

CODE OF ETHICS
OF THE PRIVATE ENFORCEMENT AGENTS

PREAMBLE

*WE, the private enforcement agents in the Republic of Bulgaria,
Guided by the aspiration for protecting the rights and legal interests of the citizens,
Having regard to the necessity of compatibility of the effective enforcement with the public interest,
Observing the principles of the Government of Law and Rule of Law,
Purposing the establishment and strengthening the position of the profession's authority,
We have adopted this CODE OF ETHICS that shall form an integral part of the Chamber of Private Enforcement Agents' Rules.*

CHAPTER I

GENERAL PROVISIONS

Purpose of this Code of Ethics

Art. 1. This Code of Ethics shall establish professional ethics standards for the private enforcement agents, purposing the strengthening of their professionalism and morality for fast and effective enforcement of private and public claims' realization, having regard to the public interest and the Rule of Law principle.

Principles

Art. 2. (1) The private enforcement agent shall be guided, in his activity and behavior, by the principles of honesty, impartiality and equal attitude to the participants in the enforcement process, keeping the professional secret and independence.

(2) For exercising his/her powers, the private enforcement agent shall observe the Law and the oath of office,

(3) The private enforcement agent shall, by his/her actions, contribute to strengthening the profession's authority and prestige, and also oppose to possible pressure for limiting the independence and freedom for its practicing.

Application of the Rules Set in This Code of Ethics

Art. 3. The rules, set herein, shall be compulsory for any private enforcement agent and his/her assistants.

CHAPTER II

ACTIVITY CONNECTED WITH THE ENFORCEMENT

Independence and Impartiality of the Private Enforcement Agent

Art. 4. (1) The private enforcement agent shall carry out his/her duties in good faith and with responsibility, guided by the principles of this Code of Ethics.

(2) The private enforcement agent shall not be influenced by private interests, political and public pressure.

(3) The private enforcement agent shall not allow to be put under personal, financial or any other kind of dependence.

(4) The private enforcement agent shall require from his/her officers to refrain from prejudice or partiality.

Relations with Parties and Participants in the Enforcement Procedure

Art. 5. (1) The private enforcement agent shall treat the parties and the participants in the enforcement procedure with dignity, tact and civility, and he/she shall require such attitude by his/her officers and assistants.

(2) The private enforcement agent shall carry out his/her activity, assisting the legal requirements of the creditors, as respecting the debtors' rights and dignity, the court and its judgments.

(3) The private enforcement agent shall not allow in the relations with the parties and the participants in the enforcement procedure any manifestation of familiarity, arrogance, offensive and humiliating attitude. The private enforcement agent should abstain from appraisals and estimations regarding the parties and the participants in the enforcement procedure,

Art. 6. (1) In any case of necessity occurred, the private enforcement agent shall, clearly and precisely, explicate to the parties and the other participants in the enforcement procedure the legal consequences from the actions, undertaken by him/her. The private enforcement agent will not mislead the parties and the other participants in the enforcement procedure regarding his/her authorities, qualification, experience and abilities.

(2) The private enforcement agent shall prepare in a clear and precise manner any documents, submitted to the parties and the other participants in the enforcement procedure

Art. 7. (1) It shall be inadmissible the private enforcement agent to be in a state of intoxication or under the influence of opiate substances when carrying out his/her official duties and at public places.

(2) The private enforcement agent may refuse access to his /her office and to the place for carrying out procedure actions to any person in a state of intoxication under the influence of opiate substances and any person behaving in obviously aggressive manner.

Art. 8. The private enforcement agent shall establish his/her identity by presenting his/her official card (certificate). The private enforcement agent shall not use his/her official card (certificate) under any circumstances other than these in the previous sentence.

Relations with Creditors

Art. 9. (1) The private enforcement agent shall treat equally all the creditors and he/she shall provide them with timely and effective enforcement

(2) The private enforcement agent shall provide possibility for feed-back of any creditor to him/her or to an officer at his/her office, especially appointed for this.

(3) The private enforcement agent shall take the necessary care, as well as any reasonable efforts for collecting the taking awarded, and he/shall shall not be guided solely and only by his/her financial interest in the specific case.

Equal Treatment of the Parties

Art. 10 (1) The private enforcement agent shall organize and conduct the enforcement irrespective of race, religion, nationality, ethnical background, gender, sexual orientation, social or financial status of the participants in the proceedings.

(2) During the enforcement process the private enforcement agent takes into consideration the legal interests of the parties and third parties in the process.

Adequacy and Proportionality of the Enforcement

Art. 11. The actions of the private enforcement agent shall be purposed at enforcement of the pecuniary and non-pecuniary considerations awarded. Any actions, not aimed at realization of this purpose, shall not be performed.

Art. 12. The private enforcement agent shall undertake security and enforcement actions in compliance with all data and circumstances regarding the case, including the calculation of the amount and estimating the nature of the taking, the debtor's behavior in the course of proceedings, as well as the adequacy of the security available for the case.

Art. 13. The private enforcement agent shall recommend and choose the enforcement method that responds to maximum degree to the enforcement purposes, serves as satisfaction of the rights, acknowledged by the court and is most effective. The appraisal of effectiveness shall presume calculating the duration, expenses and impact of the enforcement to the Parties' social and economic sphere.

Art. 14. Upon undertaking enforcement actions, the private enforcement agent shall consider the legal protection of persons, in unequal position.

Art. 15. The private enforcement agent cannot exercise physical violence as a compulsion method; he/she can not threaten the parties and participants in the enforcement procedure.

Access to Data and Data Processing

Art. 16. The private enforcement agent shall collect and process personal data only for the purposes of the enforcement procedure, acting in the capacity of a personal data administrator.

Art. 17. The private enforcement agent shall collect and process information that is trade, bank, tax or official secret only for the purposes of the enforcement procedure.

Art. 18. The private enforcement agent shall, personally or through his/her officers, provide at his/her office conditions and rules for protecting information, containing in documents regarding any pending and terminated enforcement actions (proceedings) from unauthorized access.

Provision of Information

Art. 19. (1) The private enforcement agent shall not in any manner, use or provide third parties any information, which he/she became acquainted with in the course of performing his/her official activity, save the cases, provided by Law.

(2) The private enforcement agent shall provide the parties and participants in the enforcement proceedings and equal access to information regarding the cases, as well as information about the sales of belongings in compliance with the legal provisions.

(3) The private enforcement agent shall submit clear and precise information for the activities accomplished and data collected, regarding the case to the party to whom the information refers to upon request and only if required by Law.

Conflict of Interests

Art. 20. (1) Conflict of interest shall be deemed to be any circumstance or combination of circumstances, where a reasonable doubt arises from that the personal interest of the private enforcement agent may influence his/her impartiality when exercising his/her official duties.

(2) It shall be deemed that a conflict of interest exists when towards the private enforcement agent any of the hypotheses, set out in Art. 22 of the Civil Proceedings Code may be applied.

(3) In the event the private enforcement agent, at his/her own discretion considers that there is a conflict of interests, he/she shall inform the Parties to the proceedings in the appropriate manner.

CHAPTER III

BEHAVIOR OF THE PRIVATE ENFORCEMENT AGENT IN THE PUBLIC

General Provisions

Art. 21. (1) The private enforcement agent shall make his/her best to be a person, respected in the society. The personal appearance of the private enforcement agent shall be part of the institution's public image.

(2) He/she shall abstain from visiting places, contacts and participation in organizations, casting suspicion on his/her honesty and prejudicing his/her good name and the prestige of the profession.

(3) The private enforcement agent shall not use the profession's authority and the Chamber of the Private Enforcement Agents for achieving his/her own interests.

Art. 22. (1) The private enforcement agent shall not allow any manifestation of indecent behavior.

(2) When performing his/her official duties, the private enforcement agent shall have good appropriate appearance, contributing to the institution's prestige. He/she shall be a model for the officers at his/her office with his/her behavior and manners.

Relations with Third Parties and Institutions

Art. 23. (1) The private enforcement agent shall establish his/her relations with any third parties and institutions on the basis of mutual respect, deference and mutual aid.

(2) The private enforcement agent shall behave in a manner, strengthening the profession's authority when contacting with third parties and institutions.

(3) The private enforcement agent shall inform the Council of the Chamber of the Private Enforcement Agents for any difficulty, arisen in interaction with third parties and institutions; the Council of the CPEA shall undertake actions for surmounting such difficulties.

Art. 24. The private enforcement agent shall not brook anybody, including other authority body, to exert direct or indirect not regulated influence on his/her activity, connected with the enforcement.

Relations with Media and Media Appearances

Art. 25. Official information in media regarding the activity of the Chamber of the Private Enforcement Agents shall be disseminated by the Chamber's Council and persons, explicitly authorized to that purpose. Upon rendering interviews, representations or other media activities, the private enforcement agent shall observe the oath taken and the legal requirements for keeping the professional secret.

Art. 26. (1) The private enforcement agent shall not participate in public activities in the event such action might lower the profession's prestige.

(2) The private enforcement agent shall abstain from actions at public places, as well as media appearances and statements, which may lower the prestige of and compromise another private enforcement agent, who is a participant in the enforcement procedure, state authority or institution.

(3) Any professional and personal conflicts and disputes arisen between private enforcement agents, brought to the knowledge of the public and settled not in the manner, provided by law and this Code of Ethics, , shall be considered to be a breach of the professional ethics.

Inadmissible Practices

Art. 27. (1) The private enforcement agent shall not accept from parties or participants in lawsuits, brought before him/her either personally, or through third parties, any benefits undue, including presents, pecuniary loans, gifts, donations, services, , engagements in any

other lawsuits, work promises, advices, rendered to his/her relatives, and which raise doubt for his/her independency and impartiality.

(2) It shall be inadmissible the assistants and officers at the private enforcement agent's office to participate as purchasers in any public sales of effects and real properties, announced by the same public enforcement agent.

CHAPTER IV

SOLIDARITY OF THE PRIVATE ENFORCEMENT AGENT

Relations with Other Enforcement Agents

Art. 28. (1) The private enforcement agent shall be governed by the principles of loyalty, respect, correctness in the relations with his/her colleague, and shall not tolerate behavior, which prejudices their dignity and rights. He/she shall not lower the prestige of or discredit the professional activity of his/her colleagues by actions, critical statements or offensive estimations

(2) The private enforcement agent shall render assistance any colleague of his/hers, who is a private enforcement agent by abstaining from intervention in his/her activity.

Art. 29. (1) In the event of a common debtor, the private enforcement agents shall co-operate with a view to the process' lawful conduct.

(2) In the events, specified in the foregoing paragraph, and namely when an enforcement action is initiated, with an attachment to the real property, subject of the enforcement, established by another private enforcement agent in an earlier moment on the property, subject of the enforcement, the private enforcement agent shall require to inform the colleague, who is in charge of the pending enforcement regarding the real property, subject of the lawsuit.

Art. 30. The private enforcement agent shall abstain from consulting the parties or third parties of actions (lawsuits), brought before any other private enforcement agent, as well as from rendering opinions or advice. It shall be inadmissible to undertake any actions for drawing up documents, including complaints and alike, which purpose is delaying or frustrating the enforcement procedure, brought before a colleague.

Assistants and Officers of the Private Enforcement Agent

Art. 31. The private enforcement agent shall respect the dignity and work of his/her assistants and officers.

Art. 32. The private enforcement agent shall exercise a regular control on the work of his/her assistants and officers, and shall be held responsible, by virtue of this Code, for the violations of the professional ethics, caused by them.

Interaction between the Private Enforcement Agent and the Competent Bodies under the Private Enforcement Agents

Art. 33. The private enforcement agent shall render assistance and provide, the information, required from him/her, as well as copies of documents, files and other documents, required under a statute to the competent bodies, carrying out the verification under the Private Enforcement Agents Act and the Chamber's Rules during or in connection with verifications, set in compliance with the due order, within the terms, required by the authorities, carrying out the verification.

Art. 34. The private enforcement agent should render assistance to and support the work of the BCPEA's bodies.

Art. 35. The private enforcement agent shall implement the resolutions and acts, passed by the BCPEA's bodies provided that their contents is not contrary to the law, the BCPEA's Rules, and good professional practices.

Art. 36. The private enforcement agent participates in the national forums, organized by the Chamber, except in cases, when unforeseen and urgent tasks hinder his/her participation.

Obligations of the Representatives of the BCPEA's Bodies

Art. 37. (1) Exercising powers on the part of the representatives of the BCPEA's bodies shall be inadmissible for purposes, differing from those ones, assigned to them by the Chamber.

(2) Inadmissible by the meaning of the preceding paragraph shall be any actions of the representatives of the BCPEA's bodies, infringing the provisions and purposes of the Rules and the Code of Ethics.

Publicity

Art. 38. The private enforcement agent shall not advertise his/her activity, using comparative, misleading advertising and lowering the profession's prestige.

Unfair Competition

Art. 39. (1) The private enforcement agent shall not anyhow, directly or indirectly, provide any part of the charges due by virtue of law, to his/her clients or persons, related to such clients.

(2) Clients' attracting by offering enforcement activities, free of charge or for lower charges on the part of the private enforcement agent, shall be inadmissible.

(3) The co-operation with persons, who impose on the creditor the choice of a specific private enforcement agent for a material benefit, shall be inadmissible.

(4) Any clients' offices opening outside the territory of the private enforcement agent's practice area, provided by Law, shall be breach of the professional ethics.

CHAPTER V

CASES ADMINISTRATION

General Obligation

Art. 40. The private enforcement agent shall, through the work organization at his/her office, ensure conditions for the effective and lawful cases processing.

Initiation and Processing of Enforcement Cases

Art. 41. The private enforcement agent shall not allow, by initiating, processing and finishing the enforcement cases or by submitting the enforcement cases to a different enforcement agent, the law to be circumvented, or to impede the enforcement of a judgment, or to pursue purposes, different from the purposes of the enforcement proceedings,

Art. 42. Any private enforcement agent shall enter duly and in a timely manner any data, regarding the cases, initiated before him/her in the Uniform Register of Creditors, kept by the CPEA.

Obligation to Accept Documents

Art. 43. (1) The private enforcement agent shall not avoid the acceptance and filing of a document, regarding the enforcement case, provided by the party or any third party on the grounds that such document is irrelevant or the claim, containing in the document, is overdue or inadmissible if the party insists this document to be enclosed to the file (the case).

(2) Upon providing a document, formally invalid (for example: the claim is not signed or any other written statement, a copy from a judgment is not certified or any other document, issued by any authority), the private enforcement agent shall immediately give directions to the party to remove the invalidity, if allowed by the law.

(3) The private enforcement agent shall not require from the parties and participants in the enforcement proceedings the provision of evidence and documents, related to circumstances, which can be ascertained or checked up by him/her without exclusive difficulties and additional expenses.

Obligation to Accept Documents and Correspondence

Art. 44. (1) Not filing, late filing, destroying, concealing or not enclosing to the enforcement case in any manner of documents received, relevant to the enforcement case and the receipt of which at the private enforcement agent's office is to be certified by a receipt of delivery from the post or courier service, or their bearer is not a party-participant in the proceedings or his/her representative, shall be inadmissible.

Considering and Passing a Decision on Claims

Art. 45. Without prejudice to cases, when the law has provided a term for passing the decision or carrying out an activity, the private enforcement agent shall immediately certify the receipt, consider and judge within reasonable terms, commencing from its receipt any claim, petition or declaration, submitted by any party or third party regarding the specific enforcement case. .

Complaints Administration

Art. 46. (1) The private enforcement agent shall immediately file and duly process the complaints received against his/her actions,

(2) Regarding any complaint against his/her actions, including a procedure inadmissibility, sent after the expiry of the term, provided by law, or contains obviously false statements or offensive appraisals, the private enforcement agent shall apply the procedure, provided in law, and shall not tolerate any acts or omissions, questioning his/her objectivity and impartiality.

CHAPTER VI

FINANCIAL TRANSPARENCY AND ACCOUNTABILITY OF THE PRIVATE ENFORCEMENT AGENT

Payments Record

Art. 47. (1) The private enforcement agent shall record the payments, made by a bank transfer by means, ensuring clarity of and tracing the link „payment-case-cause“.

Art. 48. (1) The private enforcement agent shall make the payments from his/her special bank accounts, and compulsory shall specify the cause of payment in the document of payment - case number, debtor or anything else.

(2) The private enforcement agent compulsory shall individualize the payments incoming to his/her special bank accounts with a view to their appropriate relating to the case for which the payment is made. The private enforcement agent shall record in an appropriate manner the payment incoming for the case.

Art. 49. (1) The private enforcement agent shall record the payments in cash in a manner, ensuring of clarity and tracing the link „payment-case-cause“.

(2) The private enforcement agent shall issue a cash receipt document for the payments, made regarding the case for clearing-off the debt, the private enforcement agent shall specify the depositor's name, the case for which the payment is made, the amount and date of payment.

(3) The private enforcement agent shall enclose a copy of the payment document, specified in the previous paragraph to the case, which the payment is made for.

Accrual and Record of the Charges

Art. 50. (1) The private enforcement agent shall apply to the relevant enforcement case the bills under the Private Enforcement Agents Act, with any requisites necessary

(2) The private enforcement agent shall accrue and collect charges for any actions, which implementation is evidenced in the case in accordance with the PEA's Tariff.

(3) The private enforcement agent shall not negotiate lower price for implementing the actions, included in the Charges and Expenses Tariff in connection with the Private Enforcement Agents Act. Any established practices and relations of the private enforcement agent, concealing price discount for the enforcement shall be deemed to be a violation of this provision.

Debt Accounts (Calculations) and Clearing-off Payments

Art. 51. The private enforcement agent shall prepare the debt account (calculation) for the debt's amount by virtue of paragraph 12 of the Charges and Expenses Tariff in connection with the Private Enforcement Agents Act so that any clearing-off payment and each debt increase to be reflected. The Debt increases shall be specified separately - late payment interest, legal interest (showing the period, which the interest is accrued for), expenses, awarded on the grounds of a writ of execution, as well as the expenses for the enforcement.

Art. 52. The private enforcement agent shall make the down payments to the creditors within a reasonable term after any legal obstacles have fallen off.

Expenses for the Enforcement

Art. 53. The private enforcement agent shall incur and accept only the expenses, related to the enforcement, which are justified with a view to the factual circumstances of the case.

Financial Stability and Independence of the Private Enforcement Agent

Art. 54. The private enforcement agent shall inform the Council of the Chamber of the Private Enforcement Agents about any financial difficulties expected or occurred during his/her official activity.

Monies Management on a Special Account

Art. 55. Any act of management or disposal on the part of the private enforcement agent with the monies on the special account, except making payments to the authorized persons, shall be a violation, subject to disciplinary responsibility under this Code and the Private Enforcement Agents Act.

CHAPTER VII

MECHANISM FOR IMPLEMENTATION AND IMPROVEMENT OF THE CODE OF ETHICS

Professional Ethics Commission to the BCPEA's Chamber

Art. 56. A Professional Ethics Commission shall be established to the BCPEA's Council, which shall be a subsidiary body by virtue of Art. 30 (5) of the Chamber's Rules; the Commission shall be engaged with the implementation, interpretation and improvement of the Code of Ethics.

Art. 57. (1) The Professional Ethics Commission shall be appointed by a decision, passed by the Chamber's Council and shall consist of 9 members, appointed amongst the representatives, who are voted for in the General Meeting under Art.10, subsection 11 of the Chamber's Rules.

(2) The Commission mandate shall be for a period of three years.

(3) The Chamber's Council shall appoint a President of the Commission on Professional Ethics amongst its members, who shall participate in the Council's meetings by rights.

(4) The Commission shall pass decisions by ordinary resolution.

Powers of the Professional Ethics Commission

Art. 58. The Professional Ethics Commission shall have the following powers:

1. Collecting, classifying, analyzing and summarizing information about the work and behavior of the private enforcement agents, purposing to update and improve the application of the Code of Ethics.
2. Summarizing the existing professional practices by conducting interviews.
3. Making suggestions for improvement of the Code of Ethics on the grounds of the identified practices of the private enforcement agents and the amendments made in the legal, organization, social and economic framework of the profession.
4. Preparing annual report on its activity and submitting it to the Chamber's Council;

Meditation, Reconciliation and Arbitration

Art. 59. Any member of the Professional Ethics Commission may act as a mediator, agent or arbitrator for settling disputes between two or more private enforcement agents upon their written mutual consent, filed in the Chamber's Council. A Statement on the actions performed regarding the arbitration of the dispute, shall be drawn up and the Statement shall be signed by the Parties and the arbitrator, and shall be provided to the Council.

CHAPTER VIII

QUALIFICATIONS IMPROVING AND TRAINING OF THE PRIVATE ENFORCEMENT AGENT, HIS/HER ASSISTANTS AND OFFICERS

Qualification Improvement Obligation

Art. 60. (1) The private enforcement agent shall perform his/her professional duties, adhering to the good practices and standards for exercising the profession, approved by the Chamber of the Private Enforcement Agents by maintaining and improving his/her professional qualifications.

(2) With a purpose to improve his/her professional qualifications, the private enforcement agent shall:

1. When taking the office, he/she to pass initial training, organized by the Chamber;
2. Participate in the current training by visiting at least once a year the special courses, organized by the Chamber;
3. Watch for the legal amendments, the current judicial practice (common law), as well as the implementation of the European Standards in the area of the enforcement;
4. Participate in seminars, conferences and forums for experience sharing and standardizing the practice of the private enforcement agents, as well as in the preparation of special editions of the Chamber on such topics.

Training of the Assistants and Officers of the Private Enforcement Agent

Art. 61. (1) The private enforcement agent shall train and guide his/her assistants and officers in order for them to be able to perform their official duties with competence and in good faith in compliance with the legal requirements and professional standards.

(2) The private enforcement agent shall require from his/her assistants, officers and associates, during their official duties' performance, to observe manners, protecting the prestige of the private enforcement agent's profession.

Participation of the Private Enforcement Agent in Training and Lecturing, Publishing Own Works

Art. 62. (1) The private enforcement agent may lecture and conduct trainings, organized by the Chamber of the Private Enforcement Agents. The trainings' topics and format shall be approved by a resolution, passed by the Chamber's Council.

(2) The participation of a private enforcement agent as a lecturer or trainer in seminars and other types of training, organized by other organizations or third parties, shall be admissible on the grounds of a written request by the training's organizer and upon the a Council's decision, consistent with the Chamber's training program. The preceding sentence shall exclude the regular teaching activity at the training institution.

Art. 63. The private enforcement agent may publish his/her authors works provided that in the end or in the beginning of the material the following text shall be included in a prominent place: „The opinions and statements, expressed in this material, are the author' opinions and statements and do not certainly reflect the views of the Chamber of the Private Enforcement Agents”.

TRANSITIONAL AND FINAL PROVISIONS

§1. A Register of Debtors is created, the final deadline for initial registration of the specific data under Art. 42 is 1st October 2009. The term for initial filing of the data under Art. 42 after each case is brought, as well as the data, subject to filing, shall be fixed in accordance with the decision of the BCPEA's Council.

§2. The ethic standards shall be based on moral and legal principles and their non-observance by the members of the Chamber of the Private Enforcement Agents in the Republic of Bulgaria shall be grounds for disciplinary responsibility by virtue of Chapter IV of the Private Enforcement Agents Act.

§3. This Code of Ethics' adoption shall amend the application of the PEA's Rules of Ethical Behavior, passed by extraordinary General Meeting of CPEA on 09/09/2006.