



REPUBLIC OF BULGARIA



CHAMBER OF THE PRIVATE ENFORCEMENT AGENTS



ANNUAL REPORT

2008



Allocation and number of the private enforcement agents /163/ on the territory of the Republic of Bulgaria at judicial areas of activity's

Blagoevgrad	6	Kyustendil	4	Silistra	2
Burgas	14	Montana	2	Sliven	4
Varna	11	Pazardzhik	1	Targovishte	2
Vratsa	3	Pernik	4	Haskovo	3
Vidin	1	Pleven	6	Shumen	4
Veliko Tarnovo	7	Plovdiv	16	Yambol	1
Gabrovo	4	Ruse	4	Sofia city	40
Dobrich	6	Razgrad	2	Sofia district	4
Kardzhali	2	Stara Zagora	10		

Chamber's Council

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Totko Kolev – Vice President

Ivan Cholakov – Vice President

Mariana Obretenova

Ani Vasileva

Slavi Serbezov

Krystyo Angelov

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Lubomir Mavrov

Elitsa Hristova – reserve member

Disciplinary Committee

Stanislava Yankova – Chairman

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Georgi Mihalev

Nedyalka Kovacheva

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Ognyan Stamboliev

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Ralitsa Kasabova – reserve member

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Table of Contents:

PRESIDENT'S OPENING REMARKS	Page 4
1. GENERAL REVIEW OF THE SYSTEM OF PRIVATE ENFORCEMENT	Page 6
2. INFORMATION ABOUT THE CHAMBER	Page 7
3. ACTIVITY REVIEW	Page 7
3.1. NATIONAL AND REGIONAL CONFERENCES, WORKSHOPS	Page 9
3.2. INTERACTION WITH INSTITUTIONS	Page 11
3.3. PUBLIC RELATIONS	Page 13
3.4. SUPERVISION OVER THE ACTIVITY OF THE PRIVATE ENFORCEMENT AGENTS	Page 13
3.5. INTERNATIONAL COLLABORATION	Page 14
3.6. SERVICES, PROVIDED TO THE MEMBERS OF THE CHAMBER	Page 15
3.6.1. COMPETITION FOR ASSISTANT - PRIVATE ENFORCEMENT AGENTS	Page 15
3.6.2. TRAINING	Page 16
3.6.3. INFORMATION SYSTEM OF THE ENFORCEMENT	Page 17
3.6.4. INFORMATIONAL AND ADMINISTRATIVE SERVICES	Page 17
3.6.5. OTHER SERVICES	Page 18
3.6.6. SERVICES IN PROGRESS	Page 20
4. REPORT ON THE BCPEA'S DISCIPLINARY COMMITTEE	Page 22
5. REPORT ON THE BCPEA'S CONTROL COUNCIL	Page 24
6. FINANCIAL REPORT FOR 2008	
PROFIT AND LOSS STATEMENT	Page 26
BALANCE	Page 28

PRESIDENT'S OPENING REMARKS



Dear Colleagues, Ladies and Gentlemen,

It is my pleasure to present to you the Annual Report of the Chamber of Private Enforcement Agents for the year 2008. This is the second year, when all the offices worked efficiently and also the year, closing the three-year cycle from the Chamber's establishment (26/11/2005).

There's no way to omit a comparison with the problems in the beginning, activities' review in the middle and upon summarizing the whole period, to reach the unconditional conclusion: the Chamber fulfilled its primary and most important mission - an efficient and qualitative system of private enforcement started working and strengthened its position in the best interest of the citizens, society and the state.

If, during the years 2005 and 2006, we fought the new profession to be or not to be, because this depends a lot on the legal framework and in the year 2007 we eliminated the multiple obstacles to it, in the year 2008 the accents were put on raising the efficiency and quality of work, its enhancing through serving judicial and non-judicial documents and collecting state receivables, as well as establishing high professional ethics by preparing a Code of Ethics, which is already a fact.

During the past year, the Chamber has exerted significant efforts to improving the efficiency and working conditions of the private enforcement agents. Lots of meetings with state institutions were held for achieving a very important purpose of ours - the whole information regarding the debtors to be received as soon as possible within a few minutes, i.e. electronically. The result was that agreements were reached on the electronic access to the Property Register, BULSTAT Register and Cadastre. We were assured by the Ministry of Finance that in the beginning of the year 2009, the communication between the bodies of the National Revenue Agency and the private enforcement agents („PEA“), regarding any and all statements of public duties under the TSSPC („Tax and Social Security Procedure Code“), shall be performed electronically, which will additionally facilitate and speed up the proceedings; it shall be normal also the check ups, regarding companies' bank accounts to be required and received in such manner.

The new Civil Proceedings Code („the CPC“), with all its radical changes, was enforced on 01/03/2008, which lead to its discussing and explicating at two seminars, organized by the Chamber, including the three national conferences in April, September and November. Our representatives participate in the workshop at the Ministry of Justice for monitoring the CPC but it is still too early to make specific and unconditional conclusions for any amendments required. The problems are obvious even at the present moment in the area of summoning, special representative's appointment, the public sales and so on. It was found out that „suspension of motion of a motor vehicle“ measure, practically does not work, which made necessary the workshop, collaborating with the Ministry of Interior, to suggest amendments to the Road Traffic Act, and we expect these amendments will make it effective.

Finally, the long-expected competition for assistant-private enforcement agents was held, which allowed the offices to increase their capacity and quality of work, which is our basic priority. This required special training for the assistants to be organized in November.

In this year again our chief partners were the Ministry of Justice and Ministry of Interior; we thank them both for the effective collaboration and support.

Collection, summarizing and standardizing the enforcement's practice is of a special importance to the Chamber; the Case Book collection, entitled „Enforcement“, will be the main road to that. Many of the judicial decisions existing were made pointless by the new CPC and the new ones are still notl enough; this impeded us and slowed us down but the 2 issues, prepared in 2008, contained articles and materials, very important and useful to our colleagues-lawyers.

The directions of the activity and volume of work of the Chamber continue increasing but this circumstance does not affect the quality of services, provided to its members, the developing training and very good relations with media; thanks to the latter, we carried out a meeting with our colleagues from Macedonia in May in Ohrid.

In the international aspect, we said farewell to a very active year, full of events, meetings and conferences. The European regulations in the area of the enforcement are not well-known in our country yet and thus, we pay special attention to this sphere. In February, in Brussels, a large international conference was held regarding the new moments in the European legislation; the experience acquired will be exchanged at a special training, as well as in series of articles in our Case Book. In October, in Budapest, we participated in a meeting of the Eurodanube organization, an International Union of the enforcement agents, which unites the countries in Central and Eastern Europe, our representatives, journalists and quite a few colleagues from the country visited the meeting in Ohrid to meet with the colleagues from Macedonia, we had a representative also at the general meeting of the Polish colleagues, who experienced lots of difficulties in 2008. We met several delegations from different countries, interested in the Bulgarian experience - Ukrainian, Serbian, Armenian and Albanian ones.

The Chamber's development priorities for the next year will be directed to improving the legislation and more precisely, the CPC and TSSPC, the electronic access to all institutions, connected with the enforcement, including the enlarging and automating their activity. The trust of the citizens, society and institutions will be of great importance and it presumes transparency, effective control and observing the Code of Ethics. The debtors' register and publishing the public sales on the Internet will be implemented in the year 2009.

The Chamber shall continue developing the range of services, provided to its members, including the comprehensive training of PEA, their assistants and officers, and shall work in close collaboration with the institutions, Bulgarian and foreign partners and the media.

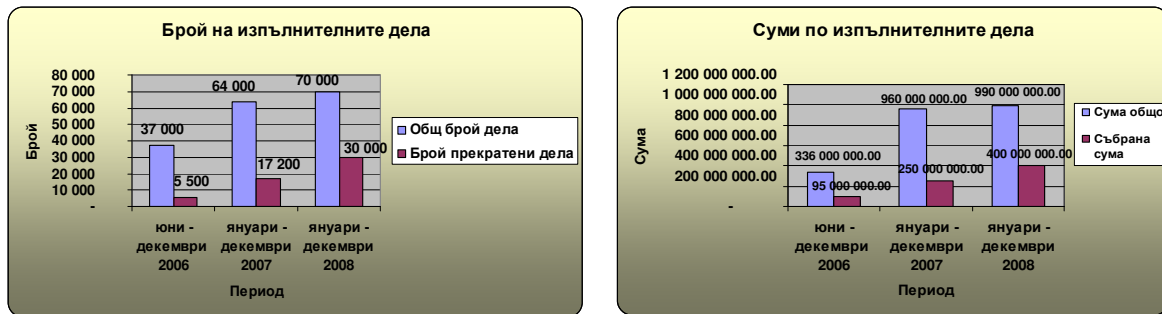
Georgi Dichev,



President

1. GENERAL REVIEW OF THE SYSTEM OF PRIVATE ENFORCEMENT

Almost three years have passed from establishing the private enforcement in the Republic of Bulgaria and summarizing this period, the unconditional conclusion was made that this reform is extremely successful. Not just because the World Bank appreciated it as one of the 10th most successful reforms for the year 2006 worldwide. The results are telling - 37,000 cases opened in the year 2006; 64,000 in the year 2007 and more than 70,000 in 2008. Cases concluded: 5,500 in 2006; 17,200 in 2007 and about 30,000 in 2008. The amounts collected are, as follows: 95 million BGN in 2006; 250 million BGN in 2007 and about 400 million BGN in 2008. (Note: the data for 2008 are approximate and based on the half-year reports and the preliminary data, input by the PEA).



Number of enforcement cases Amounts on the enforcement cases

For the three-year reporting period, the PEA has concluded 52,700 cases, and the amount collected is equal approximately to 750 million BGN.

The system operates and develops progressively, the number of officers at the offices increases and their amount has exceeded long ago 1000, as in the year 2008, 55 – assistant private enforcement agents assumed the office, and thus, the quality and capacity of the private enforcement agents was increased. At the same time, the offices use contemporary technologies in their office work and access to information regarding the debtors, as the greater part of it is received in an electronic way, ensuring the process' speed so important.

Not only companies, banks and business entities in general are the private enforcement agents' clients but also Bulgarian citizens entitled to receivables as on the grounds of civil relations, as well as resulting from labor remunerations, support money and handing over a child. Considering that the charges regarding the latter receivables are not deposited by the creditors but are paid off by the relevant court's budget, and this never happens, practically the private enforcement agents in our country finance by their own resources this type of cases, which are not a few.

By virtue of the new CPC, the PEA started serving court documents; this practice shall become more common and it will help eliminating one of the reasons for delaying the cases in the court.

During the last year, more and more public creditors, including some municipalities, started using the PEA for collecting their state receivables and this, except being an expression of trust and recognition of efficiency, will be also of great benefit for the state budget (fisk).

The private enforcement in our country complies with all the European criteria of a modern, legal and effective work.

2. INFORMATION ABOUT THE CHAMBER

From the date of its establishment on 26/11/2005, during its existence, the Chamber of the Private Enforcement Agents has managed to establish itself as a good partner of the Bulgarian and foreign institutions, striving for imposing high professional standards and ethical behavior among the enforcement agents, maintaining efficient working relations with the authorities and institutions, and offering wide range of services, beneficial to its members. Purposely, efforts are exerted to maintaining active relations with the general public and media, aimed at recognition and raising the image of the private enforcement agent's profession.

The operating PEA cover almost all regions in Bulgaria, save the regions of the Smolyan District Court and Lovech District Court. Within these two regions, the enforcement is carried out only by the state enforcement agents.

At the present moment the number of the Chamber's members is 163, as 82 of them are men and 81-women. Each member of the organization has his/her own file, duly kept at the Chamber's administrative office. The files are arranged in ascending order of the private enforcement agents' registration numbers and are updated regularly, as the data, containing in the notices for alteration of circumstances under the PEAA, shall be input in the PEA's Register.

The Chamber is administered and managed by a Council and has at its disposal an administrative personnel, consisting of 4 officers. It is financially independent and is not funded by the state.

3. ACTIVITY REVIEW

In order to obtaining a realistic picture and drawing up a balance of the accounting period, an inquiry was conducted this year again amongst the private enforcement agents, covering some basic aspects of our activity. The assessment form included questions about the services, rendered by the Chamber to its members, the quality of the services, organizational skills of the officers and activity of the management.

We are thankful to all our colleagues, who participated in the inquiry and were very impartial and critical in their personal assessment as members of the guild. Upon summarizing of the opinions, collected by the inquiry lists, the results are, as follows:

Please provide your assessment of the activity of the Chamber based on its usefulness to your business and its efficiency in response to your expectations and needs	<u>It is below my expectations (1-3)</u> <u>It exceeds my expectations (4-6)</u>	
	Average evaluation	Percentage of satisfied members
Are you satisfied with the activity of the CPEA as your professional organization?	5.24	87.28%

How would you evaluate the services provided by the Chamber?	5.19	86.51%
Administrative services	5.36	82.84%
Training	4.90	89.29%
How would you evaluate the management of the Chamber?	5.32	88.74%
Activity	5.19	86.51%
Responsiveness to members	5.17	86.11%
Communication with the media	5.12	85.37%
How would you evaluate the Chamber's administrative personnel?	5.66	94.31%
Activity	5.60	93.25%
Communication with the members	5.55	92.46%
timely	5.55	92.46%
comprehensive	5.54	92.28%
Overall approach	5.67	94.44

What is the quality of materials, prepared by the Chamber?	5.10	85.00%
Internet site	4.93	82.14%
News bulletin	4.85	80.89%
Judicial Practices Collection	4.98	82.93%
Miscellaneous	5.00	83.33%

How do you assess the trainings, organized by the Chamber?	4.81	80.09%
Lecturers	4.79	79.91%
Training material's contents	5.00	83.33%
Price	4.82	80.26%
Amount	4.63	77.08%

How do you assess your personal participation in and contribution to the Chamber's work?	3.72	61.97%
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Are the expectations for your professional conduct clear?	4.51	75.15%
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On behalf of the Chamber	5.11	85.09%
On behalf of the Ministry of Justice	4.34	72.37%
On behalf of the society	4.08	67.98%

All of the PEA, who have filled and submitted the inquiry lists (totally 43), are satisfied with the Chamber's activity in general. The assessment, received for the services, provided by it and the usefulness to the individual PEA, is **5.24** according to the six point mark system, and administrative services' provision is assessed by the highest mark, **5.36**. Enforcement Collection issuing has received an average mark of **4.98**, and this replaced it from the first position for the last year. This results from enforcing the new CPC and the lack of enough practice according to the new provisions in the courts, which do not provide the proper material for comments by our authors in the Case Book.

All the participants in the inquiry have determined its work as positive.

Upon summarizing, good results have been read regarding the work of the BCPEAs' management and the Chamber's administrative personnel. The average result for the work of the management for the year 2008, is **5.32** (in comparison, the mark, received in 2007, is 5.36 and in the year 2006 - 5.05), and the team of the officers at the administration is assessed with **5.66** (5.40 in 2006 and 5.63 in 2007).

As most beneficial activities in favor and interest of the members in the year 2008, the greatest number of the participants determine: the remote electronic access to the databases of ESGRAON, the National Social Security Institute („NSSI“), the Property Register, BULSTAT Register, Cadastre; the beneficial collaboration with the Ministry of Interior; timely information and seminars conducted. On the next place, the communication is positively assessed: on one hand, with separate members and the Chamber's administrative personnel, and on the other hand, of the organized national conferences and regional meetings of the private enforcement agents.

Regarding the adequacy of the membership contributions, compared to the BCPEA's activity, the opinions are heterogeneous but the majority of the PEA inquired consider that the membership contributions have be doubled with a view to the inflation in the country and the opportunity the BCPEA to be self-supporting. Not in the last place, many colleagues consider that the Chamber's financial independence will help the prestige of the organization to be strengthened.

Substantial part of the inquiry lists referred to the expectations towards the private enforcement agents' professional behavior. The colleagues' opinions may be divided into groups, based on three basic categories. **In the first place**, the attitude of the state institutions towards the private enforcement agents has to be clarified. **In the second place**, the Chamber, being the PEA's professional organization, must ensure the timely feedback to its members regarding the processes and activities running, summarizing the good practices in the country and taking up an attitude before the institutions to important matters, regarding the judicial enforcement. **In the third place**, the public attitude towards the profession has to be formed by implementing a wider media and explanatory campaign about the functions and obligations of the private enforcement agents.

There is criticism, of course. According to the participants, inquired in the year 2008, the activity should be improved, regarding the following directions: the interests of the guild to be asserted more firmly before the state institutions; an active media campaign to be organized, aiming at promoting the PEA's powers under the new CPC; active work for developing the general debtors' register and the enforcement cases at PEA; improving the access to information regarding the Chamber's activity by the PEA; upgrading the Internet web page and the communication of the members through a closed internal forum; strengthening the control and in cases of failures in work, performed by colleagues and ascertained, to be reacted fast, clearly and through.

Notwithstanding the constructive criticism and recommendations, 97% of all PEA inquired consider that the CPEA during the past year was positive and progress was achieved.

3.1. NATIONAL AND REGIONAL CONFERENCES, WORKSHOPS

In the year 2008, the Chamber's Council, implementing its policy of maximum proximity to the problems of each PEA, organized three national conferences, during which current matters and problems were discussed, arising in the practice of the PEA. All forums passed in the spirit of open dialogue and positive discussion on the common problems, moving the colleagues in specific areas and in the whole country.

The First National Conference of the private enforcement agents was held on 19 April, 2008 in Samokov Hotel, Borovets resort. The greater part of the working forum's time was dedicated to discussions and comments on standardizing the PEAs' practices related to the enforcement of the new CPC. The new text and the problems in the work of the PEA, resulting from the new texts, were discussed. The colleagues exchanged their experience and put questions regarding summoning and the public sales. A decision, issued by the SAC (Supreme Administrative Court) for Administrative Case No.2/15.04.2008, was presented and concerned the period for the mandatory registration under the VATA (Value Added Tax Act), regarding the freelancers, including the PEA. The Chairman of the committee on legal matters at the CPEA reported before the delegates at the forum about the works performed for drawing up a Code of Ethics of the private enforcement agents. Miscellaneous organizational and common matters were also considered.

On 6 September, 2008, Albena resort became the host of the Second National Conference of the private enforcement agents. Unfortunately, the conduct of this forum was marked by the consecutive attempt (eight only within two years), on the person and property of a private enforcement agent. The participants in the National Conference united their indignation and anger at the continuous brutal offences against officials, being delegated state powers to by the State regarding the judicial decisions' enforcement. The private enforcement agents in the Republic of Bulgaria expressed their explicit protest against this unlawful act and on the Unification Day, they appealed to uniting the state bodies' efforts for dealing with this shameful problem in our country. In its official protest note, the Chamber of the Private Enforcement Agents referred to the Chief Prosecutor, the Minister of Interior, the Minister of Justice and the Supreme Judicial Council, appealing to immediate joint measures against the criminals, who, by their offences, threaten to ruin the most successful reform in the judicial system.

The accents of the discussion in Albena were put on: presenting by the work-group the first completed version of the Draft Code of Ethics; the access of the PEA to the Registry Agency's

databases, i.e., the Property Register, BULSTAT Register and Survey Agency, as well as the Enforcement Information System in Bulgaria - advantages, disadvantages and perspectives. This meeting granted the opportunity to the PEA to raise current and important questions of their everyday work, as well as discuss with the members of the Council the substantial problems of the reform and the profession particularly.

On 1 and 2 November, 2008, in Kardzhali, on the initiative of colleagues from Southern Bulgaria, a regional workshop of private enforcement agents and Assistants-PEA from the Southern Central Area was held, districts of Plovdiv, Stara Zagora, Kardzhali, Haskovo. The workshop's purpose was establishing the beginning of a regional discussions' forum of colleagues, PEA, on problems and decisions of enforcement methods. Save celebrating the 1 November, the National Educational Leaders Day, procedure and organizational matters of the enforcement were discussed - individually and jointly, at the workshop. Experience was exchanged regarding the application of enforcement methods under the new CPC, and namely - public sales, auctions and etc., including problems in VAT application in different types of sale. The Chairman of the CPEA touched in his statement also some organizational problems related to improving the work with the institutions - the Registry Agency (the electronic access to its database), Traffic Police (Application of the measure „suspension of motion of a motor vehicle” and the Draft Amendments to the Road Traffic Act); the Survey Agency (the forthcoming possibility for access and print-out in an electronic form of the survey maps), and etc. It is expected that in the year 2009 in this regional forum also colleagues, PEA, to take part in from all judicial regions in the Southern Central and Eastern Regions.

The third national conference was held on 28 November, 2008, in the city of Sofia on the occasion of celebrating 26 November, the Private Enforcement Agent's Day. The problems in the PEAs' practice during working with the Registry Agency and Survey Agency were shared. The amendments to Road Traffic Act were commented, connected with the measure „suspension of motion of a motor vehicle“, as well as collecting the charges for state receivables' enforcement. Upon discussing the text of the Draft Code of Ethics and in connection with this, the amendments to the Memorandum of the CPEA, lots of comments, critics and notices were made. The members of the team on the CE ensured their colleagues that all notices and comments will be taken into consideration when drawing up the final version of the Code, which shall be subject to voting at the general meeting. The discussion of the nominees' applications by private enforcement agents for participation in the BCPEAs' bodies within the next three-year mandate was an important part of the agenda.

During the accounting period, three workshops of PEA from Sofia City and Sofia District were also held. Alike their colleagues from the other judicial districts in the country, the private enforcement agents from Sofia City and Sofia District discussed the problems, regarding the adoption of the new CPC, assisting the bodies of the Ministry of Interior connected with the Instruction's application, the procedure for carrying out public sales in the buildings of the regional courts, providing remote access to the databases of ESGRAON, NSSI, NRA, RA, Survey Agency and etc.

The BCPEAs' Council will pursue a consistent policy for increasing the knowledge, aiming at the Chamber's members to be constantly aware of the any and all activities of the professional organization by holding the national conferences and workshops of the PEA.

3.2. INTERACTION WITH INSTITUTIONS

3.2.1. Adoption of the new CPC, in force from 1 March, 2008

From the moment of establishment of the Chamber of the Private Enforcement Agents, its primary purpose is all the private enforcement agents to start working efficiently. The Chamber's inflexible will is the legislation in our country, as well as the state institutions and their officers to ensure any and all conditions required that the private enforcement agent to perform his/her work and thus, this profession to be a synonym of efficiency, legality and ethics. It is no chance that one of the profession's priorities in our activity during this year has been directed to improving the legislation, and more precisely, CPC, to summarizing and standardizing the practice regarding the enforcement procedure.

Effective 1 March, 2008, the new Civil Procedure Code is in force. Simultaneously to the other substantial amendments in the legislation, some material changes were made in the provision of institutes, connected with the enforcement under civil cases. The more important moments, related to the activity of the private enforcement agents for performing their functions, are the amendments in summoning, adopting the ordering proceedings, changes in the course of the enforcement procedure, as well as some amendments, concerning the allowance and imposing security measures.

The Chamber shall participate, represented by its representative, in the Committee on Legal Matters at the Parliament in connection with the development of the new Civil Procedure Code. A great number of the private enforcement agents' proposals were adopted but there are certain texts, which will impede again the enforcement. At this moment, we analyze the application of the Code as by the PEA, as well as by the court. On the grounds of this analysis, in the year 2009 we will table again our proposals for amendments.

3.2.2. Participation in workshops, coordination groups and public forums with representatives of the institutions

One of the basic tasks of the Chamber is rendering assistance to establishing the best possible conditions for private enforcement's operating. In this sense, the Council required by a number of state bodies to ensure the electronic access to the information, necessary for the purposes of enforcement: from the Ministry of Regional Development and Public Works regarding ESGRAON, from the Registry Agency - regarding the Property Register and BULSTAT Register, from the Ministry of Interior - regarding the Road Police's Register, from the NSSI and the Ministry of Justice - regarding any and all registers kept by them, by the Ministry of Finance - regarding the bank accounts declared and requiring and receiving in electronic form the certificates, issued by the NRA and the State Receivables Collection Agency („the SRCA“). Quite often the state institutions have made attempts to hinder the PEA from performing their duties only because of the term „private“. The examples are not few - the SRCA, the NRA, The Registry Agency, the Survey Agency, Agriculture and Forests Agencies, the State Enforcement Agents and etc. Some of the agencies required the information provided to be paid for.

Notwithstanding the problems, incessantly occurring, the principles of efficient communication and partnership with the participants in these processes, accepted by the managing bodies of the CPEA, had positive results. During the accounting period, many coordination meetings were held and leading representatives of the institutions, listed above,

were present. Workshops were established and finally, their activity lead to number of relieves when using the data required.

Resulting from the foregoing, from December, 2008, the private enforcement agents have already been allowed the electronic access to the Property Register and BULSTAT Register at Registry Agency, and in January, 2009, an agreement was signed with the Survey Agency for free access by the PEA to the information, included in the survey maps and registers („the SMR“) of the Republic of Bulgaria. The access to the ESGRAON Register and the registers, kept by the NSSI, was ensured in the year 2007.

The interaction between the Chamber and the Ministry of Interior is more than successful. The participation of the Council's members in the joint workshop together with representatives of all the departments at the Ministry of Interior, lead to deciding a number of problems, connected with the application of basic legal acts, concerning the PEAs' activity, and namely: the CPC, Bulgarian Identity Documents Act, Ordinance I-45, Foreigners in the Republic of Bulgaria Act, Road Traffic Act, Instruction on the conditions and procedures, upon which the bodies of the Ministry of Interior render assistance to the private and state enforcement agents for the performance of their powers.

With the purpose of efficient implementing of the Assistance Instruction, several meetings at national and regional level were held between the PEAs and the bodies of the Ministry of Interior, where the security and protection measures of the PEA and their offices were discussed. Considering the fact that at this stage the Traffic Police does not have the technical possibility to electronic connection, in the Instruction its is stipulated that this service is liable to providing information to the private enforcement agents within the shortest possible terms.

On 6 October, 2008, in the city of Sofia, at the office of the CPEA, a workshop was held in the presence of the Chamber of the Private Enforcement Agents and representatives of the Ministry of Interior, Traffic Police, Ministry of Justice, Police National Department and Bulgarian Identity Documents Department Sofia Police Directorate. The meeting was organized because of the problems occurred, when applying Art. 431 (5) of the CPC with a view to working out the details of the security measure „suspension of motion of a motor vehicle“. The Chamber proposed the texts in Instruction No.13-849/2007 to be altered and amended but at the end of the discussions, it was considered that these amendments shall be tabled to voting to the Law on Amendments to the Road Traffic Act. The representatives of the various departments and units at the Ministry of Interior, who were present at the meeting, raised a few problems, and namely connected with limitations' application under the Bulgarian Identity Documents Act and the Foreigners in the Republic of Bulgaria Act, regarding the expenses, connected with the enforcement and related to the administrative procedures when imposing compulsory administrative measures and etc.

During the present year, a priority in our joint work will be a program development for joint seminars and trainings in the departments of the Ministry of Interior and the private enforcement agents at regional and national level.

Upon the CPC enforcing and under its provisions, stipulating the public sales at the premises of the regional courts, not a few regions in the country faced great difficulties in settling this problem. Many of the regional courts did not have at their disposal the material and technical base to be provided to the enforcement agents for performing their official duties. In this difficult process the good communication and mutual will of all interested parties these

difficulties to be provided for and stipulated, played an important role. By means of the correspondence and many meetings between the private enforcement agents and the chairmen of the regional courts in the country, many good results were achieved.

The Chamber continued its policy of sociability and transparency to the public and its partners. The Chamber's management receives valuable feedback about the opinion of one basic partner and adherent to the reform, i.e. the Association of Banks in Bulgaria. The banks and business' representatives unconditionally support the Chamber in its initiatives and express their satisfaction of the private enforcement agents' work, underlying that the results are impressive regarding the fastness and enforcement of the judicial decisions. At the same time it is understood that the reform in the enforcement continues and there is lots of joint work that has to be completed. The banks, business and the CPEA established a regular dialogue and close working relations as within the past year our joint initiatives were prolonged. The representatives of the bank and business sectors presented at all the events, organized by the Chamber - training courses, official forums, as well as workshops at operative level. The Chamber's management tries timely to inform its members about the question, raised on behalf of the bank and business and thus the best possible decisions to be found out for eliminating the practical problems in their everyday common work. The organizations of business in Bulgaria played an important role for implementing the reforms in the enforcement and they will continue being a basic partner of the CPEA.

3.3. PUBLIC RELATIONS

At the present moment we can already talk about creative relations, successfully established with the media, which are good partner of the Chamber for its attempts to inform the general public and protect the public interest. Journalists from various national and regional media (television, press and radio), were present at almost all forums, organized by the Chamber - workshops, conferences, seminars, traveling and etc. The BCPEAs' team has sent regularly press communications and invitations for all important events and developments in the area of the enforcement and thanks to which in the national and regional printed and electronic media many articles and reports appeared. This activity supports the will of the CPEA to maintain an open and active dialogue with media, which are main factor for informing the public and forming the public opinion.

An example in that sense was the visit from 23 to 25 May, 2008, of some private enforcement agents and Bulgarian journalists from national media in the town of Ohrid, Republic of Macedonia. After the delegation returned in Bulgaria, the Macedonian experience was reflected in the TV program, called „Zakonat i nie“ („Law and Us“), broadcast by the Bulgarian National Television, the Bulgarian National Radio, Darik radio and published in more than sixteen articles in central daily newspapers.

Important role for the overall information and public relations played, of course, the parties in the enforcement procedure, being direct or indirect participants in it, like the bank institutions, business' representatives, attorneys, insurance agents and the citizens.

3.4. SUPERVISION OVER THE ACTIVITY OF THE PRIVATE ENFORCEMENT AGENTS

By virtue of the PEAA and its Memorandum, the Chamber shall stand its principles, protecting the public interest. The Chamber and its members observe the supremacy of law

and in their work they manifest responsibility, transparency and professionalism. One of the most important duties of the BCPEA's Council is exercising effective supervision for observing the law and Memorandum by the Members. This activity shall be of great importance for the success of the profession and thus, the Council pays a lot of attention to it and exerts efforts to improving the supervision in terms of efficiency and transparency. The Ministry of Justice (by its judicial and financial supervisors) and BCPEA (under a resolution of its Councils of its members and/or persons, specified in Art. 10, subsection 11 of the BCPEA's Memorandum), shall pursue independently one of the other strict policy of control and supervision over the activity of the PEA and shall see for application of the rules for professionalism and ethics. The check ups shall be carried out as a result of individual complaints, as well as over the overall activity of the PEAs' offices.

3.5. INTERNATIONAL COLLABORATION

The Chamber of Private Enforcement Agents became a full-right member of the International Union of Judicial Officers (UIHJ), giving the right to two-man Bulgarian delegation to present at the meetings of the Standing Council, held twice a year. At the moment 69 member-states participate in the International Association of Enforcement Officers. Very soon some more member-states shall joint the international professional organization; at the present moment these future member-states have the status of observers and associated members.

In 2008, by reason of multiple engagements, the Bulgarian delegation didn't manage to present at the two meetings of the Standing Council of the UIHJ - the European Council (in May, 2008 in Talin, Estonia and the World Council (in November, 2008 in Paris, France). Our representatives, however, participated in the meeting of the countries, members of Eurodanube, held at the end of October, 2008 in Budapest, the capital of Hungary. The participants in the conference had the opportunity to exchange information about the current status of the enforcement system in their countries, and present their model of public sales of real properties. Once again the unconditional conclusion was made that the member-states in Eurodanube have common history, present and future and strive with similar problems of their legal systems and respectively, the profession of the enforcement agent. In the circumstances of the current economic crisis, the unification and strengthening the process of the enforcement in these countries, shall acquire critical importance. The common goal must be the recognition of the enforcement as a fundamental institution of the justice, especially in striving for and competing with the companies for debts' collection and the agencies. This may be achieved only by unification of forces, which is the basic engagement and goal for Eurodanube.

From 13 to 15 May, in Visla, Poland, a national congress of the Polish enforcement agents was held, followed by a symposium: „Analysis and Assessment of the Amendments to the Enforcement Agents Act and the Enforcement“. The Vice-President of the Bulgarian Chamber attended at the event, as was officially invited by the President of the Polish Chamber.

From 23 to 25 May, 2008, the Bulgarian Chamber of the Private Enforcement Agents organized a working visit of big group of journalists from leading media in the country, together with private enforcement agents from Ohrid, Republic of Macedonia. We visited our Macedonian colleagues, the private enforcement agents. Considering that the Macedonian and Bulgarian private enforcement agents started comparatively soon their practice, this visit was very beneficial for exchange of good practices, discussing good practices in the enforcement

and improving the collaboration between the two countries in pursuance of international judicial acts. During the visit, Mr. Antonio Koshtanov, a Chairman of the Macedonian Chamber, made our delegation acquainted with the Macedonian private enforcement system and its professional organization, with the disciplinary measures and mechanisms of control over the profession of the private enforcement agent in the Republic of Macedonia, as well as with the organization of the offices of the Macedonian private enforcement agents and using technologies for management and control.

This visit, organized especially for the media's representatives, provided them with new beneficial information about the information practices, applied in the area of enforcement. On the grounds of the information received, the journalists managed to compare the practices in Bulgaria and Macedonia, which was the excellent basis for publishing and distribution of more than 20 interesting and useful reports, interviews and articles in the national media after their return to Bulgaria. A documentary film was produced for the travel and it was broadcast in June, 2008 in the legal program „Zakonat i nie” („Law and US“) on Channel 1 by the journalist Reni Nikolova. The film presents the working visit and its results, as juxtaposes the Macedonian and Bulgarian enforcement systems.

It must be underlined that the attention of our colleagues from Europe is directed to the successful implementation of the reform of the judicial system in Bulgaria, and more specially its part, regarding the enforcement. The UIHJ, represented by its President, Mr. Jacques Isnard, stated his firm support to our country and his readiness to render any kind of assistance for any further conducting the reform to its successful end.

In 2008, the Chamber of the Private Enforcement Agents was a host also of some foreign delegations' visits.

On 19 and 20 February, nine-member delegation from Ukraine visited us. A big group of colleagues-lawyers from Serbia visited us within the period 7-9 April. On 5-8 November, we met guests from Armenia, and in the mid December, an Albanian delegation. The interest of the foreign experts in the model of the enforcement in the Republic of Bulgaria was dictated by the serious debate in their countries for reforming their judicial systems and particularly, the system of the enforcement. The common in these all countries was that now the enforcement of the judicial acts there was slow, inefficient and didn't respond to the needs of the market economy. The basic purpose of the visit was their making acquainted with the system of the private enforcement, being adopted only since a few years in countries like Bulgaria, Macedonia, Estonia, Lithuania and Latvia and subsequently, preparing a survey for realization and application of such system in their countries. During the visits, it was very important to our guests we to share with them our experience and the lessons, acquired by the Bulgarian private enforcement agents and their professional organization in the course of transition from state to liberal profession's model. Topics of an extreme interest were: passing of a legislative process, adoption and enforcing of the PEAA; advantages and disadvantages of the „mixed“ model; examination and appointment of PEA; function of the Ministry of Justice; powers and activity of the Chamber of the PEA; operation of the PEAs' offices; make-up of the Tariff on Charges and Expenses to the PEAA; liability and insurance of the PEA; disciplinary process; supervision and control over the activity of the enforcement agents; interaction with the court; public opinion about the new model and many more. During these visits, some visits to offices of private enforcement agents were made, where our colleagues from abroad had the chance to get acquainted at spot with the organization of the working processes at the office, as well as with the automation and computerizing of these

processes, with the procedures, concerning the secretary and filing procedures, electronic access to information about the debtors and serving the parties to the enforcement in real time.

3.6. SERVICES, PROVIDED TO THE MEMBERS OF THE CHAMBER

3.6.1. Competition for Assistants - Private Enforcement Agents

In the beginning of June, 2008, finally the long-expected competition for assistant-private enforcement agents was held. An examination was fixed pursuant to a Decree, issued by the Minister of Justice, dated as of 27/03/2008, and 107 competitors (candidates) were present from all over the country. The examination was verbal and was successfully passed by 82 candidates. Up to the present moment 54 of them are duly authorized assistants - private enforcement agents and work at the offices of the PEA in all judicial areas in Bulgaria. Actually, this allowed the offices to increase their capacity and quality of work, which has been one of the main priorities of the BCPEAs' activity during the year.

With regard to establishing an official status of the new profession, assistants - private enforcement agents in Bulgaria, under Chapter IV of the Private Enforcement Agents Act, the Chamber officially required the NRA and the Ministry of Labor and Social Policy to add to the National Classifier of Economic Activities („the NCEA“), a separate code, analogous to the code of the notary-assistants. The requirement was dictated by the necessity the already authorized assistants to be secured, based on the minimum social security threshold for the country. We have to underline that we were provided with the complete assistance on behalf of the relevant institutions and after additional discussions were carried on with the Ministry of Labor and Social Policy, reckoned from the 1 January, 2009, the NCEA was updated and a new official name was established, namely „assistant- private enforcement agents“. The name was entered in the professions' nomenclature under the following code: 2422-7011.

3.6.2. Training

During the reporting period, seminars and courses were held in order to implement the Chamber's strategy on the long-term development of the private enforcement agent's profession in Bulgaria; to a great extend the implementation of the projects commenced from the previous reporting period was continued.

Basic accent in the seminars, organized by the CPEA, of course, was the enforcing of the new CPC, because the new provisions had to be interpreted and explained and respectively, the needs and interest on behalf of the colleagues, was the greatest.

In February and July, 2008, the Chamber organized seminars, entitled: „The Enforcement under the new CPC“, as lecturers, famous theoreticians and practicing specialist in the enforcement in Bulgaria, participated. More than 120 colleagues-lawyers took part in the trainings, mainly private enforcement agents, their officers, assistants, as well as legal advisors and attorneys from external organizations.

The seminar in CPC in July was organized in collaboration with the International Bank Institute, which gathered a group of bank legal advisors, members of the Association of Banks, and they were trained together with the private enforcement agents. This was a very beneficial co-operative initiative for the separate parties and participants in the enforcement.

Assumption in office of the assistant-private enforcement agents and the new practice under the CPC, required organizing a seminar for them. The Chamber held in on 7 and 8 November, 2008 in the city of Sofia, as the event passed with extremely high interest on the part of the participants. The seminar entirely conformed with the amendments, made to the PEAA, and gave training in practical aspect under Chapter V of the CPC - Enforcement procedure. The colleagues had the opportunity to get acquainted with the specific character of the legal framework, the private enforcement agents work within. During the discussion sessions, they shared opinions and interpreted cases suggested, as well as good practices, regarding with the judicial decisions' enforcement. The training was conducted in accordance with a Chamber's approved methodology by competent lecturers, members of the guild.

Upon the official start of the Information System of the Enforcement in November, 2008, a necessity of initial and refresher courses occurred for the PEA, Assistants-PEA and the officers at their offices, now in their capacity of real system's users but not its test version. The funds for the training were ensured by the Dutch Government Matra Program, entitled „Strengthening the Privatized System of Civil Enforcement“. The first course was held on 13 December, 2008 in the city of Sofia and 23 colleagues attended at it. A second training for 12 people will be organized in February in the town of Veliko Tarnovo. The accent is put on the practical and legal aspects in working with the system and correct filing and entering the everyday activities in the JEIS.

During this year, the Chamber will continue carrying out the training courses development, and their contents will be updated in accordance with enforcing the new CPC. Three new courses will be developed with the help of our partners from Matra Project, and namely: 1) **„European Legislation in the Area of the Enforcement. Regulations and Practices“** in the context of Bulgaria being an EU member and the mandatory application of the European instruments regarding the enforcement procedure; 2) **„Introducing a Manual on Quality Management at the PEAs' Offices, Standards of Ethics and Business Skills“**, which will continue our work for introducing advisable basic standards and good practices in the private enforcement agents' everyday work; 3) **„Training for Trainers“**, a course that will give the opportunity to more colleagues to acquire the competence and skills, necessary to carrying out courses as lecturers, based on the Chamber's existing methodologies and newly developed ones.

As a whole, the type and frequency of carrying out training courses by the BPEA, will be specified by the interest of the guild's members, as well as by external users. Updated information about current training may be found on the Chamber's website: www.bcpea.org in „Training and Seminars“ Section.

3.6.3. Information System of the Enforcement

Despite the tremendous delay of its start from the beginning of November, 2008, the JEIS works normally and already have real users, who take advantages of the convenience of the electronic records and filing.

The JEIS is established according to Ordinance No.4 for the Private Enforcement Agents' Office Archive and contains all the necessary records for filing. The work on the Project began in the year 2006 after preparing a detailed technical assignment with the participation of the Chamber of the PEA, the state enforcement agents and representatives of the Ministry of Justice. The purposes, set by the JEIS, are ensuring the possibility of the working

processes' automation, providing trustworthy statistics for the enforcement (in a national scale), and establish conditions to implementing control over the activity of the enforcement agents.

Some functions of the System significantly facilitate the enforcement agents' work, connected with maintenance of the registers and the technical preparation of the cases (filing). First months of testing the system revealed lots of disadvantages. Probably, in the course of work some other imperfections will be discovered, and this is absolutely normal for the start of each information technologies' product of this kind.

For the users of the JEIS, the private enforcement agents, two functional options exist - either using its full functionality or keeping the Register of the cases. Of course, the advantages are revealed in using the first option - entirely electronic recording and filing, fast and easy search of information about the parties to cases, saving a lot of technological working time, good opportunity for efficient management and control of the working processes and increased efficiency at the office, easier calculation of the charges for the enforcement, fast and accurate drawing up the half-year and annual reports, easy check ups of the amounts due and collected under the cases and etc.

The JEIS is administered by the Chamber under a license granted by the US Agency for International Development (USAID). From technical point of view, the JEIS is WEB-based application and database on two servers. The JEIS security is guaranteed by the technology used (encrypted connection and restricted access solely for registered users), and the 24-hour supervision and control, exercised by the administrators from the Data Centre. The uninterrupted work of the JEIS is guaranteed by the data Centre, where the servers are located at.

Within the next 2 years, the Chamber could rely on the financial support of the „Strengthening the System of the Private Enforcement Project“, financed by the Dutch Government Matra Program.

3.6.4. Informational and Administrative Services

Upon a study completed about the efficiency of the Chamber's informational activities, the Council adopted the following principles of communication:

- **Persistency**, including the everyday efficient communication with the members of the Chamber and different institutions;
- **Purposefulness** - developed methods of communication, using all the informational instruments;
- **Critical attitude**, including careful check up of the information, received at the Chamber from its members and representatives of the public;
- **Diplomacy**, expressed in searching a consensus, avoiding the confrontations and establishing partnerships, which may lead to increasing the efficiency of the Chamber's communication strategy;

- **Unity**, leading to preparing uniform standpoints in common professional problems and their decision.

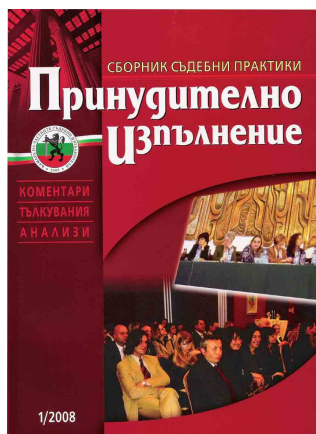
As a result from the result analysis of the past year, we consider the positive assessment of the manner of using the communication instruments for providing the members with information about the BCPEAs' activities and feedback. The national meetings, held during the year, had an important role in this process. Each Chamber's member is liable for establishing the profession's image. As each member has the right to require for current information and qualitative services, as well as he/she is obliged to observe the rules and policies, adopted by the Chamber's managing bodies. Thus, the PEA became an efficient professional, performing public function. The meetings and training resulted in strengthening the self-confidence and professionalism of the guild's members.

Of course, there is a lot more to be desired regarding the using of communications means between the members and administrative personnel on one hand and between the Chamber of the PEA and the general public, on the other hand. We intend, assisted by our partners in Matra Project, the BCPEA's webpage to be redesigned substantially, as well as to be renewed regularly. The News Bulletin - also, as well as establishing an internal forum, where the PEA, administration and the members of the Chamber's body to be able online at any time to communicate, discuss cases and etc.

During the accounting period, the Chamber continued providing also the standard administrative services to its members - entries in and deletions of the Register, alterations of circumstances in the Register, certificates' issuing, issuing other documents and official cards, cases and signs, distribution of the BCPEAs' editions, document flowchart, organizing national and regional forums and etc.

3.6.5. Other Services

3.6.5.1. „Judicial Practices in Enforcement“Collection



Of great significance to the Chamber, the collection, summarizing and standardizing the practice in the enforcement is, the cornerstone of which the publication of the Collection „Enforcement“ is; the first issue of this collection was published and distributed in the end of the year 2007. The need of such a publication is dictated at first place by the necessity the practice of the private enforcement agents from different judicial regions to be specified and unified, and the wider intentions are the publication to reach the widest range of interested persons (judges, attorneys, legal advisors, students and etc.).

Entering into force of the new CPC made senseless many of the existing judicial decisions, and the new ones are not enough, which impeded and delayed the work on preparing the three issues of the book; the two issues, published in 2008, include very important and useful articles and materials for the colleagues-lawyers, connected with: the amendments to the summoning, enforcement and security procedures in the new CPC; the powers of the PEA under Art. 2 (2) and 3 of the PEAA; matters, connected with levying VAT in the event of public sales under the new CPC and the sales under the Municipal Property

Act; current problems in specifying the charges for the enforcement; crimes against the person and activity of the private enforcement agent and the enforcement causes under the TSSPC.

3.6.5.2. Project under the Dutch Government Matra Program



Kingdom of the

managed by the Center for International Legal Cooperation (CILC) - a non-profit organization representing the whole legal community of the Netherlands and ensuring a broad and coherent legal expertise. The main beneficiary and partner in Bulgaria is the Chamber of Private Enforcement Agents. The Chamber is the professional organization of private enforcement agents. Its main responsibilities are to ensure a professional attitude and discipline of private enforcement agents, and to provide for their professional development and qualification. The Matra project is targeted towards the Chamber of Private Enforcement Agents, individual agents and their staff, legal professionals and the general public.

Since 1 September, 2008, a two and a half year project is running aiming to strengthen the system of private enforcement in Bulgaria. The project is funded by the Government of the Netherlands within the framework of the Matra Program and is

Prior to Bulgaria's EU accession, the country has introduced a radically different model of enforcement. It is based on the good European practices and especially the model, existing in Holland. Bulgaria and the Netherlands have a long story of successful cooperation in many areas, including the process of establishing the private enforcement. In this area the Dutch experts played a key role in the reform. This Project is a logical continuation of this cooperation and responds to the needs of additional assistance to the Chamber of the Private Enforcement Agents for strengthening the system of the private enforcement in Bulgaria.

Project objectives are harmonization of the legal framework, increasing the professional competence of the private enforcement agents and their officers and improving the knowledge and understanding of the system of the private enforcement among the other legal professions and the public.

Notwithstanding the first steps of the system of the private enforcement are very successful, additional efforts will be exerted to strengthening the stability of the Chamber as a professional organization and enhancing the services, provided by it for ensuring professional training program introducing new courses and disseminating good practices among its members. The Project will work for promoting the system of the private enforcement among the other legal professions, for training and informing the public. The CILC will provide an advisory assistance by engaging some leading legal experts in the harmonization of the legal framework.

The partners in the Project are firmly convinced of improving the system of the private enforcement in Bulgaria as an instrument of ensuring the efficient application of the law, its stability through publishing the results of the Project and increasing the public trust in the benefits of the new system.

3.6.5.3. „Integrated Media Campaign for Increasing the Knowledge of Bulgarian Citizens about their Rights and Liabilities According to the New CPC” Project



The Project has been implementing within the period July - November, 2008 by „Club - Journalists against the Corruption“, financially supported by the Government of the Republic of Bulgaria. The Chamber of the PEA was invited as a partner by our friends from Journalists against Corruption Club. The idea of this Project was timely and useful with a view to increasing the knowledge of the professionally interested parties, as well as the public as a whole regarding the amendments to the

legislation regarding the new rights and obligations. Profound and vast media campaign was carried out, which final purpose was to provide the Bulgarian citizen with confidence and awareness that he is a member of a legal and democratic society, asserting its rights and thoroughly performs its duties. The role of the CPEA as a partner in the Project could be expressed by a few steps: 1) Participation of the private enforcement agents from different judicial areas in the inquiry of the Institute of Sociology at the Bulgarian Academy of Sciences, carried out among different representatives of the legal guilds, entitled „Level of knowledge of the new CPC“; 2) Participation of the CPEA in a seminar for media together with the representatives of the scientific society, notaries and attorneys regarding presentation of results on public opinion's study and preparing a draft brochure, video-clip and virtual reception-room, for questions from and answers to citizens; 3) Participation of our representatives in the closing press-conference in BTA Press Club for announcing the results of the Project.

The Chamber of the PEA will continue working in close collaboration with the institutions, media, its Bulgarian and foreign partners because we believe that exactly this way of working and interaction between the institutions, is the only way to protecting the state system, interests of the society and citizens in the Republic of Bulgaria.

3.6.5.4. Second Annual Ball of the Private Enforcement Agents

In September, 2007, the Council of the Chamber of the private enforcement agents at its ordinary meeting passed a resolution, by virtue of which it announced officially the **26 November** to be the „**Private Enforcement Agent's Day**“. In November, 2007, the first annual ball of the private enforcement agents was held.

The Bulgarian Chamber of the private enforcement agents celebrated for the second time its professional holiday on the third anniversary of its establishment! On this pleasant occasion and as a logical and well-deserved end of a year, full of intense work, victories and defeats, disenchantments and success, we had the pleasure and honor to organize *the second annual ball of the private enforcement agents*. The official event took place on 28 November, 2008 at the Concert Hall of the Central Military Club, city of Sofia and in the day time it was preceded by holding a National Conference of the Guild. Traditionally, its preparation passed emotionally. The private enforcement agents celebrated their holiday together with parliamentarians, ministers, bankers and businessmen, working and rendered assistance to the reform in the judicial system during the last four years. A reform, that slowly and surely leads to a fast, efficient and legal enforcement.

During the ball, a charity lottery has been organized. The funds collected were donated after the ball to the campaign, organized by the Ministry of Interior for the children of the officers, who died performing their professional duties.

The management of the CPEA and its administrative personnel sincerely hope their initiative to become an abided and liked tradition for the entire guild for years ahead!

3.6.6. Services in Progress

In the present year 2009, a Case Book Collection, entitled „Enforcement“ will be published in a regular circulation of three issues for the calendar year with a view to collecting practice and problems in the enforcement, connected with the application of provisions of the new CPC. The publication will continue being distributed exclusively by the Chamber of the Private Enforcement Agents. The topics for the next issue are already chosen, the editorial is also appointed - judges and lecturers, significant representatives of the legal profession in the country. We hope that it will become a fact to the end of February, 2009.

Up to the present moment we have an interest displayed and annual subscription stated by private enforcement agents, state enforcement agents, lawyers, external to the system of the private enforcement, as well as citizens.

Many joint activity activities with our partners in Marta Project are forthcoming, such as: developing three new training courses, conducting two round tables with the participation of judges, lawyers, banks, creditors and media for promoting and establishing a positive image of the profession among the public; publishing three issues of the News Bulletin; upgrade and improvements in JEIS software; trainings in JEIS.

Developing a Uniform Debtors' Register („the UDR“), is one of the basic priorities of the Chamber for the year 2009. The Register will be a uniform centralized database in compliance with Ordinance No.4. Practically, the entire information, required for developing the UDR, contains in the registers of the cases brought. The JEIS makes possible the development of the UDR and that's why it will be crucially important each PEA to become a real user and keep his/her Register of the cases brought in the information system. The Chamber will carry out a constant control for the strict and timely updating of the UDR on behalf of all users, who chose to keep their registers solely in the JEIS. This is the only way the truthfulness and actuality of the data in the URD to be secured, so that the EDR to approve itself as a priceless source of information about all the creditors in Bulgaria.

REPORT

On the activity of the Disciplinary Committee

Of the Chamber of the Private Enforcement Agents for the year 2008

The general characteristics of the reporting period shall be the following: significant increase in the number of the disciplinary proceedings („the DP“), creating a practice by the Supreme Court of Cassation, enforcement of the penalties imposed (fines), after the decisions become effective.

In 2008, fifteen (15) DP have been initiated, the documentation of one (1) more DP has been submitted to the Chairman of the Committee in December and it has been brought as a disciplinary case („DC“) No.1/2009, because of the objective impossibility it to be settled with a decision by the present Disciplinary Committee.

5 DP of the fifteen (15), are brought upon the resolution of the Chamber's Council, 9 - upon the request of the Minister of Justice, and 1 of them was requested by the two competent bodies.

Order hearings were held regarding all the cases, as well as regarding two cases from the year 2007, one of them stayed and the other one referred back by the Supreme Court of Cassation. Decisions were passed for all the seventeen (17) DC heard.

The decisions passed imposed penalties, as follows: two censures, six fines to the amount from 300 to 9,000 BGN, in six of the decisions it was refused a penalty to be imposed and in two of the decisions the most oppressive penalty was imposed - deprivation from capacity to exercise the profession, respectively for 1 and 3 years. One DP was terminated because of a prescription.

In three of the DC it was required the PEA to be temporarily removed till the DP is concluded. In two of the cases the members of the Disciplinary Committee refused to impose the measure. This measure was imposed in one of the DC and it was objected and rescinded by the Supreme Court of Cassation.

The Ministry of Justice objected three refusals a penalty to be imposed, the PEAs objected two decisions and no decision was attached by the Chamber's Council, although in almost all cases a lighter punishment was imposed compared to the claimed one. For six decisions the term for objections has not expired up to the date of preparing this report. Five DC, which refusals have been passed for, were brought upon the Minister's request, and one - upon the Council's resolution.

Four fines were paid within the accounting period to the amount from 300 to 5,000 BGN, as three of them - under decisions, which are not subject to objections and one, upon the Supreme Cassation Court's decision.

In 2008, the judicial practice in disciplinary cases was settled. One decision has been rescinded and referred back for imposing a penalty. The same one has been with refusal passed. Upon its new hearing, the penalty measure „censure“ has been imposed. Regarding

the decision, under which a fine to the amount of 9,000 BGN has been imposed, the amount of the penalty was reduced to 5,000 BGN and the cause of the decision was approved. Another decision confirms the Disciplinary Committee's decision, namely the one, imposing a fine to the amount of 500 BGN. It is very interesting that the Supreme Court of Cassation accepts that the Disciplinary Committee is not bound only in considering the offences, which it was referred to by the complaint (or the report on the relevant check up).

The offences are various and it is very difficult to be classified, or listed herein. Regarding more than 90% of the enforcement cases, they were admitted, the procedure was under the CPC (abrogated). In this sense, the trainings organized by the CPEA on application of the new CPC, being in force from 01/03/2008, turned to be very helpful. It is necessary that they are held on a regular basis with a view to increasing the qualification of the PEA, reducing the offences to their minimum level and getting acquainted with the good practices.

As far as in the course of the inspections carried out - having a special subject, or being planned, or upon a signal, or being random, there is almost no office without offences being ascertained under the Ordinance No.4 for the Private Enforcement Agents' Office Archive (keeping the office records), it have to be worked for the officers' training and amendments to the by-laws.

In 2008, 205 complaints were filed in the Chamber, compared to 162 complaints in 2007. Their number probably will continue increasing and because the chances for objecting the enforcement agents' actions were limited. Thus, on the grounds of the foregoing, the Disciplinary Committee considers that increase in the number of the disciplinary proceedings results from rather objective reasons than greater increase in the number of the offences made.

In conclusion, we would like to note that we made a good start for the work of the Disciplinary Committee and wish good luck to the colleagues, who will take it.

REPORT

On the activity of the Control Council

Of the Chamber of the Private Enforcement Agents for the year 2008

The Control Council of the Chamber of the Private Enforcement Agents in the year of 2008 also worked in accordance with its powers and authorities, stipulated in Art. 64 of the LPEA. The Chairman of the Control Council and its members tried to supervise, control and assist the Chamber's activity. The Chairman actively participated in the meetings of the Chamber's Council and the work meetings of the Chamber's management during the regional and national forums.

The general conclusion of the Control Council is that the *Chamber worked purposefully, considering its priorities and consistently*. In the past year, according to the Strategic Plan adopted, the matters, connected with the improvement of the profession and the enforcement procedure in Bulgaria, as well as assisting the private enforcement agents, were again of a priority. Positive practices are approved, like the regular organization of national and regional forums and meetings of the private enforcement agents, website support, carrying out joint seminars on current problems of the enforcement and professional trainings to the private enforcement agents.

The Control Council considers that the *work of the Chamber's Council complies with the law; it is principle, transparent and efficient*. In the past accounting year the Chamber's Council has held 14 meetings and passed 215 resolutions, 48 of them - concerning operative and economic matters, and 167 - concerning complaints filed. The review of the Minutes ascertains that the meetings were held regularly and with the quorum required. All resolutions comply with the legislation in force, the Chamber's Memorandum and by-laws. The Council's members regularly inform and report at each following meeting about the performance of the tasks, assigned to them and the work completed. The administrative secretary strictly watches for keeping the terms for implementation of the resolutions passed.

The relations and interaction between the Chamber and the state institutions and public organizations at a national and regional level continue being improved. It became an everyday practice the members of the Council to carry out business meetings with representatives of the Ministry of Justice, Ministry of Finance, Ministry of Interior, Traffic Police, ESGRAON, the National Revenue Agency, the State Receivables Collection Agency, the Registry Agency, the Survey Agency, the Commission for Personal Data Protection, the Association of Banks in Bulgaria, bank institutions and international partners. The Chamber participates with particular proposals, connected with the new CPC, it maintains a close relation with the other professional organizations, like the Supreme Bar Council, the Notary Chamber, the Legal Advisors Union and the Lawyers' Union.

Within the accounting period, *the Chamber strengthened its positions as a financially independent and solvent organization*, which observes the principle of the good and preventive financial planning. The Control Council considers the financial activities' management to be successful. Relatively firm financial resource from internal receipts is ensured. The membership dues are still the basic financial source. Based on the analysis made

about the Chamber's financial status in the end of the calendar 2008 and considering the approximate forecasts for the ratio profits/losses for the next year, as well as the index of inflation, a conclusion is made that it is necessary the amount of the annual membership dues to be increased.

Under the budget adopted, it was expected the Chamber to have in the year 2008 profits to the amount of 99,600 BGN of annual membership dues, planned on the basis of 166 private enforcement agents. At this moment the Chamber's members are 163. At the extraordinary General Meeting in 2006, it was voted and adopted, the membership dues (contribution) to be paid annually, as a lump-sum, at least until holding the annual General Meeting in January for each calendar year. To the moment of preparing the annual report, 51% of the private enforcement agents have paid their annual contribution. This suggests to forming an adjustment to certain underestimation and neglecting an extremely important mechanism for the normal functioning of the Chamber. Thus, ***the Control Council recommends again strict rules and procedures regarding the timely collection of the contributions to be adopted.*** The Chamber's right to refuse services to members, who substantially delay the payment of the contributions, shall be applied in the name of the common cause. Moreover, the Chamber is a financially independent organization and is not financed by state or other institutions. This circumstance raises the necessity other sources for financing to be searched, like sponsorship, product sales and collection of charges.

The main types of expenses for the Chamber within the past year were connected with the support of the Chamber's office and serving the Chamber's members. The financial resources' management was trusted to the Central Cooperative Bank on the grounds of a Financial Resources Distribution Agreement, under flexible scheme of fixed-term deposits, having different term of validity, made and entered into as of 11/05/2007. Good incomes to the amount of 216,000.00 BGN were realized. Analyzing the expenses, compared to the work completed, the Control Council ascertained that ***the expenses incurred are grounded and purposeful***, they comply with the budget for the year 2008, voted and adopted by the General Meeting and the resolutions of the Chamber's Council. The entire financial activity of the Chamber is controlled also by means of carrying out an independent annual financial audit.

The financial archive and Chamber's documentation are kept in an open and transparent manner. All accounting documents are drawn up and kept in accordance with the requirements of the National accountancy. For each transaction, agreement or partnership concluded, a simplified tender procedure is conducted, as the minimum of the offers shall be two, as it shall be chosen the one, based on „price-quantity ratio“. Upon the simplified tender procedures conducted, 9 agreements are concluded with different external providers of services to the Chamber and sponsors, as follows: 8 Service Agreements and 1 Cooperation Agreement. The performance shall be within the limits of the terms and conditions negotiated and respectively, the payments due by the Chamber are made within the contracted terms.

In conclusion, it can be reasonably said that the Chamber's success is due to a large degree to the assistance, rendered by the media. Today they are our irreplaceable partner. ***The Chamber's policy in that direction is adequate and useful.*** The media are present at all events, important to our organization, and professionally reflect our success and problems, and thus, they assist to the Chamber timely to express and stand the interests of its members.

The Control Council of the CPEA consider that within the first three years from its establishment, the Chamber has been working extremely hard to strengthening the image of

the new profession and achieving good results. We wish our colleagues, members in the new Control Council, to work purposefully at *strengthening* the results achieved.

INCOME STATEMENT

of the Chamber of Private Enforcement Agents

for the period 01 January 2008 - 31 December 2008

BULSTAT: 131568913

Types of expenditures	Amount in thousands of BGN		Types of incomes	Amount in thousands of BGN	
	current year	previous year		current year	previous year
a	1	2	a	1	2
A. Operating activity expenditures			A. Operating activity income		
I. Expenses by economic type			I. Net income of sales of:		
Expenses on materials	70	8	Production		
Expenses on hired services	64	73	Goods		
Depreciation and amortization costs	2	3	Services	196	158
Expenses on salaries and wages	51	30	Other	9	14
Expenses on social securities and welfare allowance	9	7	Total I:	205	172
Other expenses	25	27	II. Income on funding		21
including:			III. Financial income		
impairment of assets	-	-	Interest income	11	
Provisions	-	-	including interest of associated parties	-	-
Total I:	221	148	Revenue from participation		-
II. Adjustment amounts			including dividend income		-
Balance value of assets stripped			Positive value adjustments resulting from operation on financial assets and instruments	-	-
Expenses of acquisition and liquidation	-	-	Foreign currency gain		
of fixed assets operations	-	-	Other financial income		
Variation of inventories of goods and			Total III:	11	-
Livestock offspring and growth	-	-	B. Total activity income (I +	216	193

			II + III)		
Other adjustment amounts			C. Operating loss	(5)	-
Total II:	-	-	IV. Extraordinary income		
III. Financial expenses			D. Total income (B + IV)	216	193
Expenses on interest payable	-	1			
including interest of associated enterprises		-			
Negative value adjustments resulting from operation on financial assets and instruments	-	-			
Foreign currency exchange rate loss					
Other financial expenses					
Total III:	-	1			
B. Total (I + II + III)	221	149			
C. Operating profit	-	44			
IV. Extraordinary expenses					
D. Total expenses	221	149			
E. Accounting profit	-	44	E. Accounting loss	5	-
V. Tax expenditure					
Profit tax					
Other					
F. Profit	-	44	F. Loss	5	-
Total (D + V + F)	221	193	Total (D + F)	221	193

Date:

21.01.2009 Manager: /sgd. ill./ Drawn up by: /sgd. ill./

Georgi Dichev Lilyana Krasteva

Seal

BALANCE SHEET

of the Chamber of Private Enforcement Agents

till 31 December 2008

BULSTAT: 131568913

ASSETS			LIABILITIES		
Types of expenditures	Amount in thousands of BGN		Types of incomes	Amount in thousands of BGN	
	current year	previous year		current year	previous year
a	1	2	a	1	2
A. Fixed (long-term) assets			A. EQUITY		
I. Tangible fixed assets			I. Core capital		
1. Land, terrain			1. Subscribed capital		
2. Buildings and constructions			2. Outstanding capital		
3. Machines and equipment	2	3	3. Repurchased own shares		
4. Equipment			Total of group I:	0	0
5. Means of Transportation			II. Reserves		
6. Disbursements on acquisition and liquidation of tangible fixed assets			1. Capital premium		
7. Other tangible fixed assets	3	4	2. Reserve of subsequent valuations		
Total of group I:	5	7	3. Purposeful reserves	197	153
II. Intangible fixed assets			including General reserves		
1. Ownership rights			including Special reserves		
2. Program products			including Other reserves	197	153
3. Products of development activities			Total of group II:	197	153
4. Other intangible fixed assets			III. Financial result		
Total of group II:	0	0	1. Accumulated profit (loss)	0	0
III. Long-term financial assets			including Undistributed profit		
1. Shares and participation	0	0	including Uncovered loss		
including:			2. Current profit (loss)	-5	44
Subsidiaries			Total of group III:	-5	44

mixed enterprises			Total of apportion A:	192	197
associate enterprises			B. Long-term liabilities		
Other enterprises			I. Fixed liabilities		
2. Investment properties			1. Liabilities to related enterprises		
3. Other long-term securities			2. Liabilities to finance enterprises		
4. Long-term debts	0	0	including banks		
including:			3. Commercial loans liabilities		
related enterprises			4. Debenture loans liabilities		
Commercial loans			5. Other fixed liabilities	76	
other long-term debts			Total of group I:	76	0
Total of group III:	0	0	II. Deferred income and financing		7
IV. Commercial reputation			Total of apportion B:	76	7
1. Positive reputation			C. CURRENT LIABILITIES		
2. Negative reputation			I. Current liabilities		
Total of group IV:	0	0	1. Liabilities to related enterprises		
V. Disbursements for future periods			2. Liabilities to finance enterprises		
Total of apportion A:	5	7	including banks		
B. Current (short-term) assets			3. Liabilities to suppliers and clients		
I. Inventory			4. Commercial loans liabilities		
1. Materials			5. Payables to employees		
2. Production			6. Payable to security enterprises		
3. Goods			7. Tax liabilities		
4. Young animals and animals for fatten			9. Other current liabilities		
5. Small livestock			10. Provisions		
6. Production in progress			Total of group I:	0	0
7. Other inventory			II. Deferred income and financing		

Total of group I:	0	0	Total of apportion C:	0	0
II. Current receivables					
1. Receivables from related enterprises					
2. Receivables from clients and suppliers					
3. Receivables from commercial loans					
4. Receivables by the force of court orders					
5. Remitted taxes					
6. Other current receivables					
Total of group II:	0	0			
III. Current financial assets					
1. Financial assets in related enterprises					
2. Repurchased own debt securities					
3. Short-term securities					
2. Bullion and gems					
Other current financial assets					
Total of group III:	0	0			
IV. Cache					
1. Cash in hand	4	1			
2. Cache at bank, non-term deposits	259	196			
3. Blocked cash					
4. Cash equivalents					
Total of group IV:	263	197			
V. Prepaid expenses					
Total of apportion B:	263	197			
Amount of asset	268	204	Amount of liability	268	204
C. Off-balance sheet asset			D: Off-balance sheet liability		

Date: 21.01.2009 Drawn up by: /sgd. ill./ Manager: /sgd. ill./ Lilyana Krasteva Georgi Dichev; Seal