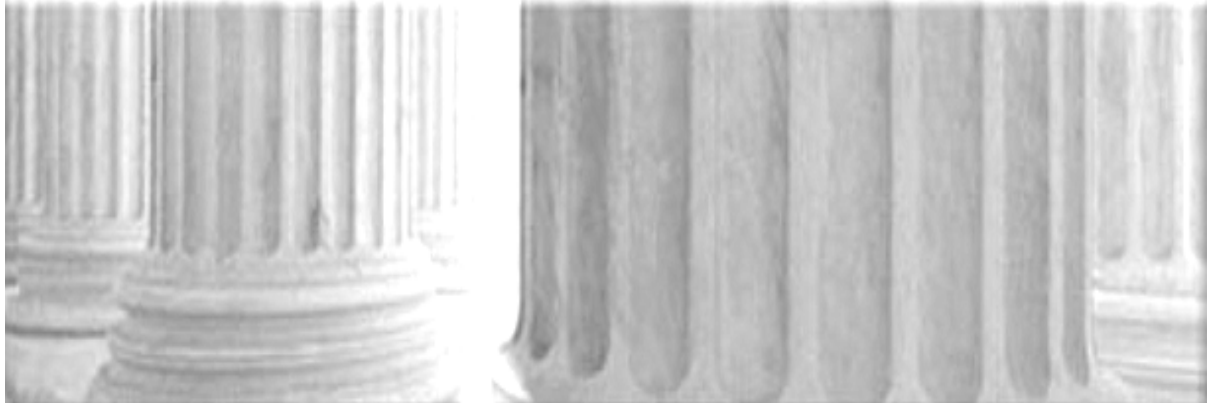




**REPUBLIC OF BULGARIA**



***CHAMBER OF PRIVATE ENFORCEMENT AGENTS***



**A N N U A L            R E P O R T**  
**2 0 1 2**



Distribution and number of private law enforcement agents /154/ within the territory of the Republic of Bulgaria as per legal areas of action

Blagoevgrad	6	Kyustendil	4	Sliven	4
Bourgas	12	Montana	2	Targovishte	2
Varna	10	Pernik	4	Haskovo	3
Vratsa	3	Pleven	5	Shoumen	4
Vidin	1	Plovdiv	16	Yambol	1
Veliko Turnovo	6	Rousse	4	Sofia City	37
Gabrovo	4	Razgrad	2	Sofia District	4
Dobrich	6	Stara Zagora	10		
Kardzhali	2	Silistra	2		

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## ADDRESS OF THE CHAIRPERSON



***Dear Colleagues, Ladies and Gentlemen,***

It has been one year since the new governance of the Chamber was elected. It was a year full of hard work, ups and downs, disappointments and successes. Some expected from us to outline a new action programme for the Chamber, while others reached even further by putting forward and suggesting ideas for an entirely new direction and policy. This is not something unknown for the Bulgarian mentality. We often belittle the results already acquired, especially when changing one or other authority. But in the context

of our accomplishments, such considerations were not only unnecessary and inappropriate, but even irresponsible. Going the other way means to cross out our own efforts, nerves and skills that we have invested every day in carrying out our responsibilities, to delete the time when by keeping an intense pace we were able to complete the reform in private law enforcement. We have not only laid down the foundations of a new profession, but were able to create ***a modern looking, state-of-the-art system*** of private law enforcement, a feat which focused the attention of both political decision-makers and the society. So the new governance of the Chamber has without hesitation ensured continuation and struggled to strengthen and improve the status quo, consistent with the logic of the Private Enforcement Act. Everyone is aware of the requirements under this logic - ***efficiency, expedition and rule of law***. What have we done during the last reporting year, what have we missed and what should we do this year to ensure better compliance with these requirements?

***Attempt to de-harmonise the legislation.*** This is a paradoxical alternative that was on the verge of becoming reality. Some background: the National Assembly unexpectedly and rapidly adopted amendments to the Civil Procedure Code (CPC). On March 28, 2012 a bill was adopted at first reading in the National Assembly. On May 17, 2012 deliberations were held and it was put to the vote at second reading in the parliamentary Committee on Legal Affairs. Much of the controversial texts dropped between the first and second reading in plenary. The legislative process ended with the adoption of amendments to the Civil Procedure Code (CPC) at second reading in plenary on June 15, 2012. Two weeks later, it was promulgated in the State Gazette. In defending our positions in a round of disputes sought, we tried to keep the dialogue alive, yet demonstrated our determination. The Ministry of Justice set up a working group to amend and supplement the Tariff. It is irrelevant to recite all the details and particulars of the organisation we construed to ensure our most

beneficial involvement in the discussions. But I may not omit to point out that there were too many controversial issues. I have to point out that at this stage, thanks to the joint efforts of all of us, we were able to largely protect the interests of the sector and in particular the interests of private law enforcement.

**Interaction or battle with institutions.** We would be disingenuous if we say that last year we were able to work normally for the promotion and expansion of the Chamber's relations with public institutions. It is perfectly clear that we have been involved in **a fierce battle**. This is evidenced by the Chamber's address to the public institutions of the Republic of Bulgaria. We absolutely and fundamentally disagreed with the amendments to the Civil Procedure Code (CPC). Expressing our concern, we warned that they will result in significant legal inconsistencies and damaged interests of litigants in enforcement proceedings, are detrimental to the state budget and are not subject to economic logic. We firmly stated our determination to fight against piece-by-piece legislative amendments, with little effect, that would undermine the whole system of private law enforcement. So, we managed to show that we can participate in a dialogue based on a careful and thorough legal and economic analysis, interact with all stakeholders regarding such amendments - namely the Government, private enforcement agents, lawyers, judges, businesses, creditors, debtors, other public institutions. We were ready to accept compromise, but a compromise that will lead to improved performance, rather than destruction of our profession.

During the reporting period we continued tough talks with the Registry Agency to provide private enforcement agents (PEAs) remote access to scanned notary deeds and an option for entry and deletion of foreclosures electronically. There are still many pending issues regarding the interaction and exchange of information with the National Revenue Agency (NRA). We have drafted a new agreement to switch from web-based applications and information delivery by e-mail to an integrated data exchange with the information system of the National Revenue Agency (NRA). We are about to elaborate Methodological guidance and instructions for selecting, compiling and submission of the official records of Private Enforcement Agents (PEAs) in the National Archives, a project being implemented together with the State Agency for Archives. Together with the Supreme Judicial Council we outlined specific steps to synchronise the websites of the Chamber with those of respective district courts. The websites of district courts added a special section for posting notices of law enforcement agents.

**The future is electronic technology.** It is irrelevant to speak about expedition and efficiency in enforcement proceedings without the application of modern technology. Their introduction into the enforcement process has always been and will be one of

the Chamber's main priorities. So we continued to expand the capacity of our Chamber to provide electronic services to its members. We have successfully completed the process of designing and implementing a new web-based **Register of Public Sales**. Indicative of its place and role in public sales are the number of visits by users, reaching between 5000 and 7000 on daily average. This year the needs of all users of the Register and the website development will be analysed on an ongoing basis. The **Register of Debtors** was also functionally upgraded. It has become a major source of information for both private enforcement agents and individuals and institutions in need of reliable information about pending enforcement actions. Its continuous operation has revealed some of its shortcomings. Measures have been taken to design a completely new Central Register of Debtors. By the end of this year it will become operational. We expect to improve the exchange of data with case management programmes at law enforcement offices, substantial growth in the number of references to external users and respectively revenues. Amendments to the Civil Procedure Code (CPC) opened an opportunity to introduce **electronic distraint** of bank account receivables. A working group was set up with participation of representatives of commercial banks, the Ministry of Justice and the National Revenue Agency (NRA) to draft requirements for Unified Environment for operation with electronic distraints. The project is sent for consultation with the Minister of Justice and the Governor of Bulgarian National Bank (BNB). Electronic access to the **Register "Population (GRAO)"** also became a major tool for private law enforcement. But the scope of permissible references under it has failed to meet the needs of enforcement proceedings. A new agreement for the use of electronic access to the Register is pending for signature, as it will finally cover all inquiries necessary for effective law enforcement. This year we should speed up and complete the changes concerning the improvement of electronic document exchange and all relevant partners and institutions. For this purpose, in the performance of individual projects, we will involve not only members of the Chamber, but also all colleagues willing to do so.

**High standards of professionalism.** Life requires continuous improvement of professional competence. The Chamber strives to create favourable conditions for training and self-formation of every colleague. Last year was successfully implemented the training programme approved by the Chamber's Board. We strived to achieve uniformity and consistency of the learning process. The topics were diverse and up-to-date, subject to the priorities and objectives of the Chamber's training strategy. The positive feedback from trainees is recognition of the training quality and the best indicator for the efficient administration of the Chamber. Unfortunately, interest in training opportunities this year has decreased by about 50% over a year earlier. It is hard to agree with the statement it is the result of focused attention mainly on the problems associated with the amendments to the

Private Enforcement Agents Act (PEAA). Things are more complicated. Striving for excellence is ultimately above all a matter of personal choice.

**Law and justice.** This is not a slogan hinting at upcoming general elections, but sacred principles that should never be forgotten. It is disturbing to note that the same type of offenses by the same Private Enforcement Agents (PEAs) is being continuously performed. But even more alarming is the fact that despite the proceedings initiated against them, offences persist. Unfortunately last year we were unable to perform the annual monitoring of law enforcement offices. The reasons are complex. The crisis situation and the battle we had with some public institutions have occupied the capacity and efforts of all colleagues from the Chamber's governing bodies. But it could not be an excuse in any way. We should once and for all understand that our cause is doomed, unless we take a look deep inside ourselves. The system of private law enforcement we have built for years may turn out to be an abortion if it exhausts the capacity of self-assessment, self-control and self-promotion. Unfortunately, the subjective factor in decision-making on disciplinary proceedings is not yet eliminated. There are terms and conditions to avoid sanctions. Offenders often get away with minor penalties. Meanwhile, complaints grow like an avalanche. We have taken measures to address the controversial practice of administrative and judicial review, which logically lead to conflicts between views and recommendations of the Ministry of Justice's Inspectorate and the Chamber. It has become a practice to send the minutes from the Chamber's meetings, along with inspection reports and recommendations to all private enforcement offices to improve their operations. Informing members of the Chamber of their legal obligations, the filing of timely information concerning the activities of Private Enforcement Agents (PEAs), the timely control of bad practices on the part of the Chamber's governing bodies and the production of opinions to the Board on controversial cases and issues are several real steps towards establishing uniform practices in law enforcement offices and the establishment of a fair, uncompromised, new approach to disciplinary proceedings within our professional sector, which if not existent would make all our efforts and actions futile.

**Intensive dialogue.** National conferences and workshops have been successful forms of intensive dialogue. Last year we organised three national conferences to discuss current issues on the practice of Private Enforcement Agents (PEAs). The general opinion is that we should increase the frequency of such events. They are obviously of great benefit to participants. Open dialogue and active discussion on issues which concern our colleagues in specific regions across the country are estimated very highly by all members of the Chamber. Quite understandably, only in an atmosphere free of controversy we can obtain the right

answers and solutions and produce clear mechanisms and methods how to strengthen and improve our achievements to date.

**News is not only negative information.** This pleasant exception to our sick society's everyday has confirmed, to our great pleasure, the positive and objective **media coverage** of private enforcement issues. The past year is characterised probably with most media stories published and broadcast since the Chamber was established. And this is understandable. It is the result of tolerant and day-to-day work with the media to protect the interests and reputation of our professional sector. Journalists from various national and regional media, television, press and radio, attended the forums organised by the Chamber. Let me mention only the traditional workshop held on October 19-20 in Borovets with media representatives on the topic of "Current issues of private law enforcement." Our media partnership is evidence of the Chamber's ambition for an open and active dialogue to overcome any negative public attitudes toward our profession.

**Dear Colleagues,**

The frankness with which every private enforcement agent has set a **low assessment** of his/her personal involvement and contribution to the work of the Chamber itself is not sufficient excuse. It takes personal motivation and commitment of each colleague to our common cause. The dependence of our personal success on the Chamber's joint efforts and image is not a new challenge. We should seriously consider the proposal for formulating criteria to be imposed as a Code of Conduct for all private enforcement agents. These criteria should be widely promoted to the public. And above all, we should get rid of mercantilist goals and sick ambitions. It is not only the younger generation that needs to rethink about the true values of life. Do we need to consider whether we should be a little more humane? Can you, in your actions and efforts, demonstrate more honesty and abiding by the rules? With time we realise that the Chamber's image and reputation depends on our independence and complete freedom from any corporate and business interests. Let me close this address with a clear and uncompromising truth, which I have shared with you many times: we, Private Enforcement Agents (PEAs), like all other humans, are not only natural, but spiritual and moral beings and as such only we have a predestined future.

**VALENTINA IVANOVA,**

CHAIRPERSON OF THE BOARD OF THE  
CHAMBER OF PRIVATE ENFORCEMENT  
AGENTS





**1. GENERAL REVIEW OF THE PRIVATE LAW ENFORCEMENT SYSTEM**

At the end of 2012 a total of **154** offices of Private Enforcement Agents (PEAs) are operating in Bulgaria with over **1000** employees working in them.

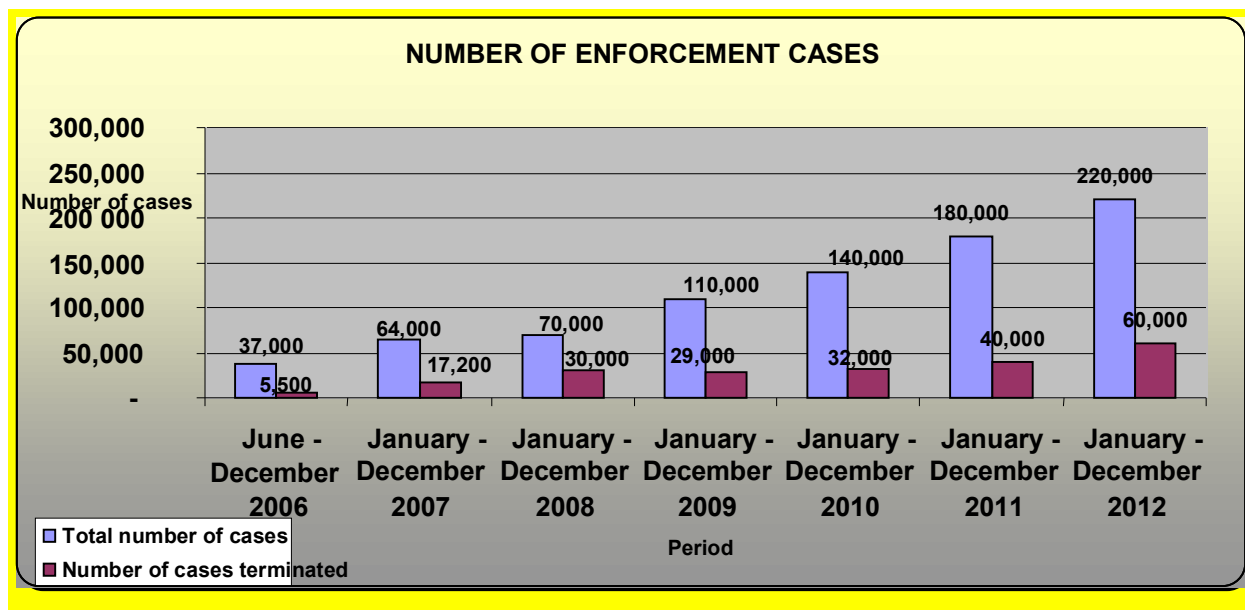
The status and development of the private law enforcement system is presented with the following statistics by year:

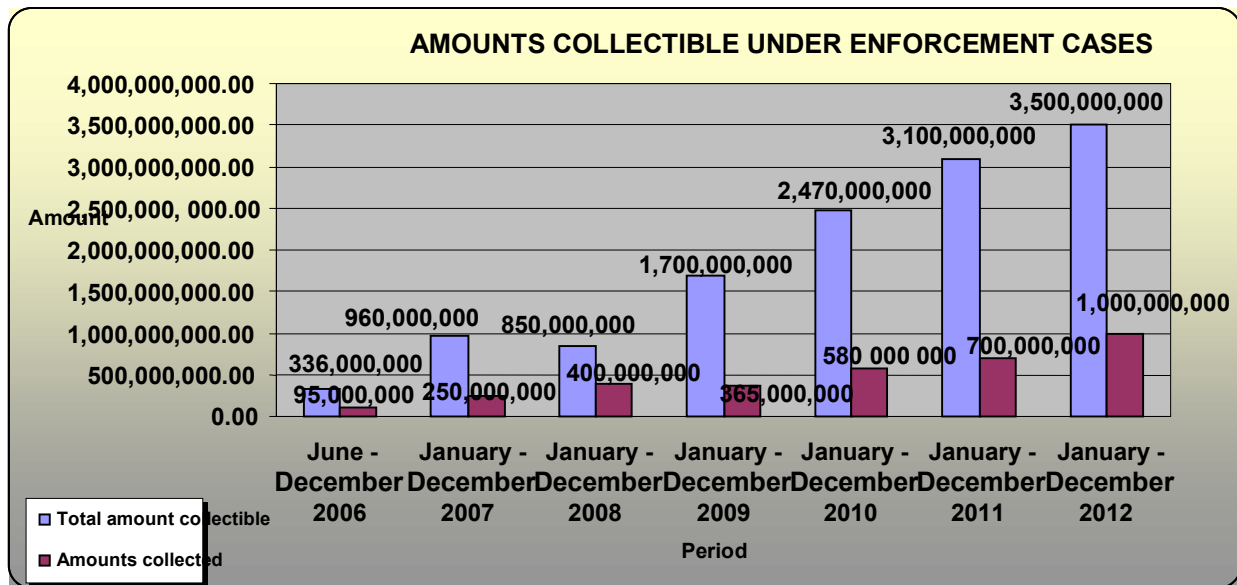
<u>Initiated cases:</u>	<u>Completed cases:</u>
2006 - 37,000,	2006 - 5,500
2007 - 64,000,	2007 - 17,200
2008 - 70,000,	2008 - 30,000
2009 - 110,000,	2009 - 29,000
2010 - 140,000,	2010 - 32,000
2011 - 180,000,	2011 - 40,000
2012 - 220,000.	2012 - 60,000.

**Total amount collected:**

2006 - BGN 95 million,
2007 - BGN 250 million.
2008 - BGN 400 million.
2009 - BGN 365 million.
2010 - BGN 580 million.
2011 - BGN 700 million.
2012 - BGN 1 billion.

For seven years since the inception of private law enforcement, **821,000** cases were initiated with judicial officers, **214,000** cases were closed, and the amount collected exceeds **BGN 3.390 billion**.





**\* Remark:** The collectible amounts are indicative. Some law enforcement offices do not use document flow processing software, while others have started to enter information in their systems at different times over the years. Therefore, the amount due for recovery should be considered conditional.

In 2012, complaints submitted through Private Enforcement Agents (PEAs) to district courts exceeded 2,900, including around 300 upheld by the relevant court.

The law enforcement system follows an upward trend of operation and development and private enforcement offices currently employ more than 1000 employees. The majority of Private Enforcement Agents (PEAs) in Bulgaria has authorized their assistants - currently 142 Assistant Private Enforcement Agents (PEAs) work throughout the country.

Although all this was not intended to be the basic goal of reforms, which aimed exclusively at ensuring the efficiency of the judiciary system and the rule of law, it turned out that the direct fiscal benefits of it are considerable, since Private Enforcement Agents (PEAs) have transferred to the state budget approximately BGN 300 million from public debts recovered, VAT from public auctions and stamp duties due under enforcement proceedings, taxes and social security contributions as a result of the activities of law enforcement office. It is hard to measure the indirect financial benefits from prompt and effective enforcement for both the business and the national, and hence for the Treasury. According to creditors, supported with statistical data on new cases, Private Enforcement is the most effective system for law enforcement in the country and not accidentally many public institutions and increasingly often municipalities, including the largest ones, assign the collection of public debts to private enforcement agents.

Meanwhile, law enforcement offices use modern technologies in keeping and processing their document flow. Access to information about debtors, much of which is already received electronically, also contributes to the expedition of this process.

Clients of private enforcement agents are not only private companies, banks and businesses in general, but also Bulgarian individuals seeking the recovery of outstanding debts under contractual relationships and

as salaries, allowances and child transfer. Given that stamp duties for the latter collectibles are not payable by claimants, but must be paid from the budget of the relevant court, which often does not happen, private enforcement agents in fact subsidize this type of cases, which are quite a lot.

Banks form the target group, which is mostly satisfied with the services of Private Enforcement Agents (PEAs). With banks, there is an average collection rate of 50-60%, while with public creditors it is even up to 80%. Both banks and lawyers say their work was greatly expedited with the introduction of private enforcement in the country.

Private law enforcement in Bulgaria meets all European criteria regarding a modern, legal and effective business practice.

## **2.BACKGROUND OF THE CHAMBER**

Since its inception on November 26, 2005 the Chamber of Private Enforcement Agents (CPEA) succeeded, despite many difficulties created by opponents to reforms, to establish itself as a good partner for both Bulgarian and international institutions, while striving to introduce high standards of professionalism and Code of Ethics for Private Enforcement Agents (PEAs), maintaining effective working relationships with public authorities and institutions, and offering a wide range of services in support of its members. The Chamber has purposefully made efforts to keep active relationships with the general public and media, aimed at promoting and raising the profile of the private enforcement agent's profession.

In geographic terms, private enforcement agents in Bulgaria cover almost all district courts, except Lovech District Court, Pazardzhik District Court and Smolyan District Court. Given the number of vacancies in these districts, on June 14, 2011 the Minister of Justice issued Order №LS-I-248/14.06.2011 scheduling a competition with written and oral exams for appointment of Private Enforcement Agents (PEAs) to job places created by virtue of Section 1 of Order №LS-I-76/14.04.2006 by the Minister of Justice as follows: for the judicial district of Pazardzhik District Court - 8 positions; for the judicial district of Lovech District Court - 4 positions; and for the judicial district of Smolyan District Court - 4 positions. A total of 243 applications were submitted to take part in the competition and 174 applicants were admitted to sit the exams. The written exam took place on 03.12.2011 and 28 would-be enforcement agents passed the written exam. At the end of December 2011 the Supreme Administrative Court, through the Ministry of Justice, received a complaint against the announced competition for Private Enforcement Agents (PEAs). Due to the delay of the appeal proceedings, the written exam for Private Enforcement Agents (PEAs) took place on October 4-5, 2012 - nearly a year later. On 02.11.2012, the Minister of Justice issued Order №LS-I-800/02.11.2012 for the award of powers to 11 Private Enforcement Agents (PEAs). The Minister's order has the character of a bundle of individual administrative acts. As such, they cannot be implemented before the expiration of the terms of their appeal, and if a complaint or protest is filed - until the dispute is resolved by the competent body - Article 90, paragraph 1 of the Administrative Procedure Code (APC) in conjunction with Article

166, paragraph 1 of the Administrative Procedure Code (APC). Before the expiry of the appeal term under the above-mentioned order, the Ministry of Justice received complaints making it clear that several of them contested the Order in its entirety, which automatically results in the suspension of the administrative act. At present no part of the order has become effective. And still there is no official inauguration of the new members of the Chamber of Private Enforcement Agents (CPEA).

Currently, the operating Private Enforcement Agents (PEAs), which are members of the Chamber, total 154, including 75 men and 79 women.

During the reporting period, two Private Enforcement Agents (PEAs) lost their capacity under various provisions of the law.

One private enforcement agent has lost his capacity under Article 31, paragraph 1, subparagraph 7 of the Private Enforcement Agents Act (PEAA).

One private enforcement agent has lost his capacity under Article 31, paragraph 1, subparagraph 1 of the Private Enforcement Agents Act (PEAA).

Each member of the Chamber has its personal dossier properly kept at the administrative office of the Chamber. Dossiers are sorted in an ascending order by registration number of Private Enforcement Agents (PEAs) and are regularly updated, while data from the notification of any change in the circumstances under the Private Enforcement Agents Act (PEAA) are entered into the Register of Private Enforcement Agents - both in electronic and paper versions.

The governance of the Chamber is executed by a Board of ten primary and two alternate members, while the administrative management is entrusted to a team of three people. The Chamber of Private Enforcement Agents (CPEA) is financially independent and receives no funding from the state.

### **3. REVIEW OF THE CHAMBER'S ACTIVITY**

In order to outline an objective picture and properly evaluate the reporting period, in 2012 the Chamber held its traditional survey among its members Private Enforcement Agents (PEAs) concerning fundamental aspects of our business. The assessment form included questions about the Chamber's services provided to members, their quality, activities by the Chamber's governing bodies and organisational skills of management staff.

We sincerely thank all our colleagues who took part in the survey and shared in an objective and critical manner their personal assessment as members of the Chamber! This year again a significant number of private enforcement agents responded to our assessment questionnaire because it is important for the management and governance of the Chamber of Private Enforcement Agents (CPEA) to know the members' opinion in order to adjust and improve its activities in the future. The summary of answers filled in the questionnaires has produced the following results:

Please, assess the Chamber's the activities, according to its contribution to your work and its usefulness in response to your needs and expectations	Below the expectations (1-3)	Beyond the expectations (4-6)
	Average score	Percentage of satisfied expectations
<b>Are you satisfied with the activities of the Chamber of Private Enforcement Agents as your professional organisation?</b>	5.21	86.82%
How do you assess the services, rendered by the Chamber?	5.23	87.12%
Administrative services	5.39	89.77%
Training	4.81	80.16%
<b>How do you assess the governance of the Chamber of Private Enforcement Agents?</b>	5.38	89.64%
Activities	5.27	87.88%
Readiness to communicate with its members	5.16	85.98%
Communication with the media	5.00	83.33%
<b>How do you assess the administrative staff of the Chamber of Private Enforcement Agents?</b>	5.66	94.31%
Activities	5.55	92.42%
Communication with the members	5.57	92.86%
In due time	5.56	92.64%
To the extent needed	5.51	91.86%
Overall attitude	5.55	92.42%
<b>Overall assessment of the Chamber's activities according to the needs, expectations and usefulness to its members</b>	5.24	87.28%
<b>What is the quality of materials produced by the Chamber of Private Enforcement Agents?</b>	5.26	87.60%
Website	5.21	86.82%
Register of Debtors	5.16	86.05%
Register of Public Sales	5.15	85.98%
Collection „Case Law“	4.70	78.33%
<b>How do you assess the training organised by the Chamber of Private Enforcement Agents?</b>	4.97	82.91%
Lecturers	5.03	83.75%
Content of educational materials	4.93	82.11%
Price	4.95	82.52%
Number	4.76	79.27%
<b>Public relations</b>		
Overall contacts with media	4.72	78.68%
Number of articles published about private enforcement agents (PEAs) in media	4.56	75.97%
Quality of media coverage and their effect on the profession of Private	4.57	76.14%

Enforcement Agents (PEAs)		
Interaction with institutions	4.98	82.94%
Computerization of law enforcement procedures	5.00	83.33%
Improving the institutional environment for the work of Private Enforcement Agents (PEAs)	4.80	79.92%
<b>How do you assess your personal participation and contribution to the activities of the Chamber of Private Enforcement Agents?</b>	3.70	61.63%

All Private Enforcement Agents (PEAs), who completed and returned the questionnaires /46 colleagues in total/, have expressed their general satisfaction with the Chamber's activities. The score evaluating the Chamber's services rendered to its members, and its usefulness for each Private Enforcement Agent (PEA) is **5.24** as per the six-grade scale, whereas the administrative services rendered to the Chamber's members is given the highest score - **5.39**. The publication of "Case Law Compendium" has received an average score of **4.70**. This is a relatively low score, which is rather not attributable to the quality of materials published in the collection set, but to the fact that last year we could not publish the compendium's edition as we focused all our efforts and resources available in the fight for the Civil Procedure Code (CPC).

All respondents have assessed positively in general the activities of the Chamber of Private Enforcement Agents (CPEA). As regards the question of whether there was progress in the overall work of the Chamber in 2012 compared to 2011, nearly all survey participants responded affirmatively. Several Private Enforcement Agents (PEAs) believe that there has been progress in some areas, while others stated the situation has deteriorated, but it is rather due to objective reasons beyond and despite the Chamber's efforts. Six enforcement colleagues believed that there was no progress due to objective reasons rather than because of internal problems and incompetence of the Chamber's governing bodies. Respondents in the survey have identified key factors such as extremely unfavourable political environment and in particular the negative attitude of the Ministry of Justice towards the private enforcement business and profession as a whole.

All in, excellent results were reported in the activities of the governing bodies of the Chamber of Private Enforcement Agents (CPEA) and the Chamber's administrative staff was praised for their work. *The average score assessing the activities of the Chamber's governing bodies in 2011 is **5.30** (for comparison, the score in 2010 was 4.97, in 2009 - 5.00, in 2008 - 5.32, in 2007 - 5.36 and in 2006 - 5.05), while the administrative staff is assessed with the score **5.66** (for comparison: 5.40 in 2006, 5.63 in 2007, 5.66 in 2008, 5.51 in 2009, 5.37 in 2010, 5.71 in 2011).*

A large number of respondents suggested that the most useful activities for the benefit and interests of the Chamber's members in 2012 were the following: protect the interests of the sector in the National Assembly and activities in relation to amendments to the Civil Procedure Code and the Tariff of Private Enforcement Agents; organised and conducted training workshops and the opportunity provided during these events for

colleagues from all over the country to meet, confer and share best practices; extremely fast and competent feedback on technical problems with remote access to data on debtors; timely and accurate information to harmonise practices in conducting enforcement proceedings; sending the minutes of the Chamber's Board's meetings, together with the reports of inspections of law enforcement offices and recommendations to improve operations; electronic access to information from the National Revenue Agency (NRA); the link to the website of public sales on websites of district courts issued opinions regarding uniformity of practice on some issues in the implementation of the Civil Procedure Code (CPC); the operation of the Register of Debtors; communication with public institutions; electronization of several key judicial and enforcement procedures; informing the members of the Chamber of Private Enforcement Agents (CPEA) of their legal obligations; submission of timely information concerning the activities of Private Enforcement Agents (PEAs), etc. It is important to note that many judicial officers already share the belief that, on the one hand, they meet a proper, objective and human respect and empathy for their problems in the face of the Chamber's team and governance, and on the other hand, it contributes to better communication between themselves and the implementation of very good initiatives in general - a spirit of collegiality, which lacked in preceding years. Highly appreciated are also the timely control on the part of the Chamber's governing bodies in the event of bad practice and the efforts of the Chamber's Board to clear the path for professional excellence and formation of each Private Enforcement Agent (PEA).

As regards the issue whether the amount of membership fees is adequate to the activities of the Chamber of Private Enforcement Agents (CPEA), opinions are mixed as usual. Most of surveyed Private Enforcement Agents (PEAs) considered that membership fees are well balanced in terms of the Chamber's activities. Others, however, believed that the amount should be substantially increased by introducing different rates for different enforcement offices, under objective criteria /number of cases, number of Private Enforcement Agents (PEAs)/. Some private enforcement agents (PEAs) expressed the opinion that it should be increased due to the current economic situation and inflation processes in the country. Some Private Enforcement Agents (PEAs) expressed the opinion that it may be high time for the Chamber to consider the option of purchasing its own property. Currently, the Chamber's administration occupies office premises and uses office equipment in extremely poor condition. Last but not least, many colleagues stated that membership dues should not be the sole source of income and that an enhanced financial independence of the Chamber would allow to strengthen its authority.

An important part of the criteria in the questionnaires relates to public relations, including media cooperation and the interaction of the Chamber of Private Enforcement Agents with the public institutions of Bulgaria. Judging by the final result of the respondents' feedback, they have posted serious remarks in this regard to the Chamber as their professional representative organisation. Opinions of colleagues in this area can be summarised as follows: very good score for interaction with public institutions /4.98/ and achievements in the field of computerization of enforcement procedures /5.00/. The quantity and quality of published media articles on Private Enforcement Agents (PEAs) and the effect they had on the profession is determined by the

score of **4.72**. Since this is a new criterion in this year's questionnaires, we cannot make any comparison of the degree of satisfaction with this type of service for members compared to previous years. It should be noted, however, that in 2012 most media stories were prepared, published and broadcast since the Chamber's foundation. This is due to the fact that the governance of the Chamber of Private Enforcement Agents (CPEA) has been continuously focused its efforts and worked closely with the media in the difficult battle to defend its position in relation to the discussed amendments to the Civil Procedure Code (CPC) and to protect the interests and reputation of the professional sector.

A significant proportion of respondents believe that the professional conduct and actions of Private Enforcement Agents (PEAs) are regulated by a clear legal framework for law enforcement. Expectations of the Ministry of Justice, the Chamber of Private Enforcement Agents (CPEA) and the society are clear and simply their implementation should be sought after. Any failure is subject to permanent control and sanctions by the Chamber's Board of Private Enforcement Agents (CPEA), the Ministry of Justice and the society in the face of media. When asked what, in the opinion of each Private Enforcement Agent (PEA), can be done to make clearer the expectations to them by the institutions and the society, the responses tend to the following: formulation of clear criteria to be imposed as a form of code of conduct for all judicial officers (private and public enforcement agents); these criteria to be promoted widely to the public - through the media, through publications in specialized journals or through the website of the Chamber; access and electronic connection to the Register with Traffic Police and enhanced cooperation with the Ministry of Interior in terms of support and immobilisation of vehicles; to increase the number of national conferences throughout the year to promote and harmonize best practices; to promote open talking about the problems in our business; to ensure regular attendance to workshops organised by the Chamber of Private Enforcement Agents (CPEA); to strengthen cooperation with the Ministry of Justice in respect of monitoring the activities of Private Enforcement Agents (PEAs) and requiring inspectors from the Ministry of Justice's Inspectorate to implement clear and uniform guidance on law enforcement practice; to perform an annual survey with focus groups of users of private enforcement services, because this is the best way to clearly formulate public expectations, which are in fact a complex maze of different private and public interests, etc.

Of course, criticisms can be heard. According to respondents taking part in the 2013 survey, the Chamber's activities should be improved in the following areas: harmonization of practices in law enforcement offices; implementation of stricter self-control by private enforcement agents (PEAs), who should strive to be as transparent, accurate, ethical and honest in their work as possible; to improve cooperation with institutions and media; to expand training opportunities and workshops; to ensure closer interaction with the Ministry of Justice and the Supreme Cassation Court; to summarize the best practices and publish more frequently the collection "Enforcement Case Law"; to expedite and complete the changes to electronic exchange and document flow with institutions; to ensure better planning and implementation of long-term activities; outsourcing of activities that are better performed by external corporate partners; enhanced IT operations - system administration and maintenance of registers; increased staff of



the Chamber; accounting services and tax consulting; implementing the project principle in the implementation of individual projects of the Chamber - involvement of Private Enforcement Agents (PEAs) into optional projects across the Chamber, and not just members of the bodies of the Chamber of Private Enforcement Agents (CPEA), etc.

Despite their constructive criticism and recommendations, Private Enforcement Agents (PEAs) have given a low rating as a whole /**3.70**/ for their personal involvement and contribution to the Chamber's activities, which by itself is not good enough to measure the personal motivation and commitment of each private enforcement agent to our common cause.

### **3.1. National conferences and work meetings**

In 2012, the Chamber's Board of Private Enforcement Agents (CPEA), in implementing its policy of maximum proximity to the problems of each Private Enforcement Agent (PEA), organised three national conferences to discuss current issues and problems arising in the law enforcement practice. The workshops took place in a spirit of open dialogue and active discussion on common problems facing colleague judicial officers in particular regions throughout the country. The general view of the Private Enforcement Agents (PEAs), who participated in this year's survey, the frequency of these workshops must grow because they are obviously of great benefit to the participants and are very highly assessed by all members of the professional sector.

Early in March 2012 an Extraordinary National Conference of Private Enforcement Agents (PEAs) was convened in Sofia, Rodina Hotel. The occasion was the emerging crisis in relation to the introduction on 14.02.2012 to the Committee on Legal Affairs of the National Assembly of a bill amending the Civil Procedure Code (CPC). The Chamber's Board presented a report to its members for actions undertaken - held many formal and informal meetings with representatives of all parliamentary groups, including the bill initiators; exchanging official correspondence with all relevant institutions, including the governing bodies of the International Union of Judicial Officers (UIHJ). Attendees were informed of the results respectively at meetings of the Committee on Legal Affairs and the Committee on Budget and Finance at the National Assembly on 23.02.2012 and 01.03.2012, and about strong and sharp discussions on the new bill, which if passed in its original would lead to a ban not only on law enforcement but also corrupt the entire judicial system. Discussions included upcoming initiatives and outlined the next steps for action. Conference delegates adopted the text of the "Address from the Chamber of Private Enforcement Agents to the public institutions of Bulgaria", which is a strong and principled opposition to the amendments to the Civil Procedure Code (CPC). By this document, Private Enforcement Agents (PEAs) expressed their concern that such amendments will lead to significant legal inconsistencies, detrimental to the state budget, injuring the interests of litigants in enforcement proceedings, are not subject to economic logic and can trigger a new wave of negative assessments at times when the Bulgarian judicial system is subject to rigorous monitoring by the EU. **The position of the Chamber of Private Enforcement Agents (CPEA) was adamant** - NO legislative amendments piece-by-piece, NO to amendments of

questionable effect that may shake the whole system of private law enforcement, NO to attempts to work on behalf of subjective interests. YES to the dialogue, but a dialogue that builds on serious and thorough legal and economic analysis, the interaction with all stakeholders regarding the legislative amendments - the government, private enforcement agents, lawyers, judges, businesses, creditors, debtors, other public institutions. YES to legislative amendments that will lead to an improvement in our work, not to the destruction of our profession.

The second for the year National Conference of Private Enforcement Agents (PEAs) took place on June 9, 2012 in Golden Sands, Admiral Hotel. The agenda included deliberations of important issues related to the activities of members of the Chamber, with the main focus being again discussions on the drafting of amendments and supplements to the Civil Procedure Code (CPC). Results and summary conclusions of the meetings between the governance of the Chamber of Private Enforcement Agents (CPEA) and various institutions were presented. Participants made a review of the performance of the Register of Debtors - identified gaps and inconsistencies in the issuance of certificates by the Register of Debtors. The Chair of the Commission for Information Systems and Technology informed our colleagues of the latest developments in the project for electronic imposition of distraints. They discussed a number of specific procedural issues and practical issues of law enforcement, including established corrupt practices in relation to the charging of fees and expenses incurred in enforcement cases by Private Enforcement Agents (PEAs).

On September 28-29, 2012, a workshop was organised in Velingrad on the topic of strategic planning for newly elected governing bodies of the Chamber of Private Enforcement Agents (CPEA) - the Board, the Disciplinary Committee, the Control Committee and the Committee on Professional Ethics. Workshops took place with a slight delay due to the current challenging situation regarding the Bill on Civil Procedure Code (CPC). Highlights of the discussion included: outlining the vision of each body on the activities over the next three-year term; identifying strategic directions, priorities, objectives and specific activities. A number of practical issues and the work of private enforcement agents were put to discussion.

On November 24, 2012, the town of Velingrad hosted the year's third National Conference of Private Enforcement Agents (PEAs), which coincided with the Day of the Private Enforcement Agents (PEAs) and the seventh anniversary of the Chamber of Private Enforcement Agents (CPEA). The Chamber's Chairperson congratulated all colleagues with their professional holiday and reviewed the successes and problems of the sector over the seven-year period since the establishment of the Chamber of Private Enforcement Agents (CPEA). It was very useful for members of the Chamber to be informed of the results of the working group at the Ministry of Justice on elaborating and proposing a draft Decree amending and supplementing the Tariff of Private Enforcement Agents (TPEAs). Along with the latest information on issues and problems of law enforcement, participants discussed the next steps in connection with the entry into force of amendments to the Tariff. Other activities under current and upcoming projects of the Chamber were also

discussed - including the development of a system to impose distraints electronically by Private Enforcement Agents (PEAs), collaboration between Private Enforcement Agents (PEAs) and the national structures of the National Revenue Agency (NRA) in the context of amendments and supplements to be signed under the Agreement for cooperation concerning terms and conditions of the interaction and exchange of data representing tax and social security details of debtors.

In 2012, the Chamber of Private Enforcement Agents (CPEA) celebrated their professional holiday! On this pleasant occasion and as a logical and well-deserved conclusion of a year full of hard work, ups and downs, disappointments and successes, on the evening following the National Conference we had the pleasure to organise a traditional celebration of the Day of the PEA and the seventh anniversary since the Chamber's establishment. For the first time ever, Private Enforcement Agents (PEAs) celebrated their professional holiday with a private gala dinner, free of external guests. There was much joy and elation. Full and mutually beneficial communication between colleagues across the country is something that is rare in the hectic and busy life of today. It is why this form of holding the festivities appealed to all present, and they all wanted it to become a tradition in the future.

During the reporting period regional workshops were regularly held with the attendance of Private Enforcement Agents (PEAs) from bigger districts in the country - Sofia, Plovdiv, Bourgas, etc.

With the organisation of national conferences and workshops for Private Enforcement Agents (PEAs), and due to continuous e-mail communication between the Chamber's administration and its members, the Chamber's Board seeks a consistent policy to raise the awareness of all our colleagues, thus keeping them informed of the updated activities and commitments of our professional organisation.

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

The work of the Chamber's Board in the reporting 2012 with public institutions, media and community organisations was pre-orientated by a legislative initiative of the National Assembly and subsequent amendments to the Civil Procedure Code (CPC) and the Tariff of Private Enforcement Agents (TPEA).

The Chamber of Private Enforcement Agents (CPEA) has implemented numerous initiatives, meetings and interactions with the institutions of the Republic of Bulgaria. The Chamber of Private Enforcement Agents (CPEA) has extended its initiatives from the preceding year to create more opportunities for communication with the institutions and electronic exchange of documents.

#### **NATIONAL ASSEMBLY**

On February 10, 2012, the newly elected Chamber's Board held its first meeting. Only four days later, the website of the National Assembly was published draft amendments and supplements to the Civil Procedure Code (CPC). The main efforts not only of the Board members, but also by all

other Private Enforcement Agents (PEAs) were actually focused on saving our professional sector. They held many formal and informal meetings with lawmakers from all parliamentary groups.

Despite the tremendous efforts of many colleagues in our professional sector, one week later, on February 23, the bill passed at first reading in the Committee on Legal Affairs of the National Assembly, and on March 2 - at first reading in the Committee on Budget and Finance. The Chamber's governance mobilized all its Bulgarian and foreign partners to provide support and assistance in this process.

We all know the original version of the amendments to the Civil Procedure Code (CPC) and the Tariff. New legal provisions concerned a highly relevant aspect of the work of private enforcement agents, district courts and the Bar, which were not consulted in any way as regards these legislative changes. If they were adopted in its original form, it would have surely resulted in significant legal inconsistencies, damages to the state budget and prejudicing the interests of the litigants in enforcement proceedings. They were not subject to economic logic and had the potential cause new negative associations at times when the Bulgarian judicial system is subject to rigorous monitoring by the EU. The proposals to change specific provisions of the Civil Procedure Code (CPC) could eventually "undermine" not only the entire profession and all the staff engaged in it, but could have very serious economic and political implications for the entire country.

Thanks to the joint efforts of all of us, these amendments have been mitigated. On March 28, 2012, the Bill was adopted at first reading in the National Assembly. On May 17 it was discussed and voted at second reading in the Committee on Legal Affairs. Much of the controversial amending texts were revised between the first and second reading in plenary.

The legislative process ended with the adoption of amendments to the Civil Procedure Code (CPC) at second reading in plenary on June 15, 2012. Two weeks later, it was promulgated in the State Gazette, issue 49 of 29 June 2012.

#### MINISTRY OF JUSTICE

On 04.07.2012, a meeting between the governance of the Chamber and the Deputy Minister of Justice Ms. Denitsa Valkova took place, where the Chamber introduced the Ministry of Justice with current issues in law enforcement, issues in our relationship with the Registry Agency and the main problem - amendments and supplements to the Civil Procedure Code (CPC) and changes to the Tariff of Private Enforcement Agents. The Ministry of Justice declared full support and assistance to our cause. The changes to the Private Enforcement Agents Act (PEAA) and the Civil Procedure Code (CPC) were promulgated in State Gazette, issue 49 of 2012. There was a requirement that within one month of their entry into force amendments to the Tariff within the Private Enforcement Agents Act (PEAA) should be adopted.

At the end of September 2012, by order of the Minister of Justice the working group was set up and held its first meeting, with the presence of representatives of the Chamber of Private Enforcement Agents (CPEA), the Ministry of Justice, the Council of Ministers, the Supreme Judicial

Council, the Supreme Bar Council, the Association of Public Enforcement Agents, which had to prepare a draft Decree amending the Tariff. In the pre-set term, the working group completed its work and presented a draft Decree on amendments to the Tariff within the Private Enforcement Agents Act (PEAA) and the draft is sent for inter-ministerial consultation.

After numerous preliminary talks and coordination procedures of the Chamber of Private Enforcement Agents (CPEA) with the Ministry of Justice's Inspectorate under the Judiciary Act, a meeting was planned between the two institutions on the topic of "Improving the interaction between the Chamber of Private Enforcement Agents (CPEA) and the Ministry of Justice in monitoring the activities of private enforcement agents". The meeting was due to take place on September 28-29, 2012 in the town of Velingrad and planned serious discussion on pressing issues and problems and contradictory practices and judicial control of the activity of Private Enforcement Agents (PEAs). Three days before the event, the Minister of Justice declined participation without giving clear reasons for the denied participation of inspectors from the Ministry of Justice. This act of the Minister was inexplicable for the governance of the Chamber of Private Enforcement Agents (CPEA) as it utterly contradicted with the principles of our work to date - cooperation, dialogue, transparency, legitimacy and commitment to the development of the profession in the right direction.

Amendments to the Civil Procedure Code (CPC), introduced since 01.01.2012 the option of imposing "electronic distraints." Only in mid-December a working group was set up with representatives of commercial banks, the Ministry of Justice and the National Revenue Agency (NRA), which after hard work produced draft requirements of Unified Environment for operating with electronic distraints. At present, this draft was sent for consultation with the Minister of Justice and the Governor of the Central Bank (BNB) to approve the final version thereof.

#### REGISTRY AGENCY

During the reporting period, we continued work on the project for computerized communication with the Registry Agency. Two workshops were held - on July 4 and September 10, 2012, including with the Executive Director of the Registry Agency and representatives of the Ministry of Justice. The Bulgarian Chamber of Private Enforcement Agents (BCPEA) still insists that Private Enforcement Agents (PEAs) should be granted remote access to scanned notary deeds, and to allow for entry and deletion of foreclosures electronically. Unfortunately, despite the declared awareness and stated willingness to cooperate, eventually nothing happens. The explanation is that unless the relevant changes in the regulatory framework are made, for the purpose special software should be developed, which at this stage cannot be funded by the state.

#### NATIONAL REVENUE AGENCY

In 2012, several meetings were held with representatives of the National Revenue Agency (NRA). The purpose of the Chamber's governance was all the same - to develop an electronic process and automation of communication and ultimately facilitate the work of the Private

Enforcement Agents (PEAs). At these meetings we stated our technical requirements to the National Revenue Agency (NRA) associated with the request and receipt of information necessary to do our job. The project's ultimate objective is to stop the exchange of paper documents, which in turn will save significant costs of law enforcement offices for supplies, janitor, postal and courier services. The National Revenue Agency (NRA) ensured us that it is technically possible for Private Enforcement Agents (PEAs) to obtain electronically records of property of debtors under enforcement cases - existing employment contracts and bank accounts for legal entities. Notifications and certificates under Article 191 of the Tax and Social Security Procedure Code will also be sent and received electronically. In the beginning of 2013, a working meeting is scheduled to take place, which we hope to finally clarify the parameters of the new agreement between the National Revenue Agency (NRA) and the Chamber of Private Enforcement Agents (CPEA).

#### FINANCIAL SUPERVISION COMMISSION

In recent years the number of public creditors has significantly increased at local and national level, including the number of municipalities that make use of the opportunity provided for in Article 2 of the Private Enforcement Agents Act (PEAA) to assign to Private Enforcement Agents (PEAs) the collection of public receivables. The application of this legal option, in addition to increasing revenues in the national budget, has had a strong preventive effect, since many natural persons and legal entities prefer to pay their due to the Treasury before they become subject to enforcement collection by Private Enforcement Agents (PEAs).

Pursuant to Article 458 of the Civil Procedure Code (CPC) and Article 191, paragraph 3 of the Tax and Social Security Procedure Code, the state is considered as always connected to the creditor by the debtor on its outstanding public and other receivables, the amount of which was communicated to the private enforcement agent until the distribution is carried out. For more than six years since the successful implementation of private law enforcement in our country, Private Enforcement Agents (PEAs) have collected these dues very effectively, thereby increasing domestic revenue and helping reduce the amount of liabilities to the Treasury. The National Revenue Agency (NRA) assigns to Private Enforcement Agents (PEAs) to collect both public and private dues, and the results of this work are more than good.

As an extension of this successful and spreading practice, in mid-August 2012, the Chamber of Private Enforcement Agents (CPEA) has taken the initiative to cooperate with the Financial Supervision Commission (FSC). To that end, the Chair of the Chamber of Private Enforcement Agents (CPEA) addressed with a formal proposal to the executive chair of the Financial Supervision Commission (FSC) that Bulgarian Private Enforcement Agents (PEAs) are allowed to take on cases for collection of public receivables and the Financial Supervision Commission considers entrusting this task to them. At this point, negotiations are still at an early stage, but we hope that cooperation between the Financial Supervision Commission (FSC) and the Chamber of Private Enforcement Agents (CPEA) will achieve a strong positive effect for faster and more efficient collection of public receivables by the

Financial Supervision Commission (FSC) and will be in the interest of the state, businesses and citizens.

#### STATE ARCHIVES

In connection with the obligation of private enforcement agents pursuant to Article 5, paragraph 5 of Ordinance №4 of 6.02.2006 on the official archive of private enforcement agents, in August 2012 the Chamber of Private Enforcement Agents (CPEA) addressed the State Agency "Archives" with a request to prepare Methodological guidance and instructions on upcoming selection, assembly and delivery of documents from official archives of Private Enforcement Agents (PEAs) to the National Archives. Within the Chamber's Board a working group was set up to initiate an initial meeting with the State Agency "Archives" and work on a draft methodology to be agreed with the said Agency. There were several informal meetings between members of the Board with regional experts. On January 18, 2013 an official meeting was held between the governance of the Chamber and members of the department "Management of archival activities" within the State Agency "Archives". During the discussion it became clear that the most important documents from the archives of Private Enforcement Agents (PEAs) - writs and decrees, are not documents of relevant historical value under the National Archives Act. Respectively, they could be stored in the National Archives. Regulatory change is a must to the Private Enforcement Agents Act (PEAA) and Ordinance №4 to enable the storage, use and disposal of files and documents from the archives of Private Enforcement Agents (PEAs), under the "Regulation for organising, processing, expertise, storage and use of the documents in the institutional records of state and municipal institutions." Due to the above said, we are currently preparing a draft letter to the Minister of Justice and the State Agency "Archives". Hopefully, in 2013 we will have a completed procedure for this.

#### SUPREME JUDICIAL COUNCIL

With the amendments to the Civil Procedure Code, promulgated in State Gazette, issue 49 of 29 June 2012, Private Enforcement Agents (PEAs) have now the effective obligation to publish notices for public sale on the website of the Chamber of Private Enforcement Agents (CPEA) (Article 19, paragraph 4 of the Private Enforcement Agents Act (PEAA) - from 01.07.2012.) and the website of the District Court at the place of enforcement (Article 487, paragraph 2 of the Civil Procedure Code - as of 01.01.2013). In connection with this legislative amendment, the Chamber held operational correspondence with the Supreme Judicial Council. It was a team of the Bulgarian Chamber of Private Enforcement Agents (BCPEA) who met with the director and specialists from the department for "Professional Training, Information Technology and Statistics" at the Supreme Judicial Council, who outlined particular steps to synchronize the websites of the Chamber with the respective District Courts in Bulgaria. After the meeting, the Chamber's Board decided and instructed adjustments to the Register of Public Sales, in order to create an automatic connection between the Register of Public Sales and the websites of district courts. On the other hand, under the law the Supreme Judicial Council via protocol №52 of 11.12.2012 of meeting of the Committee on "Vocational training, information technology and statistics", decided that the websites of district

courts should create a section for posting notices of enforcement agents. This decision indicates that information about notices for private enforcement sale published in the same section must be synchronized with the Register of Public Sales on the website of the Chamber of Private Enforcement Agents. This is the decision of the Supreme Judicial Council, which voted at their meeting on December 13, 2012 (the text of the decision is in paragraph 21 of Protocol №53/13.12.2012 of the Supreme Judicial Council and repeats the said decision of the Commission with the Supreme Judicial Council). The final result is that Private Enforcement Agents (PEAs) fill in details of their public sales in the Register maintained by the Chamber of Private Enforcement Agents (CPEA), and then these details become visible on the accessible websites in the district courts. The system still has some imperfections, but will be overcome in due time.

### **3.3. PUBLIC RELATIONS**

For seven years the media has been a good and reliable partner of the Chamber of Private Enforcement Agents (CPEA) in its efforts to inform the society about the activities of Private Enforcement Agents (PEAs) and to protect the public interest.

During the reporting year, journalists from various national and regional media (TV, press and radio) attended various forums, organised by the Chamber - workshops, conferences, workshops, etc. As a result of hard work by our colleagues in the Board's Chamber responsible for "Communication and Advocacy Policy" and in particular thanks to the head of this department, dozens of positive articles were published on the topic of Private Enforcement Agents (PEAs) in 2012, mainly in regional and national newspapers. This activity demonstrates the willingness of the Chamber of Private Enforcement Agents (CPEA) to keep an open and active dialogue with the media, which are a major factor in forming the public opinion.



An example of this was a traditional workshop with media representatives, which took place on October 19-20, 2012 in Borovets, Yastrebets Hotel, on "Current issues of private law enforcement." The event was organised by the Chamber of Private Enforcement Agents (PEAs). The first day of the forum was devoted to presentation of the results of the preceding year's activities performed by the Chamber of Private Enforcement Agents (CPEA), and trend analysis of

developments in our profession. Media were particularly interested in our information on the public sales of real estate. Due to the potential for statistical reports, which are derived from the new Register of Public Sales, the Bulgarian media were provided data on several important developments as regards enforcement indicators such



as number of listings for public sale and actually sold real estate property, types of property offered for sale and sold, average prices of sales including types of property, average number of sales until sale of property, etc.

Media were particularly interested in the announced results from the progress review and the results of completed disciplinary proceedings against private enforcement agents - most frequent violations, types and amount of penalties imposed on them, judgments of the Supreme Cassation Court on appealed decisions of the Disciplinary Commission with the Chamber of Private Enforcement Agents (CPEA), number of effective sanctions, etc.

The second day of the workshop was devoted mainly to discussion aimed to identify measures to overcome negative public attitudes towards Private Enforcement Agents (PEAs) in times of crisis and individual interviews in press, television and radio with representatives of the Chamber's governing bodies. Attending participants were informed of the Chamber's upcoming activities and events by the end of 2012.

Media representatives who were present at the workshop were provided written materials related to the topics discussed. The workshop was attended by members of the Chamber's Board and more than 20 leading Bulgarian journalists, who in the follow-up provided media coverage of the achievements in the work of Private Enforcement Agents (PEAs) through more than 50 extensive publications, interviews and TV broadcasts. That workshop reaffirmed the permanent trend for positive and fair media coverage of private law enforcement in Bulgaria, as a counterpoint to the usual assumption that only negative information about them is news.

Litigants in the enforcement process, as direct or indirect participants in it, have also played an important role in the overall awareness and public communication - banking institutions, businesses, lawyers, insurers, and last but not least, citizens.

#### **3.4. CONTROL ON THE ACTIVITY OF PRIVATE ENFORCEMENT AGENTS**

According to the Private Enforcement Agents Act (PEAA) and its statutes, the Chamber is standing firmly behind the principles of protecting the public interest. The Chamber and its members highly estimate the supremacy of the law and are working responsibly, transparently and with due professional diligence. One of the most important obligations of the Chamber's Board is to practice an effective control on the observance of the law and the statutes by its members. This activity is crucial to the success of our profession, so the Board pays particular attention to it by making efforts to improve the control on activities in order to ensure greater efficiency and transparency.

The Ministry of Justice and the Chamber's Board have conducted independently from each other a strict policy of control and supervision over the activities of Private Enforcement Agents (PEAs) and monitor the application of the law, the statutes and the Code of Ethics. Inspections are carried out both on specific complaints and on the overall activities of law enforcement offices in the country. There is strict and precise control on the private law enforcement sector

exercised through the Ministry of Justice (legal and financial inspectors) and self-control exerted through inspections in law enforcement offices and consideration of complaints by the Chamber's Board, as evidenced by the number of disciplinary proceedings initiated. In 2006 they were 5, in 2007 - 4, in 2008 - 15, in 2009 - 21, in 2010 - 21, and in 2011 - 17 and in 2012 - 16. The penalties range from a reprimand and a fine, including the maximum amount of BGN 10,000, to deprivation of legal capacity in the case of three Private Enforcement Agents (PEAs) - for a period of respectively three years and one year.

A Committee on Professional Ethics (CPE) operates as a subsidiary body to the Chamber's Board, characterized with its own organisational framework and rules of operation. It consists of 9 permanent and 4 alternate members. In 2012, the main priorities of the Committee on Professional Ethics (CPE) focused on the following areas: current monitoring and follow-up control on activities in law enforcement offices; checks of complaints and signals against Private Enforcement Agents (PEAs); use of mediation as a means of dispute settlement between colleagues and between Private Enforcement Agents (PEAs) and litigants. In 2012, the annual monitoring on law enforcement offices was not performed due to complex reasons. The critical situation with the amendments and supplements to the Civil Procedure Code (CPC) has engaged the intensive efforts and capacities of all our colleagues on the governing bodies, including the Committee on Professional Ethics.

### **3.5. International cooperation**

The Chamber of Private Enforcement Agents (CPEA) is a full-fledged member of the International Union of Judicial Officers (UIHJ), which was established in 1952. Today its members are 72 countries. In the near future, the International Union of Judicial Officers will adopt as members several other countries, which currently enjoy the status of observers and associate members.

The International Union of Judicial Officers (UIHJ) is established to represent its members before international organisations and to ensure better cooperation with national professional organisations. The Union works to improve national procedure law and international treaties and makes every effort to promote ideas, projects and initiatives to support the progress and advancement of the independent status of Private Enforcement Agents (PEAs). The International Union of Judicial Officers (UIHJ) is a member of the UN Economic and Social Board. The International Union of Judicial Officers (UIHJ) participates in the work of the Hague Conference on Private International Law, in particular - in planning of conventions relating to the service of enforcement orders and enforcement procedures. The International Union of Judicial Officers (UIHJ) is a member, with permanent observer status, of the European Commission for the Efficiency of Justice (ECEJ, *fr.* CEPEJ) with the Board of Europe. The Union has also expressed its comments and considerations regarding the establishment of a European Judicial Network in Civil and Commercial Law by the European Commission for legal professions. In addition, the International Union of Judicial Officers (UIHJ) currently participates in activities of the group "Justice Forum" convened by the European Commission and in its e-

Justice project. The International Union of Judicial Officers (UIHJ) is currently working on an ambitious project aimed at creating a Global Code of Enforcement Procedures in cooperation with professionals from the fields of law and academics from around the globe. The International Union of Judicial Officers (UIHJ) participated in study missions associated with governments and international bodies.

The Bulgarian Chamber of Private Enforcement Agents (CPEA) was adopted as member of the International Union of Judicial Officers (UIHJ) in 2005 and since then has regularly paid the annual membership fee.

In 2012, our members participated in the International Congress of Enforcement Agents, which took place from April 29 to May 5, 2012 in Cape Town, South Africa. This is the largest and most representative forum of member states of the International Union of Judicial Officers (UIHJ) worldwide. This year's forum was attended by about 300 participants from 50 member countries of the International Union of Judicial Officers (UIHJ). The UIHJ's previous governance reported on its activities during the previous four-year tenure and elected a new governing board. In addition to participating in various sessions and workshops during the Congress, the Bulgarian delegation represented by its President gave its vote in the election of a new governance of the International Union of Judicial Officers (UIHJ). Mr. Leo Netten was re-elected as President of the International Union of Judicial Officers (UIHJ). Over 70 lectures and presentations were delivered, divided into four thematic panels. According to the Statutes of the International Union of Judicial Officers (UIHJ), countries that in the period between Congresses have become associate members or observers were elected during the Congress by vote of full-fledged members. In 2012, in Cape Town the family of the International Union of Judicial Officers (UIHJ) grew by six new member states: Serbia, Albania, Moldova, Georgia, Dubai and Togo.

Within the mission of the International Monetary Fund (IMF) in Bulgaria, on September 27, 2012 the headquarters of the Chamber of Private Enforcement Agents (CPEA) hosted a meeting of lawyers from the IMF with representatives of the Chamber. At the meeting key issues of law enforcement were presented and discussed - bankruptcy and individual enforcement undertaken by Private Enforcement Agents (PEAs). The legal framework of law enforcement in Bulgaria was presented to the audience, as well as interactions with institutions. During the discussion Private Enforcement Agents (PEAs) shared certain problems facing the implementation of their activities - state and municipal administrative fees, electronic access to information. Talks dwelt on the exchange of documents electronically in line with the e-Government initiatives. Good practices were cited in Bulgaria - ICARUS; the forthcoming introduction of electronic distraints. During the talks, our representatives have stressed on their vision on the necessary developments in law enforcement - access of Private Enforcement Agents (PEAs) to the land register and copies of notary deeds; entry/removal of foreclosures electronically, electronic archive files, etc.

The IMF thanked their Bulgarian peers for the fruitful meeting and the materials provided to them by us - "Analysis of the legal framework for law enforcement in Bulgaria and recommendations for its improvement" (2011, team, MATRA project) and "Analysis of the impact of the circumstances and of the Tariff to the Private Enforcement Agents Act (PEAA) on the activity of Private Enforcement Agents (PEAs) with

recommendations for its improvement" (2011, author: Krassen Stanchev and team). The presentation of the Chamber of Private Enforcement Agents (CPEA) was extremely positive accompanied with specific problems facing the sector to improve the business environment.

The regular session of 2012 of the World Permanent Board of the International Union of Judicial Officers took place November 28-30 in Madrid, Spain. The Chair and the Administrative Secretary of the Chamber of Private Enforcement Agents (CPEA) participated in this year's Forum. The agenda of the Standing Committee included the following topics: adoption of the report on the activities of the International Union of Judicial Officers for 2011; connections of the International Union of Judicial Officers with European and international institutions on issues of law enforcement, cooperation agreements with universities in different countries, reports of subsidiary organisations such as Euronord, Euromed and Eurodanube; the activities of the Scientific Institute "Jacques Isnard"; financial report for 2012; statements of delegations; current standing and development of activities under ongoing projects of the International Union of Judicial Officers - e-Justice, STOBRA, Cadat, remote interactive online training, etc.

In 2012, the Chamber of Private Enforcement Agents (CPEA) hosted a visit of an international delegation. A large group of lawyers from Serbia were our guests on March 2. The interest of foreign experts on the pattern of law enforcement in Bulgaria was prompted by serious debate in their country to reform their judicial system and in particular the system of law enforcement. The main purpose of the visit was to familiarize them with the system of private enforcement in Bulgaria, existing only for a few years in countries such as Bulgaria, Macedonia, Estonia, Lithuania and Latvia. During the visit of our guests it was very important to share with them our experience and lessons of Bulgarian Private Enforcement Agents (PEAs) and their professional organisation obtained during the transition from state to liberal model of the profession. Topics of particular interest were: the legislative process, adoption and implementation of the Private Enforcement Agents Act (PEAA), advantages and disadvantages of the "mixed" model; testing and appointment of Private Enforcement Agents (PEAs); role of the Ministry of Justice; role and activities of the Chamber of PEA; functioning of the offices of Private Enforcement Agents (PEAs); structure of the Tariff of fees and expenses to the Private Enforcement Agents Act (PEAA); liability and insurance of Private Enforcement Agents (PEAs); disciplinary proceedings; supervision and control over the activities of private enforcement agents; interaction with the court; public opinion on the new model, etc. During this visit offices of private enforcement agents were visited, where the Serbian colleagues were able to learn on site about the organisation and business processes in the law enforcement office, the automation and computerization of these processes, the filing and archiving procedures, the electronic access to information about debtors and real time services to litigants in enforcement cases.

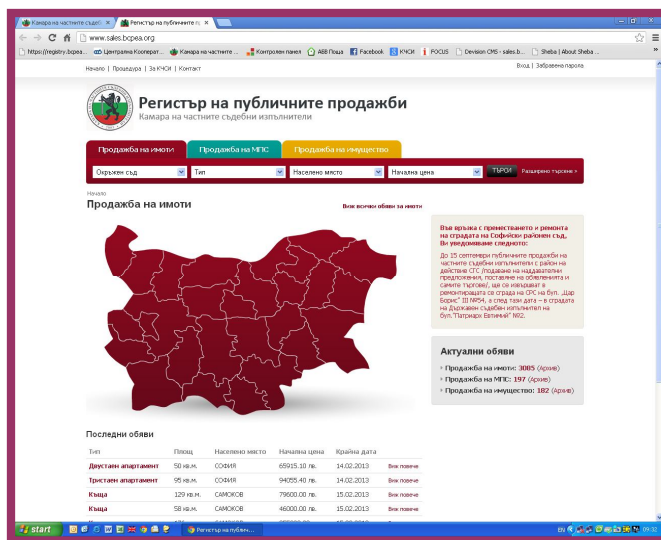
Representatives of the Bulgarian Chamber of Private Enforcement Agents (CPEA) participate in the EJN / ECM / in civil and commercial matters. This is a flexible structure that operates informally and aims at simplifying judicial cooperation between Member States. Its main purpose is to assist people involved in civil and commercial litigation

with a cross-border element, affecting more than one Member State. The presence of the Chamber of Private Enforcement Agents (CPEA) in this project means participation in the implementation of regulations and counselling during the adoption of future performance, the possibility of making inquiries, procedures, regulations, legal and technical issues in another EU Member State.

### **3.6. SERVICES RENDERED TO CHAMBER MEMBERS**

In 2012, despite the outstanding issues arising before the private enforcement sector, the Bulgarian Chamber of Private Enforcement Agents (BCPEA) continued to build the organisation's capacity to provide electronic services to its members.

#### **3.6.1. Register of Public Sales**



Since the summer of 2009, the Chamber of Private Enforcement Agents has successfully maintained the web site "Register of Public Sales." At the end of 2011 the process of designing and implementing a new web-based Register was successfully completed to replace the old one. With the new website quality was strongly improved: manner of uploading notices, search and sorting of users, website administration. Control options for the designation of public sales of private enforcement agents were

significantly enhanced. The expectations of the statistical register were thoroughly justified. Thanks to them, the Chamber is likely to track a number of important developments as regards enforcement indicators such as number of listings for sale and sold real estate, types of property offered for sale and sold, average sales price, including types of properties, average number of sales until realization of property sales, etc. This valuable information for the Chamber proved to be attractive for a wide range of external organisations, media and businesses. The Register is constantly referred to in the media for analysis of the property market and the rate of corporate and individual indebtedness. Indicative of the relevance of the Public Register of Sales are user visits, which are on daily average between 5000 and 7000.

In 2012, the website of the Register of Public Sales published more than 30,000 notices of public sale of real estate and nearly 100 notices of sale of movable property and vehicles. The statistics indicates nearly double more notice, in particular as regards real estate, over the previous reporting period /namely in 2011/. The explanation for this trend is continuing difficulties in the economic life of the country affecting both businesses and citizens and the

difficulty in the realization of debtors' assets by way of public auction, which results in repeated announcement of the same property for sale and hence the increase in the number of sale notices.

Over the past twelve months of 2012 the website has been visited by more than 315,000 /three hundred and fifteen thousand/ unique IPs, which means that at least twice as many unique visitors are visiting the website given the fact that many computers are used by more than one person, and that certain IP-addresses actually disguise a number of individual consumers (for example, a corporate customer with many computers and users). This is an increase of over 2 % in unique visitors to the website over 2011. The indicated number of visitors has recorded almost 1,240,000 /one million two hundred and forty thousand/ visits and more than 26,000,000 /twenty-six million/ page views. The average number of pages viewed per visitor is 20 per entry and visitors spent about 10 minutes on average per visit in the website. Average daily the website of Register of Public Sales was visited by some 5000 (five thousand) visitors, including during holidays when the visit rate is also very high.

In connection with amendments to Article 487, paragraph 2 of the Civil Procedure Code (CPC) on the promulgation of public sales dated 01.01.2013 on the websites of the respective district courts of 29.11.2012, the Bulgarian Chamber of Private Enforcement Agents (BCPEA) representatives met with the director and specialists from the department for "Professional Training, Information Technology and Statistics" at the Supreme Judicial Council. As a result, the Supreme Judicial Council decided that the announcement should be made via a link from the Register of the Chamber of Private Enforcement Agents (CPEA). For its part, the Chamber awarded a contract to the same developer company of the Register of Public Sales to perform the relevant enhancements - frames and the access codes and data from the websites of the district courts in Bulgaria, which will be submitted to the Supreme Judicial Council. On one hand, it enabled to quickly meet the requirements of the Civil Procedure Code (CPC), without adding burden on private enforcement agents due to the complexity of the publicity procedure, and on the other hand established the Register of Public Sales with the Chamber as a requirement and the form of publicity under the Civil Procedure Code (CPC). In 2013, the Chamber's Board seeks continuous analysis of the needs of all users of the Register of Public Sales and the website development, to maintain the authority and undoubted benefits of the Register of Public Sales. It is extremely important for the sustainable development of the Register of Public Sales to keep private enforcement duly and properly informed of ongoing sales.

### **3.6.2. Register of Debtors**

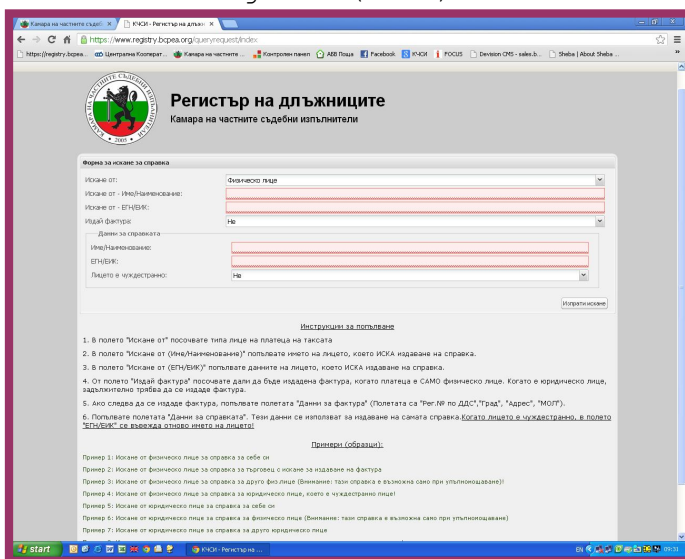
In 2011, the Register of Debtors was launched and it is maintained by the Chamber of Private Enforcement Agents (CPEA). After a relatively long period of testing and repeatedly postponing, the website was launched at the beginning of July 2011. Through the Register of Debtors Private Enforcement Agents (PEAs) can obtain information on enforcement cases brought in with other private enforcement agents against persons who are their common debtors. Thus the efficiency of simultaneous work by several Private Enforcement Agents (PEAs) in terms of the same

debtor has improved. The Register of Debtors is a web-based system that can be accessed online and the private enforcement agent shall be identified by electronic signature or a special digital certificate issued by the Chamber of Private Enforcement Agents (CPEA). The Register of Debtors is accessible automatically from existing electronic filing systems used by the Private Enforcement Agents (PEAs). Thus the needed information is quickly available and data from their personal systems and the Register are synchronized automatically.

The second objective of the Register was to issue reports on the presence or absence of pending obligations under pending enforcement cases at the request of persons themselves (individuals and legal entities), as well as to third parties whenever the information relates to legal entities.

At present the Register of Debtors has uploaded over **830,000 /eight hundred and thirty thousand/** enforcement cases by all Private Enforcement Agents (PEAs). At the end of 2012, the number of references

made by external users, outside of the Chamber, reached 7812 /seven thousand eight hundred and twelve/. Currently the volume of reference notes is not satisfactory to the desired financial result for the benefit of the Chamber, but this service is expected to gain popularity. We are working on the introduction of a pre-paid subscription access for all persons with legitimate interest, such as banks, leasing companies, etc., which will steadily increase revenue for the Chamber.



The Register of Debtors has become a source of information for private enforcement agents and for individuals and institutions in need of reliable information about an enforcement action. Last year, the Register of Debtors conclusively proved its capacity to cover the costs of its maintenance and even gained profits. At the end of 2012, the Register of Debtors was functionally upgraded. The need for this came in connection with the registration of the Chamber of Private Enforcement Agents (CPEA) as a tax liable person under the Value Added Tax Act. This was a prerequisite for changing the procedure itself on the issue of certificates of initiated enforcement cases. Despite relatively stable operation and good functionality, the Register of Debtors' continuous operation showed some shortcomings and the need to develop a comprehensive system of the Register of Debtors with the Chamber of Private Enforcement Agents. In 2012, a project on the development of a completely new "Central Register of Debtors" was launched. By the end of October 2012, the Chamber's Board completed the preparation and adoption of the Terms of Reference (ToR) for the project. On November 6, procedure for selection of a contractor of the project was announced, and the Terms of Reference (ToR) were sent to 12 potential software developers. The date of 15 December 2012 marked the end of receipt of tender bid for design and maintenance of the Register

of Debtors. At the beginning of 2013, at its regular meeting, the Chamber's Board finally chose, by voting a decision, a provider and is currently pending to contract with the selected company and begin work on the system of the Register of Debtors. Final delivery of the finished product and operational commissioning should be completed by the end of 2013. The objectives set by the Chamber to the new Register of Debtors include the following: significant increase in inquiries from external users and therefore higher revenue; improving the operations of the Register of Debtors in terms of data exchange with the case management programmes in law enforcement offices; freedom and flexibility in negotiating the maintenance and development of the overall system of the Register of Debtors.

### **3.6.3 Electronic distrains**

The latest amendments to Article 450a of the Civil Procedure Code have introduced "electronic distrains" on bank account receivables. The CPEA together with the Association of Banks in Bulgaria and Bankservice has been working since 2011 on an information platform for the imposition of electronic distrains on bank account receivables. Since the end of 2012, pursuant to the provision of the Civil Procedure Code, the Ministry of Justice has set up a working group to adopt the requirements of Unified Environment for exchange of electronic distrains. In the working group, the Chamber's representatives have played an active role. To date, the adoption of requirements is close to finalisation and at the beginning of 2013 we will mark the real start of the imposition of "electronic distrains."

### **3.6.4. Electronic data exchange with NRA**

Practical implementation of the agreement with the National Revenue Agency (NRA) for interaction and exchange of information has shown that there are a number of problems that require the pro-active role and hard work of the Chamber of Private Enforcement Agents. In 2012, the Bulgarian Chamber of Private Enforcement Agents (BCPEA) representatives held several meetings and worked hard in the preparation and signing of a new agreement with the National Revenue Agency (NRA). Due to some differences of opinion between the National Revenue Agency (NRA) and the Chamber, the process of its final conclusion will continue in 2013. The main objective of electronic services in 2013 is to move from web-based inquiries and receive information by e-mail to complete data exchange with the information system of the National Revenue Agency (NRA).

### **3.6.5. Supplementary Agreement with Civil Registration and Administrative Services (CRAS) to extend the electronic records**

Since the signing of the agreement with Directorate-General «CIVIL REGISTRATION AND ADMINISTRATIVE SERVICES (GRAO)» with the Ministry of Regional Development and Public Works, electronic access to the register of Directorate-General «CIVIL REGISTRATION AND ADMINISTRATIVE SERVICES (GRAO)» has become an essential work tool for private enforcement agents and a major competitive advantage over public enforcement agents. Experience in the use of the Register showed that the range of eligible reports on it does not meet the needs of



enforcement proceedings. In 2012, a new agreement was prepared and signed for the use of electronic access to the records of «CIVIL REGISTRATION AND ADMINISTRATIVE SERVICES (GRAO)», which finally covers all necessary enforcement inquiries.

### 3.6.6. Training

In 2011, the Chamber of Private Enforcement Agents (CPEA) has very successfully implemented a comprehensive and meaningful training programme, pre-approved and distributed as a monthly schedule in the Chamber's Board. The latter was graphically divided into relatively equal intervals between training units, so that to create uniformity of training on the one hand and on the other hand, coherence thereof.

Regarding the topic of the training programme it should be noted that the topics were varied and at the same time - up-to-date. An evidence of this is the stated interest in training by colleagues and employees. Indicators specified in the table below, illustrating several digital parameters for the evaluation of training sessions in comparison to the same for the years 2007 to 2011, indicate that in 2012, despite the deepening economic crisis, interest in training courses offered by the Chamber remained high and stable.

#### **IMPLEMENTATION OF TRAINING PROGRAMME FOR 2012**

<b>Month</b>	<b>Date</b>	<b>Training</b>	<b>Number of attending participants</b>
February 2012 Sofia	February 17	SANS	38
February 2012 Plovdiv	February 17	SANS	30
February 2012 Sofia	February 18	Collection of public and private state receivables	64
March 2012 Plovdiv	March 16	Practical issues on the Civil Procedure Code (CPC)	40
March 2012 Plovdiv	March 17-18	Enforcement proceedings under the Special Pledges Act	24
March 2012 Sofia	April 20	Executive proceedings under the Special Pledges Act	16
June 2012	June 7	European	7

Golden Sands resort		legislation on enforcement	
June 2012 Golden Sands resort	June 8	Techniques for coping with stress. Working with troubled clients in the offices of Private Enforcement Agents (PEAs). Risk prevention.	32
June 2012 Plovdiv	June 16-17	Civil Procedure Code and Private Enforcement Agents Act (PEAA) - enforcement proceedings for Private Enforcement Agents and staff in enforcement offices	25
July 2012 Sofia	July 14-15	Civil Procedure Code and Private Enforcement Agents Act (PEAA) - enforcement proceedings for Private Enforcement Agents and staff in enforcement offices	15
September 2012 Veliko Tarnovo	October 6	Enforcement of existing and dematerialized securities, company equity shares	48
			<b>TOTAL: 339 trained participants</b>

Summarised data from questionnaires to trainees, consisting mainly of their colleagues and employees, strongly suggest that the Chamber's pre-set goals for the training programme is achieved. It is clear that the team and the governance of the Chamber of Private Enforcement Agents (CPEA) have been dealing responsibly and professionally and have managed to successfully complete this task. The above is clearly illustrated in the following table:

<b>Evaluation of training organised by the Chamber of Private Enforcement Agents (CPEA) by year</b>					
	<b>Overall evaluation</b>	<b>Trainers</b>	<b>Content of educational material</b>	<b>Price</b>	<b>Number of training workshops over the year</b>
<b>2006</b>	4.56	No data available	No data available	No data available	No data available
<b>2007</b>	4.96	4.80	4.81	4.35	No data available
<b>2008</b>	4.90	4.79	5.00	4.82	4.63
<b>2009</b>	4.52	4.66	4.53	4.34	4.03
<b>2010</b>	4.47	4.72	4.75	4.66	4.31
<b>2011</b>	5.00	5.06	5.10	4.97	4.78
<b>2012</b>	4.97	5.03	4.93	4.95	4.76

As a natural continuation of our efforts for implementation of the Chamber's training strategy (vision, priorities and objectives), at its latest meeting in January 2012 the Chamber's Board outlined a plan and schedule of training for 2012 for private law enforcement professionals, subject to the priorities and objectives of the Chamber's training strategy.

In 2012, 11 training courses were held on various topics /for comparison: in 2011, the number of workshops was 12/ concerning the work of Private Enforcement Agents (PEAs), public enforcement agents and their employees in law enforcement offices. The training focused on the main issues associated with the new legislation, the enforcement competition under the Civil Procedure Code (CPC), the Administrative Procedure Code (APC), the Tax and Social Security Procedure Code with practical cases. The number of trainees who took part in the workshops during the reporting period was 339. /For comparison: in 2011 this number was 640/. It is worth noting that the above is achieved in a difficult year for the Chamber, characterised with issues over the adoption of amendments to the Civil Procedure Code (CPC) and the Tariff of Private Enforcement Agents. This caused redirected focus of the

Chamber and our colleagues at finding an optimal outcome out of the collision of different views of the legislative amendment initiators.

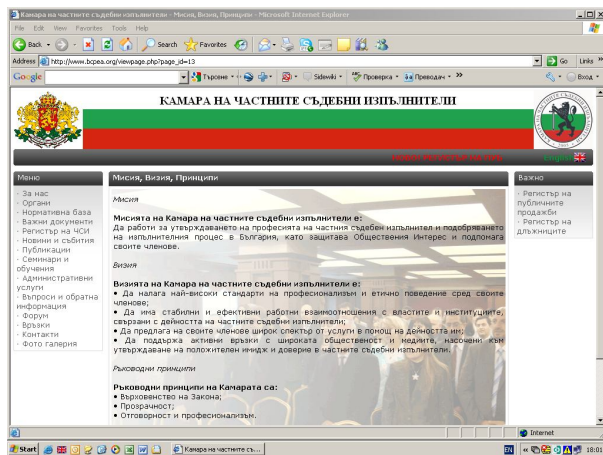
Yet, work on the Chamber's training strategy was not neglected in 2012. The overall assessment of the trainees was 4.97 - just 0.03 (three hundredths) lower than the overall score for 2011. In light of the above and the undoubted difficulties of last year, this assessment is adequate recognition for our work. It infuses confidence that the results achieved are not random, but form the basis for future development of the Chamber's training strategy, and last but not least, to increase our professional qualifications.

Of course, the main driver is our colleagues' interest and the increasing interest of external stakeholders having contact and working with Private Enforcement Agents (PEAs). Therefore our sympathy to the efforts of the Chamber's Board would logically lead to increased quality and effectiveness of proposed training. Our ideas about topics and forms of training are important because we mainly use them, so we welcome suggestions of our colleagues in this regard.

### 3.6.7. INFORMATION AND ADMINISTRATIVE SERVICES

The analysis of the 2012 results shows that members of the Chamber of Private Enforcement Agents (CPEA) highly appreciate the uses of communication tools. On the one hand, they are extremely satisfied with the timely, accurate and comprehensive information they receive about the Chamber's activities. On the other hand, they feel safe and secure with the availability of feedback and responsiveness from the team and the administrative governing bodies of the Chamber of Private Enforcement Agents (CPEA) and they can receive advice and support on any issues and problems related to the daily business of private law enforcement offices.

An important role in this process is attributed to the established mutual trust and regularly held national and regional meetings during the year. Each member of the Chamber is responsible for enhancement of our profession's public profile. While being entitled to request updated information and quality services, each member of the Chamber has the obligation to respect the rules and policies adopted by the governing bodies of the Chamber.



We strive to regularly update the website of the Chamber of Private Enforcement Agents (CPEA). But there is still much to be desired. This is expressed most clearly by the Private Enforcement Agents (PEAs) involved in the annual survey mentioned hereinabove. Meanwhile, it is worth noting that we tried last year to update many of the sections on our website with useful and interesting information regarding private law enforcement. In the new section "Enforcement Case Law", we publish decisions of Bulgarian courts in the field of law enforcement. After seven years of effective work by Private Enforcement

Agents (PEAs) we have stacked a number of case law in the form of useful and interesting law enforcement titles. We have published these judgments seeking to be useful to all parties in the enforcement process and to harmonize the jurisprudence throughout the country.

In the section "Key Documents" in the part "European regulations" we have posted all major European directives, regulations, procedures and instructions regarding cross-border enforcement of judgments and duties of Private Enforcement Agents (PEAs) in Bulgaria resulting from our country's EU membership.

In order to raise the awareness of the Chamber's members with regard to the media coverage on the activities of private enforcement agents, this year the Chamber renewed its contract with "Focus" Information Agency - our media partner in many projects and accompanying events of the Chamber of Private Enforcement Agents (CPEA). Under the contract we are provided a web-based daily media monitoring on the following topic: "Law enforcement". The main page of "Focus Info" contains links to all newsletters we are subscribed to and their respective subtopics. After entering username and password made available to each member of the Chamber of Private Enforcement Agents (CPEA), the user can review in detail the contents of all media publications on the subject, using a three-month archive. Thus, in a summarized format, our colleagues are constantly informed, on a daily basis, of all articles printed in both national and regional media related to their business. The Chamber's governing bodies believe that this initiative and investment does make sense and I sincerely hope that all our members can find this service useful in 2013 as well.

During the reporting period, the Chamber continued to render standard and administrative services for its members - registration and cancellation of entries in the Register of Private Enforcement Agents, changes in the circumstances of the Register, administration of the Register of Debtors and other records maintained by the Chamber, issuance of certificates, official notes and other documents, issuance of badges, holsters and signs, distribution of publications of the Chamber of Private Enforcement Agents (CPEA), subscriptions to legal publications and software (namely the journal "Legal World", "Apis" - products), document flow, procession of complaints, organisation of national and regional forums, training, etc. Seeking to ensure that all members of the Chamber are well informed about the decisions adopted by the Chamber's Board at its meetings and about the results of their implementation, they regularly receive the minutes of such meetings via e-mail.

#### **3.6.8. SERVICES IN PROCESS OF DEVELOPMENT**

The construction of an entirely new website of the Central Register of Debtors enlarged with more features, subscription option for corporate clients and a modern outlook, is among the Chamber's priorities in 2013.

The Chamber will exercise constant control for strict and timely update of Central Register of Debtors by all users. It is the only way to ensure the accuracy and timeliness of the data in the Central Register of Debtors in order to establish it as an invaluable source of information for all stakeholders in the enforcement process.

Our members participate very actively in the working group on the implementation of the project "Development of a system for electronic exchange of distraint orders." The project has entered the final stage and will be launched soon in pursuance of the provisions of Article 450a of the Civil Procedure Code (CPC) /new, effective since 01.01.2013/. We hope that with the introduction of this type of electronic enforcement action we can congratulate ourselves with yet another breakthrough in the modern, efficient and fast European law enforcement!

Although due to objective reasons in the reporting period we were not able to public the "Enforcement Proceedings Compendium", in 2013 we plan to launch into publication at least one book per calendar year in order to accumulate case law and enforcement cases in the application of the provisions of the Civil Procedure Code (CPC), and meet the pressing needs of the members of the Chamber of Private Enforcement Agents (CPEA) to unify their practice and in regard with the performance of their duties. This compendium will continue to be published and distributed by the Chamber of Private Enforcement Agents (CPEA).

## REPORT

### On the activities of the Disciplinary Committee Of the Chamber of Private Enforcement Agents for 2012



Dear Colleagues,

In 2012, the Chamber of Private Enforcement Agents (CPEA) received a total of **419 complaints**, keeping the trend of increasing their number (over the previous year the number was **369**, in 2010 it was **321** and in 2009 it was **282**). The analysis shows it is due to the growing number of enforcement cases on the one hand and on the other hand, due to increased public confidence in the Chamber of Private Enforcement Agents (CPEA) acting as an objective adjustment of Private Enforcement Agents (PEAs) with alleged misconduct. The following facts and statistics of the Disciplinary Committee come in support thereof.

Since 2006, the Disciplinary Committee with the Chamber of Private Enforcement Agents (CPEA) has opened a total of 99 disciplinary proceedings against Private Enforcement Agents (PEAs). Pursuant to Article 70, paragraph 1 of Private Enforcement Agents Act (PEAA), disciplinary proceedings may be instituted at the request of the Minister of Justice or the Chamber's Board. According to these criteria, the figures are as follows:

In **2006 - 5 disciplinary proceedings - three** disciplinary proceedings by the Chamber's Board and **two** at the request of the Minister of Justice;

In **2007 - 4 disciplinary proceedings - three** by the Chamber's Board, **one** at the request of the Minister of Justice;

In **2008 - 15 disciplinary proceedings - five** by the Chamber's Board, **nine** at the request of the Minister of Justice and **one** at the request of both bodies collectively;

In **2009 - 21 disciplinary proceedings - fifteen** by the Chamber's Board, **six** at the request of the Minister of Justice;

In **2010 - 21 disciplinary proceedings - nine** by the Chamber's Board, **twelve** at the request of the Minister of Justice;

In **2011 - 17 disciplinary proceedings - nine** by the Chamber's Board, **eight** at the request of the Minister of Justice;

In **2012 - 16 disciplinary proceedings - eleven** by the Chamber's Board, **five** at the request of the Minister of Justice;

It is worth noting that the Disciplinary Committee is a new body set up after the latest Reporting and Preparatory General Assembly of the Bulgarian Chamber of Private Enforcement Agents (BCPEA), held at the beginning of the year and although constituted with a significant delay, due to delays in appointing members from the quota of the Ministry of Justice, it is already operating in full speed. In 2012, 16 disciplinary cases were initiated, with scheduled and conducted meetings and already six resolutions on them.

Statistics clearly shows that the Chamber's Board, for the last six years, has initiated the formation of **55** proceedings, while the Minister of Justice initiated **43** proceedings. One disciplinary case was initiated after a joint inspection of the two institutions, the decision on what is to impose a penalty - deprivation of legal capacity for a term of one year, appealed by the affected private enforcement agent (PEA) and confirmed by the Supreme Cassation Court (SCC).

Since 2006, the Board of the Chamber of Private Enforcement Agents (CPEA) has proposed the following penalties: fine - **44** times, deprivation of legal capacity - **9** times, **including 4 requests for deprivation of legal capacity for a period of five years, 3 requests for deprivation of legal capacity for a period of three years, 1 request for deprivation of legal capacity for a period of two years, one request for deprivation of legal capacity for a period of one year and one request for warning of legal capacity deprivation.**

In its requests for engaging disciplinary liability, the Minister of Justice has never indicated the type and amount of penalty sought.

Appealed to the Supreme Court and now effective are 52 resolutions voted by the Disciplinary Committee, with the ratio as follows:

- 24 of the resolutions voted by the Disciplinary Committee are supported by the Supreme Cassation Court (SCC), including three for deprivation of legal capacity, respectively, one for a period of one year and two for a period of three years;
- Under 4 cases the type or amount of the penalty has been revised;
- Under 13 cases the Supreme Cassation Court (SCC) repealed the penalty imposed, one of which was for deprivation of legal capacity for a period of three years reduced to a period of 8 months, and under another one it rejected a request for disciplinary sanction replacing it with a fine of BGN 8000.00;
- Under 6 cases the Supreme Cassation Court (SCC) invalidated the resolution rendered by the Disciplinary Committee;
- Under other cases the resolutions were returned, left without consideration or without concern.

Making a definite conclusion over our experience in the past seven years, the Supreme Cassation Court (SCC) has generally upheld the resolutions rendered by the Disciplinary Committee. The reasons for



engaging disciplinary liability with Private Enforcement Agents (PEAs) have been upheld in the acts of the court.

Enforced resolutions rendered by the Disciplinary Committee for the period 2006-2012 total 81, including **54 cases with penalty imposed** under Article 68 of the Private Enforcement Agents Act (PEAA) as follows:

- Reprimand - 10 (eleven);
- Fine - 38 (thirty-eight), including 20 with fine of BGN 100 to BGN 2,000; 14 with fine of BGN 3000 to BGN 6000; 2 with fine of BGN 10,000 and 2 with fine of more than BGN 10,000;
- Warning of legal capacity deprivation - 2 (two);
- Deprivation of legal capacity - 4 (four) as follows: one for a period of eight months, one for a period of one year and two disciplinary sanctions for a period of three years;

No penalty was imposed under 11 (eleven) disciplinary proceedings.

Under other disciplinary cases, the Disciplinary Committee has suspended the disciplinary proceedings, rejected the request or left the request for disciplinary proceedings without concern.

In 2012, the Disciplinary Committee has issued 6 resolutions on disciplinary cases.

The analysis of the Disciplinary Committee's activities during the period shows that some of the main offences are as follows:

1. Gross violation of procedures for public sale of real estate;
2. Prejudice to Article 79 as of the Private Enforcement Agents Act (PEAA), failing to prepare accounts for charges dues;
3. The cases indicate a widespread violation of Article 80 of the Private Enforcement Agents Act (PEAA) and lack of collected and upfront paid fees by creditors;
4. Starting enforcement actions without the PEA having checked in the proper way the ownership of the property at stake;
5. Systematic failure to administer complaints received in law enforcement offices;
6. Systematic and widespread failure to comply with the provisions of Ordinance №4/06.02.2006 on the official archives of Private Enforcement Agents (PEAs);
7. Going beyond subjective limitations of the writ.
8. Failure to provide cooperation, withholding of required information, copies of documents and notary deeds, failure to provide information about their activities to bodies of the Chamber of Private Enforcement Agents (CPEA), non-cooperation and unassisted work of the Committee on Professional Ethics with the Chamber of Private Enforcement Agents (CPEA), breach of decisions of the Board of the Chamber of Private Enforcement Agents (CPEA)
9. Failure to notify the mortgagee - pursuant to Article 501 of the Civil Procedure Code (CPC).

An extremely alarming trend has persisted over the years in carrying out identical systematic violations and the fact that numerous complaints, usually reasonable, are lodged against the same Private Enforcement Agents (PEAs), and the circumstances thereof may serve as ground to claim disciplinary liability. Although there are several



proceedings against the same Private Enforcement Agents (PEAs),  
violations of this kind continue to be recorded.

**Elitsa Hristova,**

Chairperson of the Disciplinary  
Committee with the Chamber of Private  
Enforcement Agents

## REPORT

### **On the activities of the Control Committee Of the Chamber of Private Enforcement Agents for 2012**



**Dear Colleagues,**

In 2012, this year was the seventh since the Chamber's establishment and perhaps the most difficult given the crisis, but it was full of emotions and useful experience. On the one hand, following our electoral meeting in January there have been profound reshuffle in the governing bodies. It required more time when new members had to get acquainted with their duties and form a well-functioning team, pursuing their missions and pre-set programme. On the other hand, it turned out we have run out of time - we learned literally from media that a group of lawmakers have tabled a bill in the National Assembly, calling into question the very fundamentals of the private enforcement agent's profession. Eventually, with joint efforts we managed to cope with this challenge and as they say "all's well that ends well."

Unfortunately this problem has engaged enormous amount of time and energy with the Chamber's Board and has adversely affected our real priorities. However, thanks to intensive work, the Chamber's Board was able to catch up with the agenda and we can say that during the reporting year meet the Chamber's Board has met most of its pre-set objectives and goals.

Besides its supervisory powers under Article 64 of the Private Enforcement Agents Act (PEAA), the Control Committee with the Chamber of Private Enforcement Agents (CPEA) strived and sought assistance from the Board given the critical situation. The Chair of the Control Committee attended all meetings of the Chamber's Board and the discussions in the National Assembly and later joined the working group at the Ministry of Justice.

The Control Committee believes that **the activities of the newly elected Chamber's Board are legitimate, effective and in the spirit of continuity**. It held 13 meetings, adopted 573 decisions in total, including 111 on current operational and economic issues and 462 on complaints received. Meetings are held on a regular basis and in the required quorum, while decisions are taken in strict accordance with the Chamber's Statutes and Internal Rules. The Board members are divided into committees, assigned with the relevant portfolio of responsibilities. At each meeting they are informed of the implementation of earlier decisions adopted, ensuring compliance with the terms of the implementation thereof.

During the reporting period, **the Chamber continued to operate as an autonomous and financially viable organisation**. It is worth noting, however, that due to objective reasons the organisation's expenses are

constantly growing, even outpacing the growth in revenues mainly from membership fees. The Chamber of Private Enforcement Agents could not perform its functions and contribute to increased efficiency and credibility of the law enforcement profession, unless it is sufficiently secure in terms of financial resources. Therefore, the Control Committee Board believes that Board's proposal to the General Assembly to increase the annual contribution fee is right and necessary.

Revenue of the Chamber in 2012 totalled BGN 326,997.02. Revenue from business activities amounted to BGN 74,640.00.

Apparently, it needs further efforts to increase these revenues rather than rely only on proceeds from membership dues; hence the Register of Debtors could significantly contribute to the Chamber's budget performance.

The Control Committee concluded that **costs incurred are reasonable and appropriate**, consistent with the budget for 2011 adopted and enacted by the Chamber's General Assembly and in accordance with decisions of the Chamber's Board. All costs incurred amount to BGN 229,806.21, whereas the main costs are allocated for payroll expenses to pay wages of the Chamber's administrative staff, maintenance costs of the Chamber's office, consumable supplies, General Assembly, secondment trips, website maintenance, contractual subscriptions, etc. The remainder of BGN 97,190.80 forms a reserve for the new financial reporting period.

**Accounting and financial records are maintained in accordance with the national accounting standards.** Dear colleagues, the Chamber's governance could not achieve much, unless everyone in their daily operations and with joint efforts contributes to the development of our profession and works with open heartedly for solving the problems of individuals and the society as a whole.

**Gueorgui Dichev,**

Chairman of the Control Committee  
Chamber of Private Enforcement Agents