens Issues in the U.S. Bureau of Consular Affairs;
- Michael Greer, Consul General at U.S. Embassy in Sofia;
- Stephanie Paley, U.S. Bureau of Consular Affairs Representative;
- Perla Fernandez, Representative of the Consular Section at U.S. Embassy in Sofia;
- Diana Zaharieva, Representative of the Consular Section at U.S. Embassy in Sofia.

The BCPEA was represented by:

- Ivan Hadjiivanov - Chairperson of BCPEA;
- Rositsa Apostolova - Member of BCPEA Council;
- Siyka Anadolieva - Member of BCPEA Council;
- Anelia Glavanova - Administrative Director of BCPEA.

During the meeting, our representatives shared the main difficulties encountered by private enforcement agents in the implementation of court decisions on the transfer of children, such as finding the parent at his/her address and duly serving the Call of Voluntary Enforcement, lack of adequate assistance from the social services and the police in the implementation in some cases, etc. It was emphasized that under Bulgarian law there is no separate procedure for the enforcement of court decisions issued under the Hague Convention, and they are implemented in accordance with the decisions granting parental rights and the regime of personal relations. We noted that Bulgaria should work in the direction of maximizing the role of social services in cases of child transmission.

INTERNATIONAL VISITOR LEADERSHIP PROGRAM



In the summer of 2023, our representatives Nikoleta Kavakova and Siyka Anadolieva together with 8 other Bulgarian lawyers, representatives of the court, the Ministry of Justice, the Bulgarian Bar Association, and the non-governmental sector, participated in an international exchange programme International Visitor Leadership Programme organised by U.S. Department of State, related to the application of the 1980 Hague Convention on the Civil Aspects of International Child Abduction. The programme was held in the period 23 July 2023 - 02 August

2023 in the United States. During the programme, a few workshops were organised with officials from various institutions in the United States - the State Department, the Department of Justice, prosecutors, judges, lawyers, police representatives, as well as social service providers. The meetings were very useful because of the exchange of ideas and good practices related to the adoption and implementation of decisions under the Hague Convention and decisions related to child custody, as well as the systems for prevention and mediation, coordination mechanisms and protection of children at risk in the United States. Participation in the programme showed a different perspective on the possibilities for solving the difficulties we face in Bulgaria in implementing court decisions under the Hague Convention and decisions related to the surrender of children, which can serve as a starting point for possible legislative changes after the necessary analysis of compliance with Bulgarian legislation.



The final meeting of the programme took place on 17 October 2023 during a working dinner with His Excellency Kenneth Merten - U.S. Ambassador to Bulgaria, Michael Greer - U.S. Consul General in Bulgaria, as well as with other representatives of U.S. Embassy, discussing not only the results achieved, but also the possibilities for future cooperation in order to ensure rapid and effective implementation of the Hague

Convention.

FOOTBALL TOURNAMENT OF CENTRAL AND EASTERN EUROPEAN COUNTRIES

On 26 and 27 May, the city of Skopje, Republic of North Macedonia hosted the traditional international football tournament of



enforcement agents from Central and Southeastern Europe. Teams of colleagues from Serbia, Montenegro, Kazakhstan, Kosovo, Moldova, North Macedonia and of course from Bulgaria took part. The tournament winner emerged to be the Bulgaria team! The Bulgarians defeated the teams of Moldova, North

Macedonia, Montenegro in the semifinals, and bested North Macedonia in the final. The Bulgarian team played hard, despite the serious injuries suffered by several of our players during the football matches. A player from our team earned recognition as the best goalkeeper of the tournament!

The football championship tradition in PEA industry has been going on for many years. The tournament in Skopje was planned for 2020, but the Covid-19 pandemic broke out and this wonderful tradition was put off for several years. It has been a great pleasure for all countries to resume it in 2023. In addition to high



sports spirit and good mood, colleagues from neighbouring countries use the occasion during these tournaments to share ideas, problems, news, and information about the development of the profession in the countries of Central and Southeastern Europe.

3.6. Services provided to BCPEA members

In 2023, BCPEA continued to maintain and develop the range of electronic and other services it offers to its members.

3.6.1. Electronic Environment and Technologies Development

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. To expand partnerships with public creditors in a secure and transparent way, in the reporting year 2023 we continued to promote among municipalities and other state institutions our system for random allocation of cases for public creditors - a maximally simplified platform that allocates their enforcement cases on a random and proportional basis.

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 2023. 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 are pleased to note that

electronic public auctions of property are already a fact and are conducted through the information system of the Ministry of Justice. Our huge disappointment is that, unfortunately, the imposition of true electronic distraints on debtors' bank accounts has not yet received its real practical application and meaning. There are also the necessary changes to the Civil Procedure Code, for which we have fought for a long time and which finally allow for the widest possible possibilities for notifying persons and serving papers electronically through the Secure Electronic Service System of the State e-Government Agency, as well as for enforcement agents' access to the Single e-Justice Portal.

Unfortunately, the BCPEA initiatives in 2023 received almost no response and engagement 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. Otherwise, we would achieve even more tangible successes in the field of automatization of the law enforcement process in Bulgaria.

The Chamber devotes significant human and financial resources to automate its processes, workflow, 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 procession 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, State Gazette Issue 51/2019, effective since 28 June 2020). Currently, the system is administered very well by the contractors of the project in the Ministry of Justice, and respectively the BCPEA works in perfect cooperation with them. The electronic system for statistics of the PEA activity greatly facilitates the work in our organisation. For PEAs and the Chamber administration, the need for preparing, sending and respectively manual processing of PEA reports on paper has been left in history.

For seven years now, the Chamber's administration has successfully used 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. A new web-based registry was successfully implemented at the end of 2011. At the insistence of BCPEA, the National Assembly in 2012, with an amendment to Article 19, para. (4) of the LPEA, introduced the obligation to publish notices of public sales on the BCPEA website.

A key success for the Chamber, as it ensures its successful development, was scored in late 2012 and early 2013. In connection

with the changes to Article 487, para. (2) of the Civil Procedure Code for the announcement of public sales dated 01 January 2013 on the sites of the respective district courts, the SJC decided to announce it through a link from the Register of BCPEA. Thus, the Register of Public Sales has established itself as the main 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.



The daily work with the register showed the need to carry out some improvements in the software - mainly with a view to achieving greater convenience of work on the part of the PEAs, as well as collecting and summarizing reliable statistics on announced and realized public sales. Information is constantly collected by the Board of the

BSRC, by the administration of the BSRC and by the developers of the registry software in the offices of the BSRC, regarding their proposals and recommendations for improving the work of the Register of Public Sales. After summarizing and analysing the feedback received from users, the Department of Information Technologies at the SCCSI, at the end of 2023, held a meeting with the contractor Information Services AD. Improvements will be awarded in 2024.

For the past 2023, the RIP page was visited by **700,000** users who conducted **2,407,000** sessions and viewed a total of **21 million** pages. The average duration of a session was **05:47** minutes. Visitors from Bulgaria predominate, but there are also from Germany, the United Kingdom, the United States, Greece, the Netherlands, Austria, and others. About 2/3 of all users access the site from mobile devices.

In 2023, the Register of Public Sales of the Chamber of Private Enforcement Agents published **12,525** announcements of real estate sales /for comparison 16,215 in 2022; 20,104 in 2021; 25,273 in 2020/; for motor vehicles - **1,193** ads /for comparison 980 in 2022; 1,431 in 2021; 2,002 in 2020/ and announcements of movable property - **1,833** /for comparison 1,746 in 2022, 664 in 2021, 2,027 in 2020/. Mind that the number of published announcements does not mean actual sales, nor that so much property is subject to enforcement, in many cases several sales of the same properties are held due to lack of bidders.

The announced sales of real estate for 2023 by district courts are distributed as follows:

Sofia City	Sofia District	Blagoevgrad	Burgas	Varna	Veliko Tarnovo	Vidin
896	658	352	1536	975	479	256
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovech	Montana
309	198	804	105	270	743	127
Pazardzhik	Pernik	Pleven	Plovdiv	Razgrad	Ruse	Silistra
491	108	370	1214	169	405	133
Sliven	Smolyan	Stara Zagora	Targovishte	Haskovo	Shumen	Yambol
218	320	534	81	423	255	96

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



The Integrated Platform of enforcement cases was established as a centralized database in 2011 - Central Register of Debtors (CRD). The original system was in operation from the beginning of 2011 until September 2014. An entirely new CRD software was launched as of October 2014. It still works today. The last improvements in the current software took place in 2017. And with this register, there is a need for a 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 IME data, the pending cases in the country are 1,346,582, and the total terminated and completed cases are 1,536,613.

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 2023, a total of **30,250** reports were issued by the CRD, of which 11,124 by different companies and citizens and 19,126 by our corporate clients /for comparison: 2022 - 36,385; 2021 - 29,425 reports; 2020 - 25,146 reports/. Separately, institutions such as the

Police, the Prosecutor's Office and the Court regularly request from CSII the provision of information on pending enforcement cases against persons subject to investigations in pre-trial proceedings or parties to judicial civil and commercial cases (2023 - 1,187 references; 2022 - 937 references; 2021 - 1,047 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 2023, there is a higher level of income from the CRD compared to the one set in our annual budget. It is because the General Assembly of BCPEA, held at the beginning of 2023, obliged the BCPEA Council to increase the prices of the reports issued (for both individual and corporate clients) - in accordance with the economic processes in the country and as a compensatory instrument to control the consequences of serious inflation. The costs incurred for maintaining the system and servicing its users are also relevant to the increased revenues, and the two indicators show good comparability for the reporting period.

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 easily created. The system is designed to integrate successfully into the existing IT environment. 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 PEAAs about non-fulfilment of its obligations in time, etc.

3.6.1.4. Electronic System for Assignment 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. 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.

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. Therefore, by a decision of the BCPEA Council, that in 2022 a web-based application **Electronic System for Assignment 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 PEAAs have a pre-created user profile, an email with access data and instructions for using the product is sent to them.

The new web-based platform was launched in September 2022 and in October and November 2022. ESDECPC was widely presented 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.

The use of the system is not mandatory, but attention should be paid to the fact that **for the public receivables by institutions, the proceedings are actually free of charge**, since the fees and costs of the initiated enforcement cases are at the debtor's expense. Thus, two positive effects are achieved for municipal administrations - higher collection of public receivables without additional financial burden on municipal budgets.

There is still a moderate interest in the registration and use of the system by public creditors. At the end of November 2023 BCPEA again sent the presentation of the system to the NAMRB and separately to Sofia Municipality. The BCPEA assists and sends instructions for working with the system to stakeholders.

3.6.1.5. Information system of single-entry point for distraints and System for Electronic Public Auctions

The State Gazette, issue 35 of 18 April 2023, promulgated *"Ordinance No. H-3 of 6 April 2023 on the keeping, storage and access to the information system for a single-entry point for the attachments of movable property subject to registration by law and on the organisation, rules and activities of the online platform for electronic public auctions"*. The Ordinance entered into force three months after its promulgation in the State Gazette, i.e. in July 2023.

The information system of a single-entry point for distraints includes a National Register of Distraints, an electronic public auction module, provides four electronic services and implements a system connection - a system with information systems and registers for automatic data exchange through RegiX.

The National Register of Distraints allows private enforcement agents, state enforcement agents and receivers to register imposed distraints, and through the services offered, inform the administrations of the registered distraints. The information system of a single-entry point for distraints offers four electronic services that are provided to citizens and administrations:

- *"Electronic first notification of attachment"*;
- *"Electronic notification in case of status change of the item under distraint"*;
- *"Electronic report on a property distraint availability"*;
- *"Electronic report on an individual seized property availability"*.

The module for electronic public sale, part of the information system, implements the CPC amendments made at the BCPEA proposal in 2017. It covers all options to take a stake in the bidding procedure during an electronic public auction.

With the introduction of electronic auctions, written offers are removed, and the implementation of the auction requires only registration in the system, an application for participation and a deposit. The auction is open and takes place in real time entirely in an electronic environment, and the participants in it are anonymous. Thus, none of them knows how many persons are participating in the auction, nor who they are.

After the 30-day registration period of the bidders, the electronic auction itself lasts 7 days and is automatically extended by 10 minutes if a new bid is submitted in the last 10 minutes. The procedure thus made protects the participants and the parties in the enforcement proceedings to the maximum extent possible from possible abuses. The very duration of the auction and the anonymity of the bidders ensure that the highest price is achieved.

The amendments to the Civil Procedure Code also regulate a mechanism for bank lending to those wishing to participate in such auctions. Facilitating lending for the purchase of real estate from electronic public auctions will lead to an increase in the number of participants, which will strengthen the competitive environment. This will lead to an increase in the final prices of the auctions, which is in the interest of both creditors and debtors.

To work with the system, training was held in June 2023 through an online meeting on the ZOOM platform, which was attended by representatives of the Ministry of Justice, the developer company "Kontrax" and invited all private enforcement agents. The system entered into force on 20.07.2023, enforcement agents registered and no significant problems were reported when working with it. The integration of the record keeping programs in the automatic data transmission offices is to be completed to avoid manual input.

The e-Public Sale module has not yet been widely used by PEAs. About 60 advertisements for electronic auction have been published. We hope that the system will be promoted quickly, because it allows more people to take part in the public auction, achieving the highest possible price, full transparency of the procedure, as well as the lack of any possibility of abuse.

3.6.1.6. Information System of Judicial Enforcement /ISJE/

The information system is maintained by the Ministry of Justice and provides centralized electronic access to data on the formation, movement, and closure of enforcement cases.

The following electronic administrative services can be requested through the system:

- Providing a reference for a document extracted and served from the outgoing register of the registry of an enforcement agent;
- Providing a reference for an incoming document with a reliable date from the incoming register of the registry of an enforcement agent;
- Providing a report on injunctions imposed by an enforcement agent;
- Provision of a reference for extracted letters for notification of the mortgage creditor from the registry to an enforcement agent;
- Providing a reference for protocols for disclosure of sales of movable and immovable property by the registry office to an enforcement agent for registration in court;
- Provision of a statement of accrued fees and expenses by an enforcement agent;
- Providing a report on the amounts received and transferred in an enforcement case.

The Ordinance on the establishment of the system entered into force on 01.09.2022, and by 31 July 2022 the judicial executors had to take the necessary actions to integrate the information systems they use with the ISJE.

BCPEA has repeatedly sent letters to the Ministry of Justice in connection with the system. Despite insistent letters and conversations, by mid-2023 The BCPEA had not received technical documentation, specifications, source codes, etc., concerning the implementation of ISJE in the registry software of PEA offices. It was explained that there are many difficulties in the introduction of the system related to additional technical developments to be

carried out for each of the existing information systems of private enforcement agents, the introduction of new, completely unknown, and voluminous nomenclatures in the information systems, data filling and transfer, training of enforcement agents and employees. Technical guidance for developers of data transfer and integration systems with the UIHJ system was received only in 08.2023.

Currently, companies supporting the information and file systems of private enforcement agents, are working at different rates on the connection of their systems to the ISJE. This is because the elaboration of the technical amendments and the creation of the additional modules that are necessary for the accession of the individual case management programs to the UIHJ represents a serious additional cost for the offices. The very process of joining the systems to the UIHJ requires, in addition to financial, personal, and logistical resources, which is at the expense of each individual private enforcement agent. Many colleagues do not have one at this stage. Apart from the payment of the technical improvements that each private enforcement agent makes with their own funds, the introduction of the system requires additional qualification and training of the employees in the offices, as well as of the private enforcement agents themselves.

3.6.1.7 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 the justice sector, in particular. 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 - State Gazette Issue 49/2012, effective since 01 January 2013, amended, State Gazette Issue 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 our efforts, we have completed and started another year without the possibility of applying the norm of the Civil Procedure Code on electronic distraints. The Ministry of Justice should issue an ordinance on electronic distraints through a special environment for them, regulated in the Civil Procedure Code, but this has not happened for more than 10 years. Without this regulation, the issue of electronic attachments could not be practically solved. However, there has been some improvement in the situation.

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. Thanks to the active actions of BCPEA since 2022 and continued in 2023, a part of the banks already receive distraint messages through CCEV - CCB, Investbank and Tokuda Bank. Another part receives electronically

signed attachment messages by e-mail - Eurobank, BACB, DSK, Ziraat Bank. The other banks, however, still refuse to receive documents and papers electronically due to the lack of an ordinance.

3.6.1.8. Implemented Personal Data Protection System with the Chamber and 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.

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

3.6.2. TRAINING. EUROPEAN SCHOOL OF ENFORCEMENT.

The European School of Enforcement (ESE) was established by a decision of the BCPEA Council dated 14 October 2016 and was registered as a foundation for public benefit by a decision of the Sofia City Court dated 17 November 2016 in company case No. 734/2016.

The report covers the foundation activities for 2023, 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:

- A webinar on "Cross-border service of documents in civil and commercial matters" in April, in which 20 PEA and their employees participated;
- A webinar in May on "The partition and its reflection in the implementation process", with 39 participants.

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, began its activities. The topics of the webinars were determined entirely on the proposal of the Programme Board.

2. International Activities and Projects

EUPI was involved in the implementation of the project "Creating Privacy Awareness in Civil Enforcement", implemented by the Centre for European Constitutional Law in Thessaloniki, Greece, and the

European Union of Judicial Officers. The project envisages the preparation of a practical manual on the application of the GDPR in the enforcement proceedings and training of trainers in the field of personal data protection in the enforcement proceedings in 26 EU countries and candidate countries. The trainings will take place in 2024.

3. Financial Performance

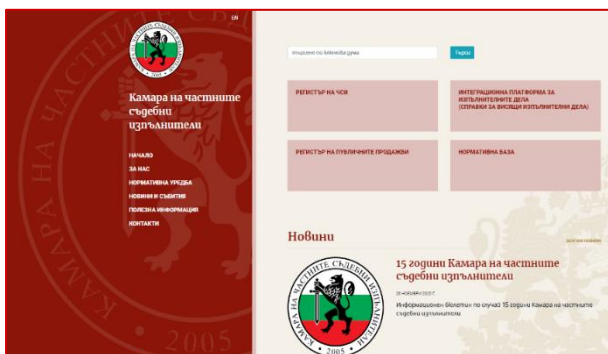
The two sources of funding for the foundation during the reporting period are fees for participation in the trainings organised by it and a BCPEA subsidy. The financial performance from the foundation activity totals BGN 5,220.74 as of 31 December 2023.

In 2023, measures to minimize fixed costs, especially those for staff, were continued. The only civil contract is for accounting services.

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 the results of the past 2023 shows that despite the complexity of the situation with the constantly swirling political and economic crises, the lack of adequate to modern conditions TPRCSI and the tax regime of the PEAs, respectively the resulting great difficulties for the normal operation of the offices, BCPEA members are satisfied with the ways of communication with the management and administration of the PEA – PEA have reliable feedback with the administrative team and the BCPEA Council and can receive advice and support on issues and problems concerning the daily work in the offices. They highly appreciate the correct, adequate, and professional service they receive during the year.



Three years ago (in 2020), an entirely new site of the Chamber of Private Enforcement Agents came into operation, replacing the old, now technically and morally obsolete. The project implemented by Information Services AD also includes a new register of public sales, a register of existing PEAs and a Web service interface for

integration with other information systems. Apart from being developed using modern technology, the information on the new site is better illustrated, there are clear links to the various registers maintained by the Chamber, and it also supports a mobile version. In view of the rapidly developing processes in the field of IT technologies, more can undoubtedly be desired from the BCPEA website in terms of interface and functionalities. Exactly in this direction are some of the recommendations of our colleagues given in the survey.

In the 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 18 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 BCPEA 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.

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: **5.32** for BCPEA website; **5.54** for the Register of Debtors, and **5.38** for the Register of Sales /versus 2022 - 5.30 for BCPEA website; 5.47 for CRD and 5.32 for RPS). The quality of the materials produced by the Chamber for 2023 are rated with **5.21** /in 2022 this rating was also 5.21/.

To maximize the awareness of its members of all media publications covering the activities of private enforcement agents, this year the Chamber also extended the contract with the PR agency for the "Electronic Press Clipping" service - tracking a given topic in the news broadcasts, online and print editions in the national and regional media. 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 perform the standard administrative services for its members - entries and deletions from the Register of Private Enforcement Agents, changes in the circumstances of the register, administration and issuance of reports from the CRC (IIC) and other registers maintained by the BCPEA, collection, summarization and analysis of statistics and information on the activities of the BCPEA, issuance of certificates, official notes and other documents, issuance of official cards, cases and signs, distribution of BCPEA publications, document flow, administration of complaints, overall administration of the disciplinary process in disciplinary proceedings and support for the work of the BCPEA SC of the BCPEA, organisation of international,

national and regional conferences, and many others. 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 signature by all members of the Council - on average one month after the holding of 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. After the overhaul of the leased premises for the administration of BCPEA in the building of the Union of Jurists in Bulgaria, realized with BCPEA in late 2021 - early 2022, the employees of BCPEA are already working in a renewed, cleaner, and more pleasant working environment

3.6.4. Services under development

The electronification of enforcement procedures 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 regression can only be explained by the lack of political will in our country to make constructive and beneficial changes for society, businesses, and citizens. Nevertheless, the BCPEA management will make maximum efforts and potential to continue with these projects in 2023, despite the difficulties and obstacles accompanying their implementation. 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.

As significant progress in 2023, we take into account the fact that 'Ordinance No. H-3 of 6 April 2023 on the keeping, storage and access to the information system for a single-entry point for the attachments of movable property subject to registration by law and on the organisation, rules and activities of the online platform for electronic public auctions' was finally adopted. However, the initiative to introduce the system of genuine electronic attachments of bank accounts is entirely in the hands of the executive and legislative authorities. The activity is legally regulated (electronic public auctions entered the Civil Procedure Code in 2017), but inexplicably why the adoption of the key secondary legislation on which its launch depends has been indefinitely delayed (for more than 10 years now).

In the field of information technology, software and information platforms are aging rapidly and need to make technical changes in line with the times we live in. Therefore, in the near future, we will update the existing Central Register of Debtors, turning it into a modern Information Platform of Enforcement Deeds (IIED) – multifunctional, easy to use for stakeholders and facilitated in the administrative and technical part of its maintenance by 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 by adopting a decision by the General Assembly of BCPEA in 2021, namely: BCPEA to build its own filing programme for the needs of the offices of private enforcement agents, to be provided to BCPEA members on preferential financial terms. In 2022 The Council of BSEC has already carried out research on the possibilities for all existing and used registry programs to be merged into a single and unified system, and the intentions of our management are for the Chamber to make this no small investment for its members, while at the same time making it available for use by all who wish to do so for the lowest possible fees. As early as the end of 2022. The 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. In the reporting year 2023, a contract was concluded with a contractor. The assignment was prepared and submitted to BCPEA in September. The next step was to send a request for offers to potential interested companies – contractors of the set software. Mid-October 2023 BSEC has approached more than ten well-established software companies with a request to provide offers for the development of "Basic file management software for a PEA office". Within this one-month period, we received proposals (technical and financial) from a total of five specialized software developers. At present, the offers are summarized and analysed by colleagues from the Information Systems and Technologies Department at the BCPEA Council. In 2024, activity on this project is expected to continue at a rhythmic pace, and this will largely depend on the will and decision of the entire industry to bring the project to a successful conclusion.

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 2024. 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 PEA (out-of-court debt repayment, voluntary sale of movable or immovable property at public auction, establishment of facts, insolvency procedures, credit servicing actions within the meaning of the Loans Servicers and Loan Buyers Act, provision of legal advice, performance of tasks assigned to them by the court, representation of parties in court, preparation of private acts and documents, mediation, etc.), in accordance with best European practices, also continues to be an integral part of the focus of the Chamber's management priorities. 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.

During its term of office, the current management of the Chamber undertook to focus its efforts on conducting an analysis and preparing a complex proposal to eliminate the gaps and imperfections in the Tariff of Fees and Costs to the LPEA. These activities were finalized as early as 2022, but in the past reporting year of 2023, we were not able to overcome the most difficult part - the implementation of the update of the Tariff of Fees and Costs to the LPEA through the legislative process for its adoption. We are firmly continuing with all our efforts and with the hope that in 2024 we will bring to a successful end the update of the Tariff of Fees and Costs in the part of ordinary fees with the accumulated inflation coefficient.

We have also set ourselves the ambitious goal of conducting an analysis and preparing complex proposals for the improvement of the LPEA (and the bylaws), the CPC and the spa.

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 2024, BCPEA should activate, upgrade, and enrich its learning activities, via training programmes and workshops. Judging by the feedback in the annual survey among the private citizens, BCPEA members expect this to happen. As part of these efforts, we expect the expansion of the highly desired by BCPEA members distance form of education (webinars), through which the system for improving the

professional qualification of PEAs and their employees will meet modern European standards. The BCPEA should be an indispensable and easily accessible assistant to every working employee in PEA offices.

REPORT
on
BCPEA Disciplinary Committee Activity
for 2023



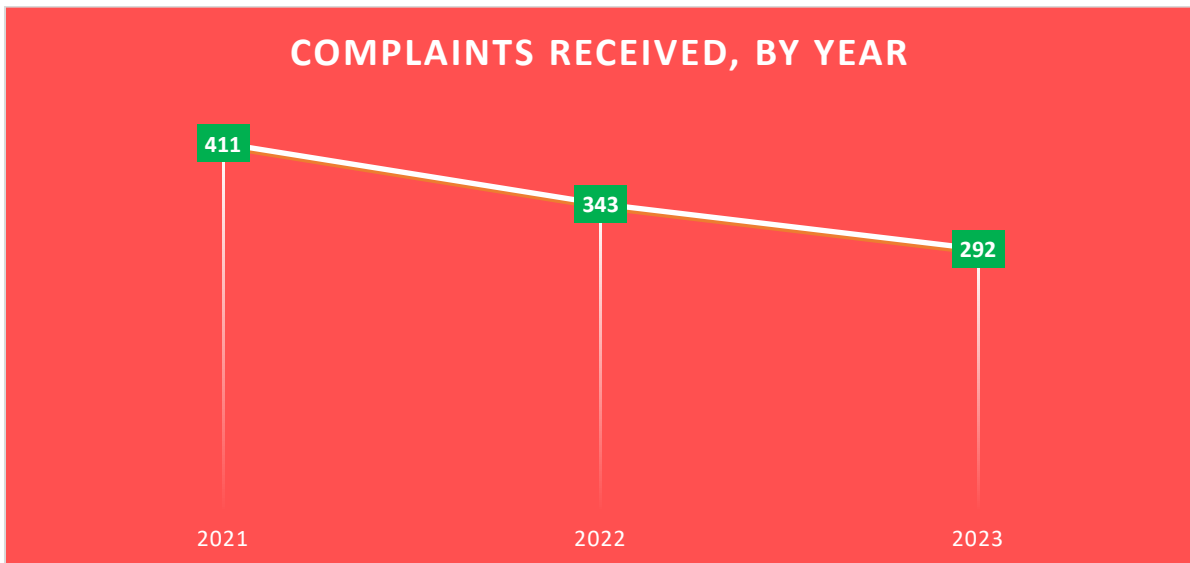
COLLEAGUES,

We present to your attention a report on the activities of the Disciplinary Committee at the Chamber of Private Enforcement Agents for 2023, as well as for the previous three years.

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 2023, 292 complaints were submitted to the Chamber of Private Enforcement Agents. In the previous 2022, their number was 343, and in 2021. - 411 We also present a quantitative distribution of the received complaints over the past three years.



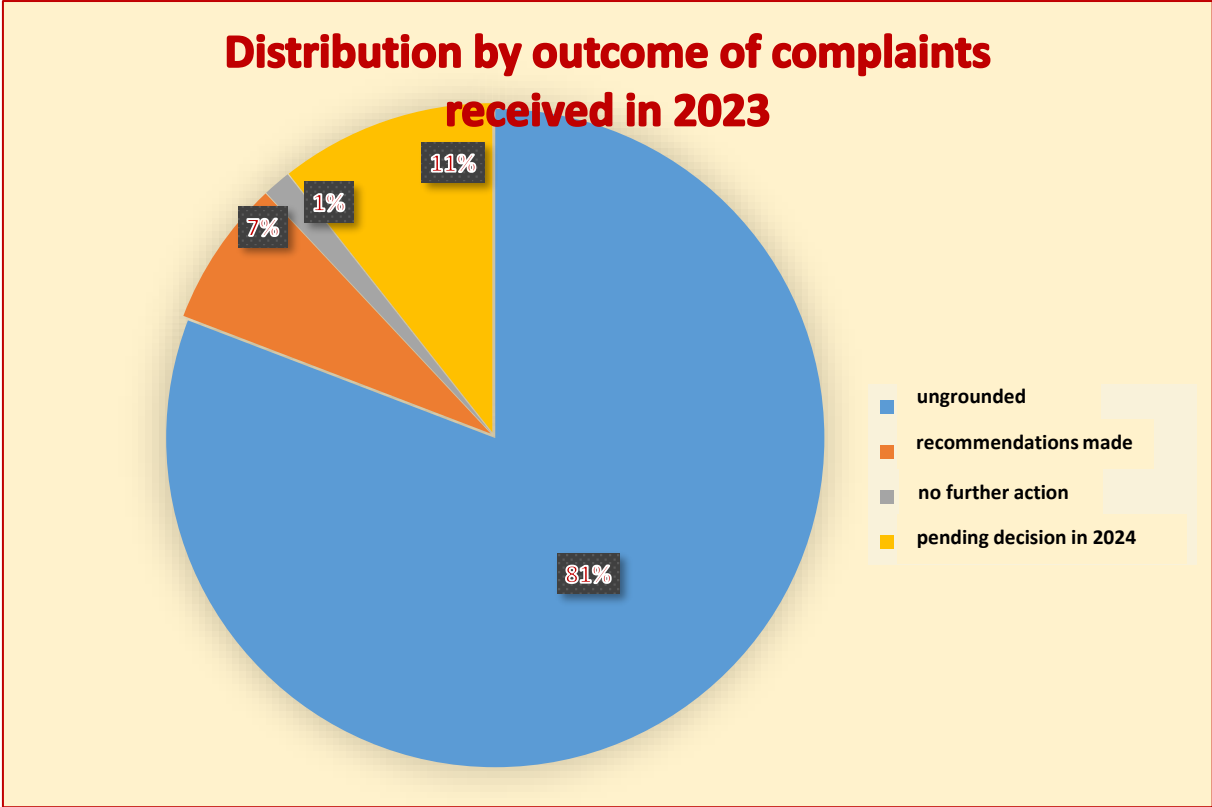
The data presented and the chart above show a clear trend towards a lowering number of complaints received, i.e. more than 50 complaints per year.

Compared to the past two years, the complaints received in 2023 are in the following percentage rates:

- compared to 2021 - down by 29%
- compared to 2022 - down by 15%.

Out of **292 complaints** lodged in 2023, **236** are unfounded (**80.82%**), recommendations were made under **21** (**7.19%**), no further action was taken on **4** (**1.37%**) cases, **31** (**10.62%**) are pending decision in 2024.

None of the complaints received during the reporting year 2023 was subject to a decision to initiate disciplinary proceedings.



Two withdrawn complaints were reported in the past year. Pursuant to the Decision of the Board of the Chamber of Private Enforcement Agents dated 02 October 2015, all received alerts/complaints about unlawful actions of Private Enforcement Agents shall be considered under the procedure of the Chamber for the administration of complaints, regardless of whether they have been withdrawn. One of these withdrawn appeals is unfounded and the other is pending in 2024.

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

	2021	2022	2023
Unfounded	76.64%	73.47%	80.82%
Recommendations	9.25%	6.7%	7.19%
Formed DP	0.73%	1.17%	0.00%
No consideration	3.90%	3.50%	1.37%
Pending consideration	9.48.	15.16%	10.62%
	100%	100%	100%

Statistics show that on average there are 24 complaints per month and 5 per week. In the past year, most complaints were received in March and June - 34, and least in September - 14.

Nearly 38% of the private enforcement agents in force in 2023 have not received complaints in the Chamber against their actions. Over 26% of the private enforcement agents operating in 2023 had one complaint in the past year. Just over 30% had between 2 and five complaints; under 3% had between five and nine complaints, and under 3% had over 10 complaints.

By area of operation, traditionally the largest number of complaints were received against PEA from the largest region (Sofia City Court) - 40.75% of the complaints received in 2023; followed by Plovdiv District Court - 10.27% and Varna District Court - 9.25%. In 2023, there were three areas of action without a complaint (compared to two for the previous two years), and for nine areas there were fewer than 5 complaints for the whole area in 2023.

A brief report on the activities of the Committee on Legal Affairs and Control (CJC), should also be given in the section on the examination and adjudication of complaints received in the Chamber of Private Enforcement Agents. In 2023, 284 complaints were allocated to the members of the CLACA (with 292 complaints), compared to over 334 complaints (with 343 complaints) in 2022, and over 400 complaints were allocated to the members of the Commission in 2021 (with 411 complaints). It should be noted here that the Commission did not work in full, as it was elected in 2021, with two of the elected members refusing to work throughout the term, and in the last year, the Commission worked with only 80% of its staff.

II. Activity statistics of the Disciplinary Committee.

For statistical purposes regarding the activities of the Disciplinary Committee, data will be presented, both for the year ended 2023 and for the entire mandate of the Commission. The report contains data on the activities of the SC during the past two mandates.

From 2006 to the end of 2023, the Disciplinary Committee at the Chamber of Private Enforcement Agents initiated a total of **515** disciplinary proceedings against private enforcement agents, and by decision of the BCPEA Council 177 proceedings were initiated (34.37%), at the request of the Minister of Justice - 297 proceedings (57.67%) and 41 were initiated jointly by both referral bodies (7.96%).

We present the initiated disciplinary proceedings for the period 2018 - 2023. The data are as follows:

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

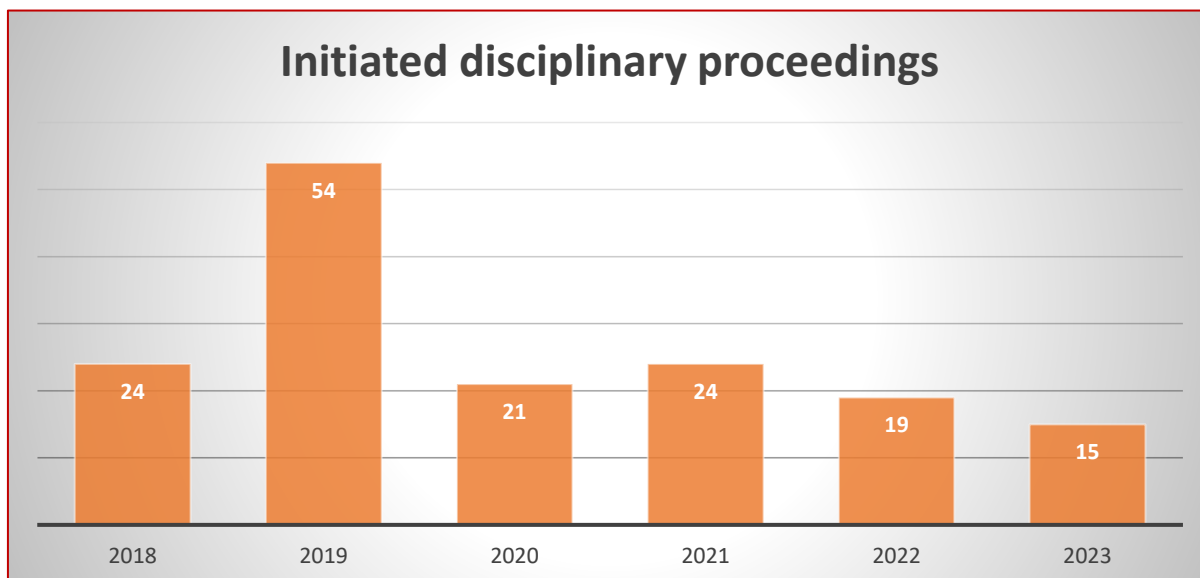
2019 - 54 disciplinary cases - fifteen by the BCPEA Council, **thirty-six** only at the request of the Minister of Justice and **three** at the request of both bodies.

2020 - 21 disciplinary cases - four by the BCPEA 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 BCPEA Council and **twenty-two** at the request of the Minister of Justice.

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

2023 - 15 disciplinary cases - one only by the BCPEA Council, **fourteen** only at the request of the Minister of Justice.



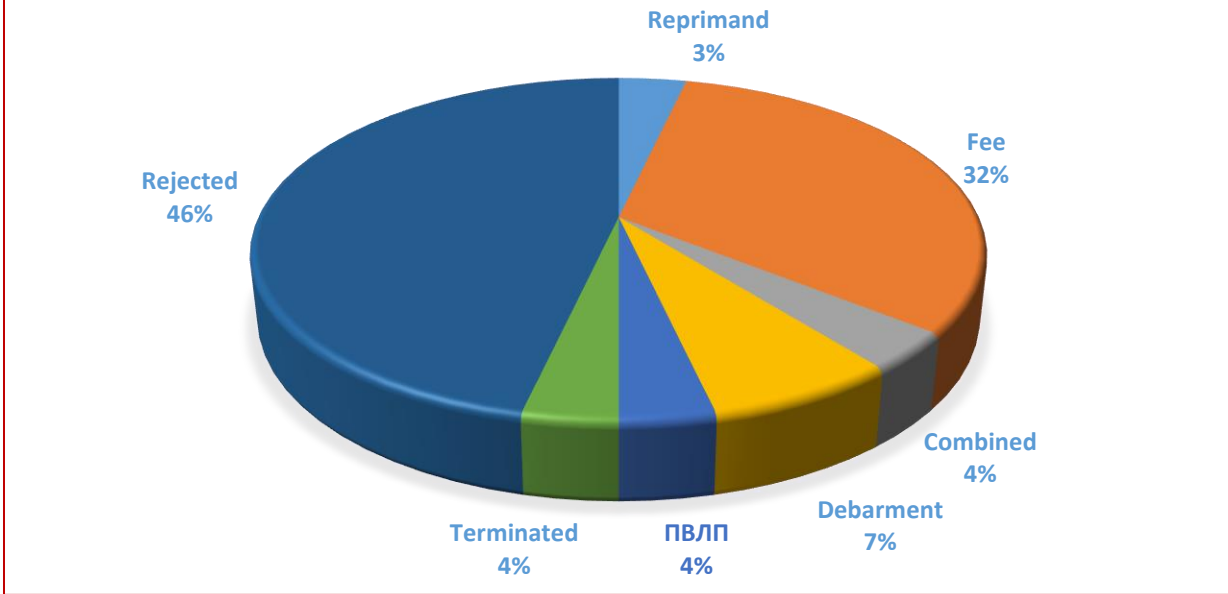
	At MoJ request	By decision of BCPEA Council	At both bodies' initiative	Total
2018	9	12	3	24
2019	36	15	3	54
2020	16	4	1	21
2021	22	2		24
2022	12	3	4	19
2023	14	1		15
	109	37	11	157

Since 2006, the Disciplinary Committee has rendered a total of **518 decisions**. For the past six years, 171 decisions were made as follows:

- 2018 - **twenty** judgments issued.
- 2019 - **thirty-eight** judgments decreed.
- 2020 - **twenty-seven** decisions enacted.
- 2021 - **twenty-eight** decisions enacted.
- 2022 - **thirty** decisions enacted.
- 2023 (January 2024) - **twenty-eight** decisions decreed.

Of the 28 decisions issued by the disciplinary panels in 2023 (and January 2024), **nine** of the decisions were issued a disciplinary fine. Under **one** disciplinary proceeding, a disciplinary punishment of "reprimand" was imposed. In 2023, only **one** combined disciplinary punishment was imposed. The other decisions are as follows: **one** "temporary debarment warning", **one** disciplinary proceeding was terminated and under **two** disciplinary punishments "debarment" was imposed (for three years and for one year). With **thirteen** of the decisions of the disciplinary panels, the requests were rejected (**one** of the BCPEA Council and **twelve** of the Minister of Justice. Of these 13 rejected requests, only one has not been appealed to the SCC, one SCC has confirmed the decision of the SCC, and the rest are in the appeal procedure.

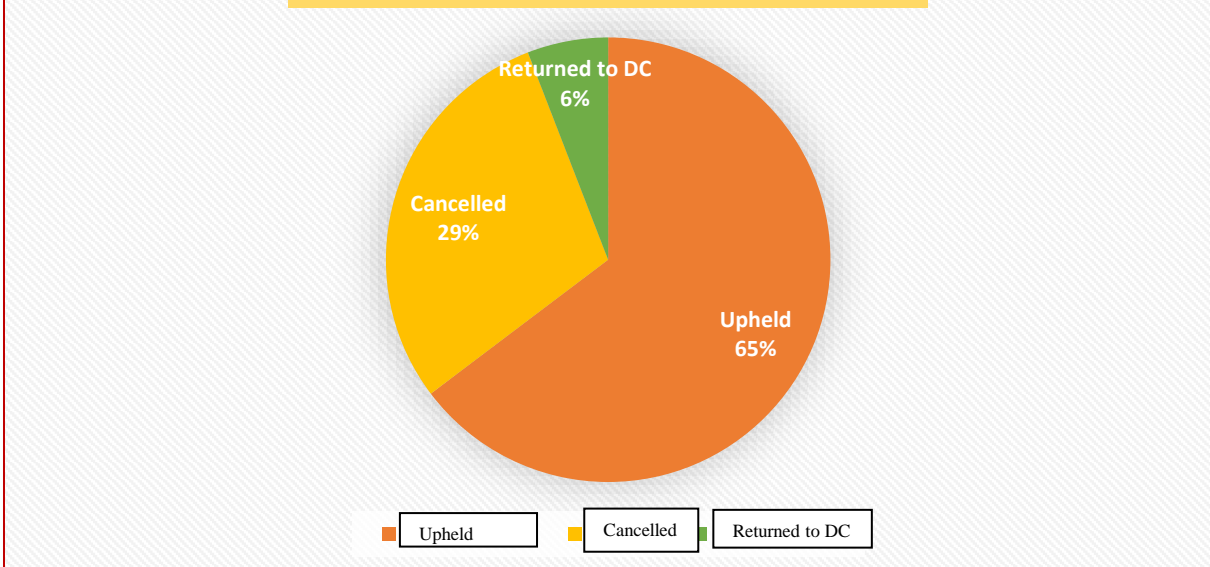
**OUTCOME OF DECISIONS DECREED BY DISCIPLINARY COMMITTEE FOR 2023
(JANUARY 2024)**



In 2023, the Supreme Court of Cassation has ruled on 17 decisions, the results of which are as follows:

- left in force - 11;
- cancelled - 5;
- returned to DC - 1.

Results of SCC decisions decreed in 2023



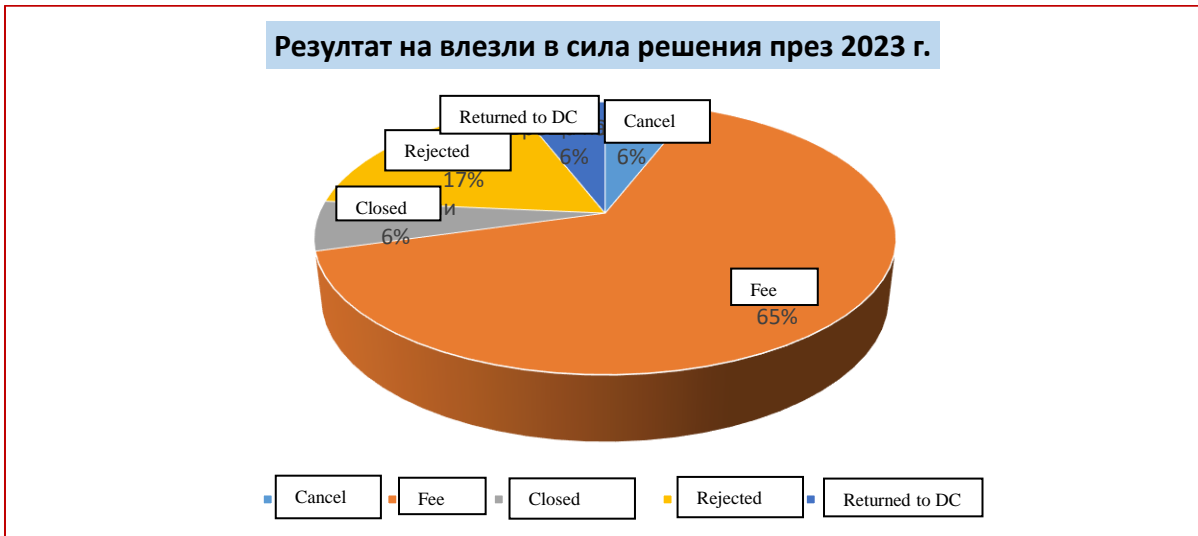
The BCPEA Council at its meetings held in 2023 has taken one decision to initiate two separate disciplinary proceedings against two private enforcement agents.

In 2023, a total of **14** requests for initiation of disciplinary proceedings were submitted by the Minister of Justice, of which **13** initiated disciplinary proceedings in 2023 and **one** request is pending initiation of disciplinary proceedings in 2024.

On the initiated only in 2023 15 disciplinary proceedings, the Disciplinary Committee has ruled on all of them.

A total of 17 decisions took effect in 2023, the result of which is as follows:

1. Fines - 11, including:
 - over BGN 1,000 - under BGN 5,000.00 - **8**;
 - over BGN 5,000.00 - under BGN 10,000.00 - **3**;
2. Rejected requests for pre-trial proceedings - 3;
3. Cancelled - 1;
4. Returned to DC - 1;
5. Terminated - 1.



In 2023, Disciplinary Committee held 27 meetings; in 2022, there were 43 meetings; and in 2021 - 30, i.e. during the entire term, there were a total of 100 meetings, and for the last two terms, they are almost 250 meetings.

The judgments of the Disciplinary Boards in 2023 and January 2024 28 judgments are written within the following deadlines:

- up to **1 month** - 9 decisions or 32% of the decisions
- from **1 to 3 months** - 11, which is 39% of the decisions made
- from **3 to 6 months** - 1 or nearly 4% of the decisions made
- more than **6 months to 1 year** - 6 or 21% of the decisions made
- more than **1 year** - 1 or nearly 4% of the decisions made

Time limits for decisions by disciplinary panels

	2018	2019	2020	2021	2022	2023	Total
Up to 1 month	17	13	1	9	9	9	58
1 to 3 months	3	8	9	5	10	11	46
3 to 6 months		13	5	8	7	1	34
<6 months to 1 year		4	10	2	4	6	26
<1 year			2	4		1	7
DECISIONS	20	38	27	28	30	28	171

As seen from the above tabular data, for the period 2018 - January 2024, almost 34% of the decisions of the disciplinary panels by the Disciplinary Committee were issued within one month of the announcement of the case for resolution, and nearly 61% were issued within three months. This is a good indicator of the efficiency of the work of the disciplinary panels.

Both in the reporting year 2023 and in the past two terms, all requests for the initiation of disciplinary proceedings, both by the BCPEA Council and by the Minister of Justice, were the same for numerous violations.

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

REPORT

BCPEA Control Board Activity for 2023



DEAR COLLEAGUES,

The past 2023 was yet another difficult year for the offices of private enforcement agents in Bulgaria. The difficult economic situation of the profession continued, despite our expectations that this trend will reverse. Objective internal and external factors are the reason why many law companies are fighting to survive.

Therefore, as in previous years, from the very beginning of the reporting period, the BCPEA Board focused all efforts to improve the situation of the offices. 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. First, there is an urgent need to update the TPR to the LPEA in the section on 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 based on 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 PEAs, but also do not cover even the real costs for them. At the same time, PEAs finance the implementation by own means, free of charging 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.

The problem of updating the TPR to the LPFI in previous years was deflected by the Ministry of Justice with the explanation that it is not right for caretaker governments to deal with it. Without agreeing with this, we hoped that the new leadership of the Ministry of Justice, elected by the Bulgarian Parliament, would finally take up this elementary task of updating ordinary fees with the accumulated inflation coefficient. Moreover, the economic analysis was long overdue. Unfortunately, despite the constant efforts and reminders from the BCPEA Council, the leadership of the MoJ has not taken any steps in this direction.

The other direction was to eliminate the unfair and contrary to the Constitution of the Republic of Bulgaria taxation of PEAs, where taxes are paid not on real income, but also on expenses. 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. Numerous letters were sent to the Ministry of Finance, which was acted upon jointly with

the Notary Chamber. A meeting was also held with the Minister of Finance, at which he showed an understanding of the problem and proposed a solution. Work was started on the preparation of the specific legislative amendments, but unfortunately there were only a few days left until the adoption of the package of laws related to the budget and the proposals of the BCPEA and the Notary Chamber could not be submitted for consideration to the National Assembly. We hope that the issue will be resolved in 2024.

Third, the BCPEA Council pooled up efforts to improve the position of 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 more public institutions, a number of letters were sent and numerous meetings were held - with the National Association of Municipalities, FSC, regarding the receivables of the Ministry of Interior and in particular the Traffic Police. The new software for random allocation of cases for public creditors was presented, which eliminates the problem before public creditors when choosing a specific PEA in view of the accusations of compliance with the PPA and possible corruption practices. Regarding the new activities that could be involved in PEAs, the Chamber organised a large international conference on the topic of personal bankruptcy. The proposals of BCPEA have received a lot of support from the legal community and especially from the court, which is why we expect MPs to listen to the voice of the experts and reflect it in the forthcoming adoption of the Law on Individual Insolvency.

During the reporting period, a misunderstanding was eliminated, which for years additionally created an administrative burden for the profession, namely the inclusion of the PEA in the regime of the Law on Confiscation of Illegally Acquired Property.

Several years of efforts by BCPEA to solve the problem of electronic service have yielded results and the National Assembly adopted the necessary amendments to the CPC.

The long-awaited launch of electronic auctions can be described as a huge success. The BCPEA has been working on this issue for nearly 10 years, in 2017. The National Assembly adopted the texts in the Civil Procedure Code and a full 6 years later electronic auctions are already taking place. The above deadlines clearly show how difficult positive changes are in our country, even on issues where there is no strong resistance, such as electronic auctions. Of course, they eliminate any opportunities for manipulation, respectively they also have an impact on insolvency procedures, which is why, given the environment in our country, it is quite possible that the delay is not so illogical at all.

BCPEA Control Board, in addition to exercising its control powers under Article 64 of the Law on Public Enforcement Agents (LPEA), 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 BCPEA Council in 2023 is lawful, effective and meets the main priorities.** A total

of 13 meetings were held, and 434 decisions were taken, including 116 resolutions on institutional, economic, and current operational and organisational issues, while 318 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, **BCPEA continued to function as an independent and financially solvent entity.** The total revenues of the Chamber for 2023 are BGN 778,590. Revenues from economic activities amounted to BGN 385,135, and from non-profit activities amounted to BGN 393,454. In 2023, The BCPEA finishes financially with a net accounting positive result of BGN 150,750, formed from positive accounting performance from non-economic activity of BGN 89,560 and positive accounting performance from economic activity of BGN 61,190 thousand. After payment of taxes, it will increase the financial reserve of the Chamber. The financial result for 2023 is more than satisfactory, given the planned deficit under the adopted budget for 2023.

It is imperative that the Chamber increases its revenues, as the recommendations of the BCPEA Control Board last year regarding proceeds from the Register of Public Sales and that of the lawsuits 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 BCPEA Council. All costs incurred amount to BGN 627,800, and the main costs are for the salaries of the administrative employees of the Chamber, maintenance of the Chamber's office, consumables, contract subscriptions, maintenance of the sites of BCPEA, General Assembly, business trips, and others.

Reserves for 2023 amount to BGN 1,075,280 thousand.

The accounting and financial records are kept in accordance with the requirements of the national accounting, which was confirmed by the recent inspection of the BCPEA by the NRA.

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, business, and society.

GEORGI DICHEV,

Chairperson of BCPEA Control Board

