



REPUBLIC OF BULGARIA



***BULGARIAN CHAMBER OF PRIVATE ENFORCEMENT
AGENTS***

ANNUAL REPORT

2 0 1 7



Distribution and number of private law enforcement agents /197/ within the territory of the Republic of Bulgaria as per legal areas (jurisdictions) of action in 2017

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	11	Montana	2	Sofia City	42
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	4	Stara Zagora	10
Veliko Tarnovo	8	Pleven	7	Targovishte	1
Vratsa	5	Plovdiv	20	Haskovo	4
Gabrovo	4	Razgrad	3	Shumen	5
Dobrich	6	Ruse	5	Yambol	2
Kardzhali	3	Silistra	2		
Kyustendil	4	Sliven	3		

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ADDRESS OF THE CHAIRPERSON



Dear Colleagues, Ladies and Gentlemen,

The past year was the last of the Chamber's current governance, which means that we are not only making a presentation of the 2017 activity report but also an overview over the entire three-year period.

However, we have always had our eyes turned not only to the past but also into the future - **what is**

coming ahead of us, what goals and priorities we have to pursue, what policy we should implement and what team we shall use, so that we are ourselves in charge of our own future.

But before making any statements and conclusions, let me dedicate a few lines of gratitude to you.

Dear Colleagues, the last three years have been a trial for our profession. **In addition to the critical moments, we have also made positive, significant changes, built good partnerships, outlining areas where we have the prospect of developing.** I want to thank everyone involved in these processes with their contacts, expertise, advice or critical remarks. Thank you also for showing sustainability and understanding in the most difficult moments. I believe that our Chamber - in addition to an organization with governing bodies, a team, and regulated roles in it - is also a living organism from colleagues and affiliates. In this organism, the presence, behavior and contribution of each of us has a bearing on what our future path will be.

At the end of this term, I am convinced that each law office, each of you, can influence both success and crisis in our profession.

We are about to close a mandate of unprecedented pressure. Three years in which the PEA system was constantly subject to attacks because of political populism and subjective interests. We have been the subject of legislative exercises and of intentions for profoundly wrong interventions. All this really threatened the very existence of the system. We went through several serious attempts for lobbying fixes, always at the last minute, against the backdrop of unprecedented, deliberately created, strong public negative attitude.

Our country is poor, people are poor, they are piling up debts, because they are in a deadlock. It is in the end the bad guy who comes to collect receivables. The media, while racing for rating, are telling stories about the heavy fortunes of debtors and their families. Yes, it is the reality. But it is true that some of us - inside the system - broke the rules and helped the populist attacks. During this tenure, the profession was also heavily affected "from within". In the situation where the PEAs were the target of political speakers, our colleagues have given the media a chance to produce negative coverage linking PEAs with fraud. A "private

enforcement agent" and "fraud" is a typical example of an oxymoron, two completely mutually excluding concepts. Others, though few, but influential colleagues, watched indiscriminately the devastating external attack, driven by confused emotions to the Chamber management.

In this situation, it is a miracle that we have managed to preserve the law enforcement in our country as an effective system ensuring the rule of law. However, I do not believe in miracles, I believe in labor, intellect, knowledge and morals, I believe in unification and constant and common efforts to defend a cause, such as private law enforcement.

That is why the word that should unite us in the future is "responsibility". Unless everyone is individually responsible for the profession, we will suffer not only attacks but also defeats. Because we exercise a delegated state power that can be withdrawn at any time if any of us fails to meet the highest professional standard.

Of course, I am well aware that we would be short-sighted if we only stay at this level of situation analysis. The reasons for trying to "regulate us", cut and restrict our dities every other year are even deeper.

The fact is that the latest "legislative attack" has shown legislators have no idea of our sector, there are few who fully understand law enforcement. On the other hand, the wave of populism is deliberately held on high rise. Behind the veil of populism, there were attempts to serve monopolistic interests rather than the poor debtor, the individual. **What else, if not lobbyism, was there in the amendment to the voluntary implementation period - an amendment that is being proposed over time since 2014?** First, by a decree of the Council of Ministers on the government's last working day, then with the amending law to PEA Act, to be repeated in 2017 as well, when there were 4 bills for amendments to the Civil Procedure Code.

Many other legal corrections, such as limiting the amount of fees not to exceed the debt amount, concealed the interests of other stakeholders, for whom indebtedness is a "market niche" they wish to enter.

In all these crises, the Chamber relied on one tool - the expertise. We held numerous conversations, prepared reports, opinions, alerted with official letters to defend the normal functioning of the PEA.

I believe we have left this battle with dignity. We have reversed the "game" - they had seen us as a fuse to spare. Yes, we have suffered damages, but generally, from the highest rostrum in the National Assembly there was a free talk to revoke private enforcement, the rhetoric of "putting reins on" domineered, we were able to defend ourselves adequately. Our profession remained a partner to the state. It is a fact that no serious institution in the country can deny the contribution of private enforcement to the debt sector for the last 12 years.

We would not succeed and resist the attacks if it were not our active work all these years. We had prepared a set of legislative proposals in the Civil Procedure Code already in the first year of

our mandate. The package which was considered by the executive committees and in 2016 it was fully prepared consisting of our proposals - electronic auctions, voluntary sales, extension of the range of actions to be appealed, guaranteeing of social payments in case of seizure of accounts, even suggested amendments to the Family Code to regulate the personal relationship cases, etc.

This legislative activity can not and should not be underestimated. If it was not for the proactive work in the committees, our readiness for expert opinion, dialogue with the institutions, our good partnerships with the institutions, agreements with the state authorities, good work with the municipalities - collateral losses for the profession from the latest legislative attack could have been more serious.

In days of heavy talks, we have managed to convince many people are wrong in their position that PEAs are evil, which should be limited. In 2016, we made a campaign to raise public awareness of the rights and obligations of debtors and creditors. Under tight deadlines in 2017 and in more tense situations, we had to "educate" lawmakers and their experts and associates to avoid making fictional ones about closing down the profession and cutting off our powers.

Last year, it was definitely the most serious trial for the profession. Four different bills, one Ombudsman, hidden financial interests of other stakeholders, public negative attitude, and the unequivocal desire of some parties to demonstrate to society the readiness to punish the "bad guys". The outcome is clear to all. The results - too.

I think the crisis has brought some good. Unprecedented pressure has succeeded to "bring us together" us, to complete a process that began years ago. The process of affirming BCPEA as an organizational structure of law offices into an institution that is a proactive advocate of not only the PEA interests but also of the public interest.

Interaction with the institutions has grown to a new level. The support of some municipal mayors has been developed in cooperation between the institutions of BCPEA and the National Association of Municipalities in Bulgaria (NAMRB) and into a permanent partnership. In pursuit of our policy of developing relations with the institutions and transforming PEAs into a major partner of the state in collecting public debts, we signed on July 1, 2015 an agreement with the Supreme Judicial Council (SJC). **We can now boast of an excellent working relationship with the SJC and the courts. The deeds started despite the many difficulties and attempts to tolerate public enforcement agents.** Municipalities continue to prefer us to public enforcement agents. We have a high collection rate, we have shown that we are effective in collecting such receivables as well. The public interest and that of taxpayers explicitly require the state authorities and the municipalities to assign to the PEAs the collection of public receivables, as the costs of cases are borne entirely by private enforcement agents. When this activity is carried out by public authorities - public executors, the public enforcement agents, in addition to losses from lower efficiency, budget and taxpayers pay the bill for all costs in cases where there are no proceeds. It is a well known fact that due to people's

poverty and imperfections in the law, uncollectible claims in our country exceed 60%. **In order to support the state, based on the public interest and the awareness of the state functions assigned to us, we made an extremely important gesture, a gesture little known to the public.** We have proposed the amendment to Article 81 of the PEA Act, according to which creditors of maintenance claims, of an employee under an employment relationship, of transferring a child, as well as of public state and municipal receivables shall be exempted from advance payments. Thus, by taking over the costs, PEAs are deprived of significant revenue, but funds in the public budgets are free to use and the regulatory and administrative obstacles to the development of the process of assigning public receivables are eliminated.

The matter of collecting public receivables, besides a fiscal perspective, has another important point of view - the rule of law, order, peace and even the life and health of Bulgarian citizens. Namely because of the feeling of impunity it is the main reason for the thousands of people injured on the Bulgarian roads, the lack of respect not only to the state institutions and control bodies but also to the law and the rules in general. Penalties must be effectively enforced, because only in this way we can prevent all types of law violations. Therefore, populism on the topic of PEA, apart from having to stop, should stop being a tacit justification for some leaders who are not driven by the interest of the state and the citizens on this matter, but by misunderstood self-focused PR.

Out-of-court debt collection and collection of public receivables, including Traffic Police fines - these are the two important issues we have put on the agenda of state institutions. Regardless of the social and political situation and changes in power, I believe that we must continue our active work on these two topics.

It is high time for everyone to understand - PEAs are not private commercial entities, but a tool created by the state and controlled by the state to solve a problem that is particularly important for the economy, the business, the citizens and the budget. So there is nothing more natural than the state, through its bodies, to use PEAs to collect its receivables.

Therefore we have stressed many times that the PEA Act requires a permanent and effective partnership in all aspects between the Chamber and the Ministry of Justice (MJ), and I think it is present and produces positive results. Cooperation with the two MJ inspectorates on control and disciplinary practice can and still need to be upgraded.

As a plus for the mandate, we appreciate the good international cooperation, recognition and support that the Bulgarian Chamber receives from private enforcement agents from Europe and from the International Union of Judicial Officers.

I believe that the implementation of good practice in law enforcement in Europe has been a strategic direction in the CPEA work. Electronic auctions and voluntary sales were neither familiar to the Bulgarian institutions nor to the society, but thanks to the Chamber they have been implemented. Years ago, it was an identical situation with electronic distraints - we were the ones who for

years advocated for them and explained to all authorities the benefits of it.

In many European countries, private enforcement agents have a much wider range of powers, which is also a good prospective for the profession in Bulgaria. What other functions are assigned to the PEAs in the EU Member States is seen in the European Commission's questionnaire on the effectiveness of justice (European Commission for the Efficiency of Justice, CEPEJ) in relation to the regular assessment of the European judicial systems: service of judicial and extrajudicial documents, extrajudicial debt recovery, voluntary sale of movable and immovable property at public auction, collection and supply of evidence (establishing facts), participation in court hearings, provision of legal advice, execution of bankruptcy proceedings for legal and individual persons, performing tasks assigned by judges, representing a party before a court, drawing up private acts and documents, managing buildings, etc.

Thanks to the Chamber's constant efforts in this direction, Bulgarian newspapers and bulletin boards are already present.

In summary, the work of the Chamber's representatives with the Union at international level during this period brought positive results in two key aspects - know-how to develop good practice models to prove the system progressive development, and - very important - strong, reputable, firm support from the International Union of Judicial Officers at key moments of the legislative crisis we have experienced. Looking ahead, I believe that investing effort, time, resources in international activity should continue.

During this mandate, we laid down the foundations of a new, our own structure with enormous potential - European School of Enforcement (ESE), which, with its very first steps, has shown its efficiency both internally and internationally. The ESE has been an idea and a project existing since the creation of private enforcement, but a long way to go before PEAs to create an educational institution that has the ambition to help all legal professions.

Our school is still in the beginning, it will soon be gaining momentum with high-quality training, use of modern technology, and last but not least, with affordable service prices for all employees.

Dear Colleagues,

The current management stepped in with the firm promise to tighten control over the operations of law offices. The inspections we made produced results. It is here to mention the process of building the electronic system for statistics and monitoring of law offices as well as the drafting of Disciplinary Code by summarizing and analyzing the disciplinary practice. **Control by the Chamber should be a top priority for any management team, otherwise the profession will lose one of the most important conditions for its effectiveness - its independence.**

Despite the unprecedented, extremely difficult external situation, the Chamber's management team has successfully implemented most of the program with which it was elected three years ago. Changes in jurisdiction, as well as other amendments to the Civil Procedure Code, such as voluntary sales, electronic auctions, enforcement on

industrial property sites, sale of groups of property, detached parts of businesses, etc., are already a fact. Some of the changes in court performance can even be described as revolutionary because they have brought Bulgaria among the most advanced countries in this respect. Here is the place, apart from critical remarks, to express the well-deserved praise to the Chairman of the parliamentary Legal Affairs Committee Danail Kirilov and the lawmakers who did not hesitate to turn the future into a present.

The introduction of an electronic filing system with the Chamber, containing all current paper documents, payroll cases of all PEAs, disciplinary and case law, work with the institutions, the media and civil organizations, the ESE establishment, the extension of powers of private enforcement agents following suit of the best European practices on private document service and voluntary sales, the collection of judiciary claims and a large number of municipalities, the improvement of control gears and successful implementation of priorities.

Despite some progress achieved, we have not been able to deal with the most harmful forms of unfair competition and we have been unable to actually implement the electronic platform for access and exchange of information and documents between private enforcement agents and institutions. The electronic platform project is extremely important not only for private enforcement agents, but also for creditors, debtors and the public authorities. It aims to centralized all the information about a debtor, to administer only one state fee or to upgrade the system by performing electronic execution actions - things that seem almost like dreams in our country, while in many European countries it has been a reality for a long time. We have made enormous efforts, we have held dozens of meetings with the institutions, and yet the real finish is just as far away as before. We have convinced many leaders in the benefits of the system, we have political approval, but at a lower level things continue to develop at a slow pace. Nevertheless, we are about to sign an agreement with the National Revenue Agency (NRA) and several smaller registers, as well as with Sofia Municipality, so we expect the project to see a momentum in the coming months.

We look ahead and consider the dynamics of processes and changes - political, market, internal. I do not want our profession to lose the pace and reduce the defenses we have built. I do not want to change the strategy that guarantees sustainability so far. Of course, changes are needed. Each system willing to develop must also change.

Here are the highlights of our vision in the future:

Protection - protection of our profession from attempts to be discredited and limited, which will continue.

Extension - reasonable and relaxed steps to expand our business and ensure the sustainability of our work.

Improvement - very hard work to improve the systems of the Chamber of Private Enforcement Agents and the profession as a whole - from the electronic registers and the Chamber's website to the inter-organizational systems for exchange of information, control and crisis response. Using this word, I mean the increasing of

usefulness of the CPEA for its members, for individual law offices. Here is the subject of continuing control and clearing the profession from harmful practices.

Public interest - gradually implying the understanding that private law enforcement is working in the interest of the functioning of basic public systems, **it has a strong public function by itself**. So far, we have positioned ourselves as a partner to the state. From now on, we must reasonably position ourselves as a structure that is created by the state and performs key functions in one of the most sensitive state systems - the judicial system. This is also the best defense against possible attacks on the profession.

New dialogue and network - a new approach to dialogue with key public players - institutions, politicians, media, non-governmental sector, academics.

In conclusion and from a human point of view, dear colleagues and friends,

In the past three years, we have lost people who are important both for the profession and for us. So let me wish in the next period, above all, to be sound and healthy. Only then I wish you everything else - development, successes, big and small wins in personal and professional terms. I wish all these things because I believe that each one of us is important to progress!



GEORGI DICHEV,

BOARD CHAIRPERSON OF BULGARIAN CHAMBER OF PRIVATE ENFORCEMENT AGENTS

1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

Private law enforcement operates in Bulgaria since 2006. It was introduced by a special law after political consensus, support from the judiciary and the approval of the banks and all business organizations. For twelve years now, private enforcement has been functioning effectively.

Today, in the light of the Bulgarian Presidency of the EU Council, the overall judiciary reform is even more urgent matter on the agenda. The Chamber of Private Enforcement Agents supports the efforts of both the executive and the judiciary, so as to guarantee the public interest. Twelve years ago, we have shown how a part of the judiciary can be reformed and be effective for years, to successfully partner not only with business, but increasingly with the state, the municipalities and citizens. This is evidence that wherever there is a will and common action between the political spectrum, the judiciary, the non-governmental sector, business organizations, international partners, then things can happen.

Today it is clear that the private enforcement system has managed to become an effective regulator of the business, a source of revenue for state and municipal budgets, a tool for solving issues with amounts due to employees, citizens, households. Statistics and figures on our activities are speaking for themselves - without PEAs, return of debts, stability and security of the economy and citizens would be at risk. For 12 years PEAs have recovered to citizens and businesses over BGN 8 billion. For 12 years we have contributed directly to the state budget nearly BGN 800 million. Today the PEA law offices employ several thousand officers. In the first years of our profession, there has been a lot of talk about the PEA role as a business regulator. For the billions of levs we have recovered to the business and the state budget. Now, in addition to this function, another one is easily detectable - the social one - allowances, claims under employment contracts, transfer of children. This is also part of this profession. Therefore the recognition they receive from Bulgarian institutions, courts, businesses, academics and other legal professions comes as no surprise.

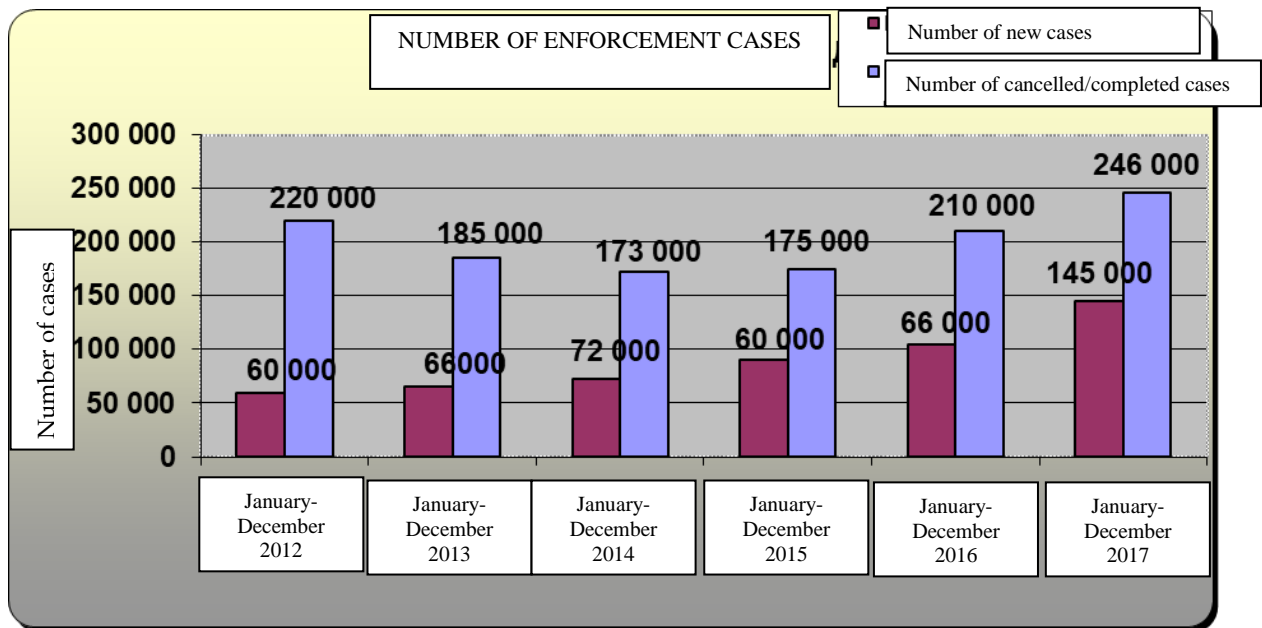
At the end of 2017, a total of **197** law offices of PEAs operated in our country, employing over 2500 employees.

The status and development of private enforcement system in numbers for the last 5 years looks as follows:

<u>Initiated cases:</u>	<u>Completed cases:</u>	<u>Amounts collected:</u>
2013 - BGN 185,000	2013 - BGN 66,000	2013 - 1,135 billion
2014 - BGN 173,000	2014 - BGN 72,000	2014 - BGN 1 billion
2015 - BGN 175,000	2015 - BGN 90,000	2015 - 1,025 million
2016 - BGN 229,000	2016 - BGN 105,000	2016 - BGN 1,030 million
2017 - BGN 246,000	2017 - BGN 145,000	2017 - BGN 1,100 million

*** Remark: Data for 2017 are estimates, since they are still being collected and summarized.**

For twelve years since the inception of private law enforcement in Bulgaria, **1,750 million cases** were initiated, **625,000 cases** were closed and the total amount collected exceeds **BGN 8 billion**.



In 2017, complaints submitted through Private Enforcement Agents (PEAs) to district courts total approximately 4700, including nearly 540 cases upheld by the relevant court.

The majority of Private Enforcement Agents (PEAs) in Bulgaria have authorized their assistants - in 2017, a total of 212 Assistant Private Enforcement Agents (PEAs) worked throughout the country. Customers of the PEAs are not only companies, banks and businesses in general, but Bulgarian citizens with claims as civil relations and for wages, allowances and child transfer. Given that fees for those debts are not paid by the creditors, but have to be paid from the budget of the relevant court, but that does not happen, in fact PEAs finance on their own such cases, which is a considerable amount.

Cases of PEA in favor of the state, municipalities and citizens are growing, according to statistics of the Bulgarian Chamber of Private Enforcement Agents for 2016 and 2017. Figures indicate the enhanced social function of PEAs. We recover increasingly more "public money" and in the poor financial situation of Bulgarian municipalities, they prefer to work with PEAs. Almost all of the municipal administrations already use the PEA services. Since 2014 we have 120% growth in cases of local administrations.

For the first six months of 2017 there was no change in the rates and data of casework compared to the previous year, including the number of sales of real estate, except for:

- The amount raised for the benefit of citizens is increased - BGN 92 million. For comparison BGN 150 million was collected in 2016.
- There is also an increase in receivables for subsistence allowance - BGN 2.2 million (BGN 3 million in 2016) and receivables for salaries - BGN 5 million, compared to BGN 8 million in 2016.

- Cases in favor of the courts are decreasing - 5,200 for the first half of 2017 versus 16,000 in 2016 (likely to be initiated with public enforcement agents). Nevertheless, the amount raised increases - about BGN 800,000 versus 1.1 million for the whole of 2016

- The trend of declining cases in favor of banks continues - from January to June 2017, only 15,000 new enforcement cases were received from bank creditors, which represents only 14% of all newcomer enforcement cases.

Businesses, citizens and the state remain the main user of the PEA system.

Law offices use modern technology in their secretarial work. Access to information on debtors, a significant part of which is now received electronically, ensures speed, which is key for the process.

Distribution of cases

Cases in favor of:	I-VI 2017	2016	2015
Traders and other legal entities	69,400	123,100	100,500
Banks	15,400	32,000	27,600
Citizens	10,300	20,100	17,700
State	29,300	51,100	23,500

According to data of the Institute for Market Economics, following a thorough social and economic analysis of PEA activities and an impact assessment of the four different draft amendments to the Civil Procedure Code (CPC) proposed in 2017, the conclusions regarding PEA effectiveness against public enforcement agents are clearly speaking:

Comparison of the effectiveness of public enforcement agents and PEA for 2016			
	217 Public EAs	202 Private EAs	Difference in favour of PEA
Initiated cases	29 000	210 000	7.2 times
Completed cases	31 000	105 000	3.4 times
Collected amounts (total)	BGN 69.5 million	BGN 1 billion	14.5 times
Including in favor of			
Companies	39.8 million	300 million	7.5 times
Citizens	23 million	150 million	6.5 times
Employees	2.4 million	9 million	3.75 times
State and municipalities	6.7 million	110 million	16.4 times
Source: Ministry of Justice (MJ) and BCPEA			

Private law enforcement in Bulgaria meets all European criteria for a modern, lawful and effective business.

2. BACKGROUND OF THE CHAMBER

Since its inception on November 26, 2005 the Bulgarian Chamber of Private Enforcement Agents (BCPEA) has succeeded to establish itself as a good partner for both Bulgarian and international institutions. The foundations of private law enforcement were laid down in the first few years. The BCPEA is an institution and is an integral part of the mechanism used by the state and the law to meet their public duties to both the society and the economy. There is barely a public or a state institution, a municipality or a court not to confirm the efficiency of private law enforcement. For 12 of hard work, though being affected undeservedly by the economic crisis and political disturbances in the country, PEAs demonstrated they work for the benefit of the entire society, strive to introduce high standards of professionalism and ethical conduct. The Chamber keeps effective working relationships with the authorities and public institutions and offers a wide range of services to its members.

PEAs operate on the territory of all district courts in the Republic of Bulgaria, which are currently 197, including 99 men and 98 women.

During the reporting period, three PEAs with area of competence within District Court of Пловдив, District Court of Плевен and District Court of Бургас, lost their powers pursuant to Article 31, paragraph 4 of the Law on Private Enforcement Agents - for a term of 1 year, one PEA for a term of 1 year and two months and one PEA for a term of 5 years. Two PEAs - with area of competence within District Court of Сливен were definitely debarred - the former under Article 31, paragraph 1, sec. 2 of the Law on Private Enforcement Agents, and the latter - under Article 31, paragraph 1, sec. 1 of the Law on Private Enforcement Agents.

Any change in the circumstances under the Law on Private Enforcement Agents (LPEA) are entered into the Register of Private Enforcement Agents - both duly kept in electronic and paper versions - under Article 4, paragraph 3 of the Law on Private Enforcement Agents.

The Chamber management is executed by a Board of eleven primary members and one alternate member, while as of 31 December 2017 the administrative management is entrusted to a team of six employees on permanent employment contract and three employees on civil contract. The Bulgarian Chamber of Private Enforcement Agents (BCPEA) 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 assess the reporting period, this year the Chamber has 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 organizational skills of management staff.

This year 48% of the total number of private enforcement agents responded to our assessment questionnaire. It is nearly half of our members. We sincerely thank all colleagues who participated in the survey and were very objective and critical in their personal

assessment as members of the industry, as it is important for the BCPEA management and the administration with a view to correcting and improving activities in future periods. 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
Are you satisfied with the activities of the Bulgarian Chamber of Private Enforcement Agents as your professional organization?	5.29	88.19%
How do you assess the services rendered by the Chamber?	5.33	88.76%
Administrative services	5.38	89.73%
Trainings of European School of Enforcement (ESE)	4.99	83.14%
How do you assess the management of the Bulgarian Chamber of Private Enforcement Agents?	5.31	88.50%
Activities	5.32	88.70%
Readiness to communicate with its members	5.36	89.34%
Communication with the media	5.09	84.88%
How do you assess the administrative staff of the Bulgarian Chamber of Private Enforcement Agents?	5.50	91.67%
Activities	5.51	91.76%
Communication with the members	5.58	93.02%
In due time	5.53	92.25%
To the extent needed	5.52	91.96%
Overall attitude	5.58	93.02%
Overall assessment of the Chamber's activities according to the needs, expectations and usefulness to its members	5.17	86.18%
What is the quality of materials produced by the Bulgarian Chamber of Private Enforcement Agents?	5.26	87.65%
Website	5.17	86.24%
Register of Debtors	5.27	87.84%
Register of Public Sales	5.32	88.63%
How do you assess the training organized by the Bulgarian Chamber of Private Enforcement Agents?	5.09	84.83%
Lecturers	5.18	86.35%
Content of educational materials	5.11	85.12%
Quality of training materials	5.14	85.71%
Price	4.58	76.39%
Number	4.82	80.32%

Public Relations		
Overall contacts with media	4.84	80.69%
Number of articles published about private enforcement agents (PEAs) in media	4.84	80.69%
Quality of media coverage and their effect on the profession of Private Enforcement Agents (PEAs)	4.66	77.71%
Interaction with the institutions	4.84	80.66%
Computerization of law enforcement procedures	4.73	78.86%
Improving the institutional environment for the work of Private Enforcement Agents (PEAs)	4.82	80.32%
How do you assess your personal participation and contribution to the activities of the Bulgarian Chamber of Private Enforcement Agents?	3.81	63.42%

After processing and analysis of the results, we reached the general conclusion that overall estimates for 2017 remain unchanged compared to previous years. The evaluation of the PEAs given to administrative staff of the Chamber, which is traditionally high, is the same in absolute terms in 2017. All PEAs who have filled in and sent questionnaires (a total of **94** colleagues), clearly indicated in their responses that they are satisfied with the Chamber's work and believe that there is progress and development. The overall assessment received for services it provides and its usefulness for the individual PEAs is **5.29** on a six-point scale, performing administrative services for members and this year assessed with the highest score - **5.38**.

A total of **87** respondents have determined the BCPEA activity as generally positive, but 1 PEA shared the opposite opinion. No With regard to the question of whether in 2017 there has been progress in the Chamber's overall work in comparison with 2016, the majority of respondents (over 80 %) believe there is such progress - given the amendments to the Civil Procedure Code, such as electronic auctions, voluntary sales, service of documents by private enforcement agents, etc. Moreover, a large number of these colleagues point out in their assessment that, in view of public attitudes of citizens and institutions and the unprecedented pressure on PEA activities, considerably more work has been done compared to the previous year. Some PEAs, however, believe the progress is due to a small number of Chamber members. In the questionnaire, there are quite a lot of opinions about the role and personal contribution of the BCPEA Chairman in his efforts to enhance the reputation and strengthen the trust in PEAs. His markedly balanced media behavior was also considered positively. In their responses, colleagues also assessed the progress in work the local municipalities in the respective judicial districts nationwide.

Several colleagues point out that they can not rate progress, given their short experience as private enforcement agents and members of the Chamber. They took office in 2016 and have no benchmark for CPEA activities in previous years but pointed out in their responses that they have always received the necessary assistance and good attitude from the Chamber's administrative staff. Five PEAs see no change for

the better in the Chamber's work compared to 2016, but two of them emphasize that progress is hard to expect given the difficulties and the enormous burden in the process of adopting the new Civil Procedure Code. The opinion of one private enforcement agent is indicative, saying that over the years, the experience gained (in general for the CPEA and individually for each PEA) has benefits with the fruit of wisdom, skills and points to both the mistakes and the positive effect of our overall everyday work.

In summary, we should take into account the good results in the Chamber management's work and the excellent testimonials for administrative staff of the Chamber. The average score on the management activities in 2017 is **5.31** (compared to assessments made in 2016 it was 5.48, 5.33 in 2015, 4.91 in 2014), while the administrative team is rated with **5.50** (for comparison: 5.58 in 2016, 5.63 in 2015, 5.63 in 2014). Given the difficulties we and the profession has experienced and in the past year, the assessment by private enforcement agents for the Chamber management and administration shows once again that we enjoy high confidence, that you support us and show understanding and sustainability even in the most critical moments accompanying our professional path. Thank you for your patience, understanding and respect, dear Colleagues!

Asked for the most useful activities in the service and interest of members during the reporting period, the largest number of respondents suggest:

- Successful completion of the battle in the National Assembly for the adoption of the new Civil Procedure Code. To protect the interests of the sector in the parliament and the media;
- To ensure electronic access to the Bank Accounts and Safety Boxes Register at BNB - a very large number of respondents appreciate the availability of this service;
- Proactivity in expanding cooperation with a number of key institutions such as the Supreme Judicial Council (SJC), municipalities, state agencies, etc.;
- Timely and objective notification of the changes in the legal framework and the latest developments concerning the work of private enforcement agents;
- Workshops organized by the European School of Enforcement (ESE) for the promotion of vocational training, especially those under the new Civil Procedure Code;
- To conduct national conferences and work meetings to discuss case studies and good practices. The opportunity for meetings between colleagues in the profession during these events;
- Comprehensive work with the media, balanced media appearances - efforts to protect the PEA activities from populist and incompetent statements and opinions, including to clarify the nature and activity of private enforcement agents in order to reduce the high rate of negativity and aggression towards our professionals;
- Excellent and beneficial communication with the team of the Chamber and immediate responsiveness of the administration officials in requesting instructions and assistance regarding the activity in law offices - overall support, assistance, understanding and assistance in any issues reported;

With regard to the adequacy of the amount of membership dues to the activity of the BCPEA, opinions this year consolidate about indisputable opinion that the dues to the Chamber's activity is proportionate, adequate, fair, reasonable and balanced - unlike in 2015 when they were quite controversial, fair, optimal, acceptable and satisfactory.

Seven out of 94 interviewed PEAs consider that the amount of the fee is high and should be reduced. Assuming this is a representative share of the opinion of members of the entire sector, we can summarize that only 7.5% of colleagues accept the membership fee to be higher and call to think over its possible reduction. There are several suggestions in the questionnaires for a change in the principles of annual fee formation. They mean that the membership fee should be formed not on the basis of number of authorized PEAs but rather on the collection and annual revenue of private enforcement agents. Last but not least, there are a few members of the Chamber who consider that the membership fee is low and should be increased for PEAs who can afford it. In their responses, they share the view that the Chamber's financial independence is very important and would allow for the implementation of new and innovative projects that will strengthen the reputation of our organization.

An essential part of the questionnaire criteria refers to public relations, including our media cooperation and the Bulgarian Chamber of Private Enforcement Agents' interaction with the Bulgarian public institutions. Judging by the final result of the respondents' answers, they have comments with regard to the Chamber's status as their professional organization with regard to 2017 compared to the previous year of 2016. These results in the questionnaire are probably largely due to the unprecedented pressure on the PEA system - a permanent target of media attacks, threatening the very existence of the system. Strongly negative public attitude was deliberately created by external factors with different political and economic interests. We all know the definition of populism - an impact on the public opinion through behavior and promises of measures that correspond to the general mood. During this reporting period, the wave of populism was deliberately kept on high rise. Behind the veil of populism, there were attempts to serve monopolistic interests rather than the poor debtor, the individual. The media, while racing for rating, are telling stories about the heavy fortunes of debtors and their families. Yes, it is the reality. But it is also true that some of us - inside the system - broke the rules and helped the populist attacks. During this tenure, the profession was also heavily affected "from within". The truth, however, is that we have never made such serious efforts in the years before as we did in 2017 to balance media aggression and try to defend our profession. In the present situation, it is a miracle that we have managed to preserve the status of private law enforcement in our country as an effective system.

For the criteria "Interaction with Institutions", "Electronization in enforcement procedures" and "Improving the institutional environment for work" assessments this year are quite positive, although the opinion of the PEA on these indicators remains traditionally skeptical and reduced to other activities and

initiatives of the BCPEA. Estimates of colleagues in this field can be summarized as follows: better and higher than previous years, assessment of interaction with institutions - **4.84** /compared to 2016 - 5.08; in 2015 - 4.93/ and achievements in the field of computerization of court procedures performance - **4.73** / compared to 2016 - 4.77; in 2015 - 4.70/. Regarding the indicator "Improving the institutional environment for job", satisfaction levels remained the same as in 2016, PEAs gave an overall rating of **4.82**.

Asked what the Chamber can do, according to PEAs, to assist their work, their answers are very diverse and focused mainly on:

- To work actively to introduce electronic auctions and electronic distractions. To develop uniform requirements for the automation of the overall activity of private enforcement agents;

- - To ensure collection of receivables of Traffic Police and other public creditors. To ensure access of private enforcement agents to Traffic Police databases and the possibility to stop debtor's vehicles from being driven;

- To fight unfair competition in the sector;

- Together with the Ministry of Justice to complete the amendments to Ordinance No. 4 on the official archives, especially with regard to archiving, storage/destruction of enforcement cases;

- To organize regional meetings of PEAs in relation to operability in their joint work. Unification of practice;

- To provide more training as a whole. To organize more practical workshops for private enforcement agents and their employees at a lower price for the CPEA members. Online trainings/webinars for office staff;

- To attract and participate more actively in the organizational and management activity of the majority of CPEA members;

- To improve the Public Sales Registry functionalities in order to facilitate PEA work and law offices' employees;

- To make efforts to unify practice with regard to issues that are controversial and not specified in the law;

- To procure an electronic connection to the municipalities' databases for tax assessments, municipal public debts, regarding declared property. To procure an electronic connection to NRA's public liabilities databases. NRA should provide in their certificates full data on the moment of imposing injunctive relief for the circumstances that are in breach of the terms under Article 191 of the Tax Insurance Procedure Code. Electronic connection to the regional and municipal agricultural services databases on the ownership of agricultural and forest land, agricultural and forestry equipment, sketches and characteristics;

- The CPEA's main task is to influence the social environment in the direction of public acceptance of private enforcement agents' activities as necessary and socially relevant. To continue to defend the profession's image;

- So far, what the Chamber does is enough. The rest relies on each individual member.

We thank all colleagues who have openly expressed their critical comments. Responding PEAs have made recommendations in the following areas to improve the Chamber activities as a whole in 2018:

- To improve relations with all institutions - including National Assembly, ensuring that the work of the Legal Committee and is doing everything possible to participate in working groups and submitted opinions on anything that could concern our activities - Ombudsman, Council of Ministers, Association of Banks in Bulgaria (ABB), Association of Debt Collecting Agencies, NGOs, having or commenting on issues related to the PEA activities;

- The negative attitude of the legal community and institutions to PEAs is not yet overcome. We should be more proactive. We should launch ideas and promote them through discussions, conferences, meetings with representatives of different backgrounds - lawyers, judges, municipalities and state institutions;

- To implement a strong and firm policy for ensuring more respect for PEAs regarding their activities, rather than saying, "You are about to be closed after all". All institutions should be obliged to cooperate with PEAs like they cooperate with all other bodies and institutions;

- More media appearances to clear the sector's image by explaining to the public, in a comprehensible language, about the rights, duties and issues of law enforcement. To deepen preventive work with the media and avoid any campaigning. To protect the sector and not to allow a new "anti-PEA" campaign. To work in social networks through an external agency;

- To work hard for amending the Civil Procedure Code (CPC) in order to abolish the state fees for information received. Stronger CPEA advocacy before state and municipal authorities in case of poor practices on their part and in case of complaints from private enforcement agents;

- To make more uncompromising office inspections on important, not insignificant issues, in order to unify practice and clear the image;

- To establish a Register of Disciplinary Practice with the option to search by provision;

- To enhance cooperation with other institutions to streamline more enforcement procedures. Any information about debtors should be obtained electronically; notification of companies and, if possible, of citizens electronically. Work should be done to accelerate the integration and development of a system for electronic distraint and electronic public auctions;

- More and more diverse workshops. More training in financial issues in our activities. To introduce webinars as a form of training;

- To establish a unified filing program to benefit all PEAs, thus unifying the forms and templates as well as the overall activity of

all Chamber members. The Chamber should strive for more even distribution of cases between PEAs;

- To improve the functions of the Register of Public Sales: publication of notices, files and photos, with the ability to use previously uploaded listings and photo files that can be changed only dates and prices similar to identical websites offering and sale of property. Ability to automatically backup /download/ of underlying public sales. To add new functionalities - subscriptions to buyers set criterion;

- To change the office building, our profession needs something more decent for members and for external visitors and guests. To purchase a building for the Chamber needs. Own property should be purchased to ensure better efficiency of the administration;

- To keep international contacts with similar organizations abroad;

- To continue to defend the profession's image. To provide methodological guidance and comments on the practice of the courts. To provide practical advice on work as a whole. To work more towards aligning the work in all law offices and the actions of private enforcement agents. To indicate good practices of PEAs;

- To improve communication with individual members. The Chamber management should involve more actively members in their work. To inform more often and more fully the PEAs about the trends and Chamber intentions regarding forthcoming changes in the legislative framework of law enforcement. More efforts to bring together the Chamber members around their common goals;

- BCPEA performs all actions optimally. To continue in the same spirit. Development in the same direction;

- I can not decide. I have no recommendations.

PEAs this year gave a slightly higher rating compared to last year for their personal involvement and contribution to the Chamber's work - **3.81** (compared to 3.69 - in 2016; 3.84 in 2015). The CPEA management hopes that colleagues are aware of the importance of their personal motivation and commitment to the common cause. The general conclusions about our work in 2017 indicate that the results may have been much better if all Chamber members were even more involved in the hard work to protect the sector from external attacks and unacceptable amendments to the Civil Procedure Code (CPC). We are confident that in 2018 we will be much more consolidated and focused on achieving a balance, prosperity of our institution and strengthening the core values in our profession.

3.1. National Conferences and Work Meetings

Two national conferences were held in 2017 to discuss topical issues and matters of enforcement. The forums were conducted in a spirit of open dialogue and active discussion on the common topics, exciting colleagues in specific regions and across the country. The main focus of both conferences were the initiatives for passing amendments to the Civil Procedure Code by the National Ombudsman and non-governmental organizations as well as the impact of these initiatives in the parliament.



On May 27, 2017, a National Conference of PEAs was organized at Helena Resort Hotel, Sunny Beach resort. Guests of the event were District Governor of Burgas, Mr. Valcho Cholakov, and Chairperson of Burgas Court of Appeal Mrs. Denitsa Valkova. The prepared amendments to the Civil Procedure Code (CPC), the Chamber's actions and opinion on them were a main topic of the conference. Chairman Gueorgui Dichev informed the sector about

the meetings, including the new Minister of Justice Tsetska Tsacheva, who was introduced with the risks to collectability and the judicial system from possible non-expert and hasty changes in the system of enforcement. The results of the work with the courts as well as the specific issues that PEAs face in their work on their cases were also taken into account. The discussion between private enforcement agents and Mrs. Valkova was extremely beneficial and she committed and respected her commitment - to inform the chairmen of the district courts in the appellate region of Burgas about the conference outcomes.



Attending participants were acquainted with the results of the new PEAs' offices monitoring as well as with a summary of the Minister of Justice reports on the control of PEA activities.

The conference agenda included issues of particular importance related to day-to-day activities of private enforcement agents. A number of specific procedural and enforcement issues were discussed, including established

divergent practices with regard to the charging of fees and expenses in enforcement cases of private enforcement agents and violation of local jurisdiction. The Chamber's management presented to colleagues a report on meetings with the institutions since the beginning of the year, the Chamber-sponsored projects in Bulgaria, the work with the media were discussed.

The second National PEA Conference for 2017 was organized on October 21 in Velingrad, Arte Hotel Spa and Park. The event was held only a few days after the vote in the second reading in the plenary hall of the Act amending the Civil Procedure Act. The Chamber Chairperson informed the attendees about the difficulties and issues that our representatives have encountered in the process of drafting the proposals in the parliamentary Committee on Legal Affairs. Quite naturally, the focus of discussions during the conference was entirely focused on the review and detailed analysis of the legal texts on the adopted amendments and supplements in the procedures of enforcement proceedings. Another interesting part of the forum's agenda referred to a presentation by Mr. Yonko Grozev, Judge at the European Court of Human Rights in Strasbourg, on "The Practice of the Human Rights Court in Strasbourg on the Enforcement Process". Judge Grozev also answered private enforcement agents' questions.

With the organization of national conferences and workshops for the PEA as well as with continuous communication between the Chamber's administration and its members, the Chamber's Board strives to conduct an awareness-raising policy in order to keep all colleagues updated of activities and engagements of our professional organization.

3.2. Interaction with Institutions

In 2017, the Chamber of Private Enforcement Agents in Bulgaria faced one of the most serious legislative and societal challenges since its founding in 2005 so far - major changes in the Civil Procedure Code.

For the first time, along with the objective need to change some rules of enforcement in Bulgaria, it turned out that we must face a vague, subjective, charged with a very strong populist charge environment. An environment in which both economic and political interests intertwine. An environment that has been debating the issues of debtors in Bulgaria - one of the poor and low-income member states of the EU. Unfortunately, subjective interests and populism also distorted citizen participation and the role of institutions in the legislative process. The National Ombudsman's Institutions, manipulated non-governmental organizations, lawmakers from parliamentary parties, have been willing or unintentionally spokespersons against the law enforcement.

In this situation, CPEA concentrates its entire resource for fair and open play. In the vague formulations and attempts to undermine economic motivation for the functioning of our profession, we have opposed motivated proposals for change by measuring the concrete effect of their implementation. Most of the amendments adopted in the Civil Procedure Code (CPC) can be seen as a revolution in law enforcement and a huge step forward in purely procedural terms.

Thanks to our efforts and the enormous support of our Lithuanian, Latvian and Estonian colleagues, a system of electronic auctions will already be in place in Bulgaria. We have also introduced enforcement on a trademark, items subject of industrial and intellectual property, which is a step in synchrony with the modern economic development. Some of the benefits on the account of CPEA as

author of texts and justification of the necessary changes are the enforcement of detached parts of commercial enterprises and the voluntary sale of properties in electronic auctions. It is our victory that we have earned the real protection of socially vulnerable debtors in distraint of bank accounts by introducing an effective mechanism for protection of all types of social payments and wages. PEAs in Bulgaria will now have the right to serve private documents, which until now were exclusively within the power of notaries. We also made a very serious breakthrough in collecting public receivables by private enforcement agents by removing the requirement for state bodies and municipalities to pay in advance fees to private enforcement agents. So, one of the serious obstacles - spending of public funds and related issues of any kind - has been eliminated. At the same time, we have managed to talk the parliament into not accepting the texts empowering public enforcement agents in Bulgaria to collect public receivables. We have prevented that the PEA system in Bulgaria be severely impaired by the many legislative proposals regarding our tariff.

Throughout 2017 the Chamber continued to implement a consistent policy of active interaction with institutions - ministries, National Assembly, Supreme Judicial Council, the NRA, BNB, agencies, courts, municipalities, businesses and banks, Bar Association and Notary Chamber. It has implemented were many initiatives, meetings and interactions to create opportunities for constructive legislative changes, effective communication and exchange of documents electronically. An important point in the talks with the government was the award of public debts as PEA proved to be the most effective legal instrument recovery in Bulgaria. Indicative results of collaboration with municipalities, which significantly anywhere and at times increased collection of public receivables.

THE NATIONAL ASSEMBLY

The activity of the Chamber management in 2016 was largely related to the legislative motions by the National Assembly, in particular in the Civil Procedure Code (CPC).

On July 7, MEPs adopted at first reading all four amendments to the Civil Procedure Code (CPC), submitted by the parliamentary groups of BSP for Bulgaria, GERB, Volya and United Patriots. The actual discussion on the individual proposals took place during the new autumn parliamentary session when the bills were passed at second reading.

The Chamber stated its position in a formal statement. The bills included both reasonable suggestions for improving the system performance and texts that would block enforcement. The Chamber introduced its opinion on the bill of BSP for Bulgaria, which in fact echoed National Ombudsman Maya Manolova's proposals, not only to lawmakers, but also to representatives of the diplomatic missions and representations of foreign trade chambers in the country.

On June 23, a conference on the topic of "End of the Eternal Debtor" took place in Iztok Hall in the National Assembly. The forum was a joint initiative of the parliamentary Committee on Legal Affairs in the 44th National Assembly and the Bulgarian MEP Emil Radev. The discussion aimed to present and discuss the various views on the

introduction of a 10-year absolute limitation period for individuals. The round table was attended by members of the parliamentary Committee on Legal Affairs, representatives of the Association of Banks in Bulgaria, representatives of the Chamber of Private Enforcement Agents, representatives of the judiciary and experts. Opinions were presented on the introduction of a 10-year absolute limitation period for the debts of individuals. The changes were proposed by GERB in the set of amendments to the Civil Procedure Code (CPC) and envisaged the introduction of a 10-year absolute limitation period, putting an end to the phenomenon of "eternal" debtors who are insolvent and continue to owe debts. The position expressed by the Chamber through its representative, Stoyan Yakimov, was that the legal changes were, in principle, supported, but not unconditionally. *"There are also populist ideas on appeals against the actions of a private enforcement agent, which will lead to a delay in enforcement process and, ultimately, to the expiry of this maturity term without collecting people's receivables,"* Yakimov explained.

The principle position, which has always been shared by our professionals, was to support any balanced and reasonable change that would lead to the improvement of law enforcement in our country. But with the same degree of expertise and accountability, he responded to and pointed at any unreasonable and hasty change in legislation that put at risk its effectiveness and even the very functioning of law enforcement in the country.

In BCPEA, we are aware of the deficiencies in law enforcement, and we are therefore in favor of legislative changes in the Civil Procedure Code (CPC) that would restore the balance between debtors and creditors, without affecting the expeditiousness and efficiency of the process. With a lot of work and transparency, we strive to achieve our goal - the institutions, the business and the citizens to be convinced that the law enforcement in our country works for the benefit of society.

On October 6-7, 2017, a scientific and practical conference brought together in the National Assembly judges, lawyers, lecturers and academicians in an attempt to analyze the application of the Civil Procedure Code (CPC) over the last ten years. The Minister of Justice Tsetska Tsacheva also participated in the discussion. The Chamber was represented by PEA Gueorgui Dichev and PEA Stoyan Yakimov.

The forum titled "Legal Issues in the Implementation of the Civil Procedure Code - Possible Solutions" was organized by the Supreme Bar Council and under the patronage of Chairman of the Parliamentary Committee on Legal Affairs, Mr. Danail Kirilov. The purpose of the conference was not only to highlight the views of various legal professions, where regulation is successful and where it is not, if it be changed, why, and if so, in what direction, but also the participants were able to find the specific solutions to make a change towards a fairer, easily applicable way in order to meet public expectations. "We all want judicial reform to make justice more accessible, fast, transparent and predictable, and the Civil Procedure Code (CPC) is the tool by which we can achieve this goal," said Supreme Administrative Code (SAC) Chairperson Ralitsa Nagentzova.

The first day of the conference was dedicated to the issues of the proceedings and continued on the second day with debates on the subject of collateral, by order and executive proceedings. During the discussion on enforcement proceedings, the BCPEA Chairman Gueorgui Dichev called that amendments to the Civil Procedure Code (CPC) should be considered in a balanced, precise and rational manner. He recalled that, under the old Civil Procedure Code (CPC), there was virtually no law enforcement. "The pendulum was once in one direction - that of the debtor," Dichev said. And he added that now it seems to be in the other direction - that of the creditor. According to Dichev, it is time for the pendulum to stop in the middle and the rights and interests of both debtor and creditor to be equally protected. He told the conference participants that based on feedback from the PEAs in recent years, the situation in law offices is intolerable, because debtors massively refuse to pay with the explanation that the sector will soon be liquidated, address them with insults and threats. *"And I wonder why the legal community keeps silent and is looking urgently to ruin a functioning system,"* the Chamber Chair said. He pointed out that if some proposals for the PEA fees were adopted, the profession would indeed be liquidated for purely economic reasons, even if reasonable standards were adopted in the Civil Procedure Code (CPC). Dichev stressed that the proposal to reduce lawyers' fees is equally unprincipled because it is done without economic analysis and justification.

On October 17-18, 2017, the Parliament held an extraordinary session to adopt the Act amending the PEA Act at second reading and to respond to public attitudes and expectations. In 2017, the Chamber again insisted on changes to discipline parents and for more lenient procedures for the handover of children. *"There are no legal mechanisms to force parents to enforce judgments. The feeling of impunity is felt by many people who think that law and rules do not apply to them. The idea is to have mechanisms through which these parents can understand and choose to voluntarily implement the judgments of the court,"* said Chamber Chairman Gueorgui Dichev on June 1, when the International Children's Day is celebrated. Of the amendments to the National Assembly amendments to the Civil Procedure Code (CPC) in only one - that of GERB, a measure was enacted in the enforcement process with regard to children. It is envisaged to impose fines for each default, not only in relation to the call for voluntary implementation. Fines will be collected by a private enforcement agent in the same enforcement case. Before the decree imposing a fine came into force, the NRA collected the fines, and afterwards. *"In the enforcement process, if the NRA immediately orders an enforcement agent to collect fines, the specific dishonest parent will know that his/her sanction will actually be enforced,"* Dichev explained. The point is to discipline parents to enforce judgments before the private enforcement agent intervenes and fines are imposed.

"Child handover is often associated with a lot of traumatic actions especially for children. Wherever there is a one-off handover, we try through conversations, by persuasion to hand over the child, and it becomes almost voluntary, there is no aggression and coercion. Under the usual regime of personal relations, when it comes to the permanent meetings with the child during the month, we are almost powerless," Dichev said.

In 2017, the Chamber was invited to participate in the sessions of the parliamentary Committee on Children, Youth and Sports. On October 11, the first work group meeting was held, following a round table under the aegis of the same committee, which took place in 2016 to initiate legislative changes against aggression in children and adolescents. The group aims to prepare specific legislative texts to combat child violence, and in the near future a new Law to Combat Problems of Minor and Underage Children because it has been in force since 1956. Also they propose amendments to any normative acts - Family Code (FC), Civil Procedure Code (CPC), Penal Procedure Code (PPC), etc. on the situation and rights of children. On October 24, at 11 a.m., in Iztok Hall of the National Assembly, a second round table was held on the topic "Parents - Conflicts, Aggression and Child Protection", which also invited non-governmental organizations working on the issues of children and defend their rights and interests, as well as members of the National Council for Child Protection. The round table is organized by the Committee on Children, Youth and Sports at the National Assembly and the State Agency for Child Protection.

THE MINISTRY OF JUSTICE

As a result of the early parliamentary elections held in March 2017, the Prime Minister and the newly sworn ministers took an oath before the National Assembly in early May. On May 17, the Chamber management met with the newly sworn Minister of Justice Mrs. Tsetska Tsacheva. The meeting took place in a spirit of honesty, professionalism and understanding of the future relations between the two institutions on issues of law enforcement in the country. They agreed on a normal and constructive dialogue in the process of discussion and voting on the new CPA Act. Every system needs improvement and the CPEA has for years proposed a package of legislative changes that would ensure a balance between the parties and reduce implementation costs. It is precisely the balance that is the guiding principle, because every lawsuit has two parties. Especially in the enforcement process, one party even has a legally recognized right. The law must protect the rights of both parties. Law enforcement in our country is of particular importance not only for the judiciary efficiency and the rule of law but also for the financial and banking system, the civil turnover and the business as well as the budget of municipalities and the state. Also, for foreign investors, the judiciary efficiency and in particular the enforcement of judgments as a guarantee of protection from unfair contractors is of paramount importance. Therefore any intervention in it must be very careful and well considered, to base more expert assessment on the real effects of change rather than on PR and populism.

Work with the Ministry of Justice in the past reporting year 2017 developed with numerous formal and informal meetings and joint working groups. The cooperation with the CPEA management, the experts from the Inspectorate under the Judiciary Act and the Ministry of Justice financial inspectors is excellent. At the Chamber's request, a very important working group was set up to analyze, evaluate and improve the secondary regulations applicable to private enforcement agents. After many years of work, the

weaknesses of the regulatory framework are clearly highlighted and should be removed. It is our priority task to complete the work on the drafting of draft amendments and supplements to the ordinances, and especially Ordinance No. 4 on the official archive of the private enforcement agents, especially in the area of archiving and destruction of documentation on enforcement cases. The group will continue work in 2018 and hopefully it will be completed within a few months, as the results will be of particular importance to the PEA activities.

The Chamber works closely with the Justice Ministry's inspectors because it is the way to achieve full and effective control over the work of law offices. It is not an end in itself but a means for all PEAs to strictly observe the law and the rules.

In June 2017, the Chamber Board filed a request with the Minister of Justice for a competition for assistant private enforcement agents. The request was immediately granted by the Ministry of Justice and by Order No. SD-04-62 / 10/07/2017 the competition was scheduled. Under the procedure, candidates had a one-month deadline for submitting their exam papers. The receipt of documents took place in the period 14/07/2017 - 14/08/2017. A total of 236 candidates submitted 236 documents, but 19 were irregular, 13 of them were disqualified for failing to remedy irregularities on time and the remaining 6 lost the right to sit the exam. The exam was held for seven consecutive days, from October 30 to November 5. Out of a total of 230 candidate candidates, the exam saw 155 successful applicants who acquired the capacity of assistant private enforcement agent. A significant part of them are already officially empowered and work in the PEA law offices throughout the country.

NATIONAL ASSOCIATION OF MUNICIPALITIES IN THE REPUBLIC OF BULGARIA (NAMRB)

In 2017, we continued the extremely successful partnership between the Chamber of PEAs and the National Association of Municipalities in the Republic of Bulgaria. The Chamber Chairman Gueorgui Dichev and PEA Viktor Gueorguiev took part in the 20th National Meeting of Financiers from the Municipalities, which took place on June 1-3, 2017 in the resort of Borovets. More than 400 financiers, accountants, mayors and councillors from 122 Bulgarian municipalities participated in the event. The increase in local revenue collection and the role of private enforcement on the collection rate were among the meeting highlights.

"Municipalities that work with the private enforcement agents report increased results and are happy with us. This fact was also shared by the representatives of the parliamentary Budget Committee, who discussed the extremely negative impact of the Ombudsman's legislative initiatives on municipal affairs," said Gueorgui Dichev, who took part in the first day of the event together with the official representatives of the Institutions - Menda Stoyanova, Chairman of the Budget and Finance Committee, Iskren Veselinov, Chairman of the Local Self-Government Commission, Tsvetan Tsvetkov, Director of the National Audit Office, NAMRB Chairperson Daniel Panov and its Executive Director Ginka Chavdarova. To all participants, Dichev pointed out that when a municipality is a

debtor, it must look for ways to pay it out, but at the same time it commits the PEAs themselves within the framework of the law to also understand the specific social functions that municipalities perform, so that with their actions not to jeopardize this important role of local administrations.

In a thank-you letter after the forum, local government representatives expressed their satisfaction with the Chamber's commitment to the participation of its representatives and its members in the issues of collection of debts to municipal administrations. *"The dialogue demonstrated by you two, the understanding of the issues, your personal commitment to overcome them and the in-depth explanations on the issues contributed to the achievement of the forum goals,"* the NAMRB said in a letter.

The second national forum organized by NAMRB to which our representatives were invited again took place on November 2-3 in the town of Velingrad. The event involved more than 150 tax experts from revenue administrations in 60 municipalities. In the second working session of the forum program dedicated to the interaction of municipalities with public enforcement agents and private enforcement agents in the assignment of collection of municipal receivables, our colleague PEA Todor Lukov was actively involved as lecturer. We hope, in the spirit of traditionally good partnership relations, to continue to work together to find feasible solutions on matters of mutual interest.

Over the last 5 years, the Chamber has reported annual growth of cases for the benefit of local government. Good local cooperation between mayors, administration and individual PEAs in 2016 and 2017 developed into an institutional partnership within the framework of the Joint Information Campaign for Citizens of the Chamber and the Association of Municipalities "How to Defend Our Rights as Debtors and Creditors".

AGREEMENTS WITH STATE INSTITUTIONS FOR THE COLLECTION OF PUBLIC RECEIVABLES

The Supreme Judicial Council, the Financial Supervision Commission and the Council for Electronic Media are the institutions where the CPEA officially cooperates in collecting their public receivables.

SUPREME JUDICIAL COUNCIL (SJC)

We have continued work on the implementation of the agreement signed with the Supreme Judicial Council to collect court fees. We pay particular attention to this agreement, despite some difficulties ahead. Although it was signed in 2016, actually we started to collect receivables last year. The initiative to sign an agreement with the SJC was with the BCPEA.

Two years after the signing of the **Agreement on Enhancing the Collection of Public State Receivables in favor of the Judiciary between the SJC and the CPEA**, its effects are not only fiscal. As a result of the PEA work, real sanctions and penalties under the Penal Code have been achieved. The preventive function of law enforcement is also underway - more and more debtors are aware that the

obligations are collected, making them pay voluntarily without the PEA intervention.

There is another effect - **the public spending on collecting public receipts, which are financed by taxpayers,** is actually eliminated. Under the Agreement, the judiciary bodies do not pay fees and expenses to PEAs. They are collected from debtors, and in the cases where the receivables are uncollectible - the expenses remain at the PEA expense.

In 2016, PEAs collected BGN 1,100,000 in favor of the judiciary. They have been assigned a total of 15,772 enforcement cases worth BGN 9,400,000. Despite the relatively small amount of individual receivables - an average of BGN 596, **the SJC registered an increase in collectibility on an annual basis.** The data were announced on 8 June 2017 in Sofia by the Chair of the SJC Committee on Legal and Institutional Affairs Yuliana Koleva and Gueorgui Dichev, Chairman of the Chamber of Private Enforcement Agents.

A total of 6200 cases were reported in the period January - June 2016, while 9572 new cases were initiated in the second half of the year. For the first half of 2017, it is noticeable that the number of enforcement cases in favor of the courts is decreasing - 5,200 (probably initiated with public enforcement agents), but still the amount raised is about BGN 800,000, compared to BGN 1.1 million for the entire 2016. By the end of 2016 a total of 163 PEAs were involved on drafting the Agreement between the SJC and the CPEA. In 2017 their number increased to 166 PEAs.

The effects of the Agreement are not only fiscal. Mrs. Yuliana Koleva pointed out that the reported collection rate in 2016 **is an indisputable success, given the fact that the private enforcement agents are working on enforcement cases with a small amount of receivables** that the NRA does not engage in. The contribution of PEAs is important due to the fact that the enforcement cases on which they work form the main part of public claims of the judiciary and they are most often eliminated due to expired maturity. According to NRA data at the end of 2016, the outstanding receivables on acts issued by judiciary bodies, to which the proceedings have not been terminated on the grounds of Article 255, paragraph 1 of the Tax and Insurance Procedure Code are a total of BGN 770 million, including principal of BGN 625 million and interest totalling BGN 145 million. According to SJC data for 2016, the NRA is entrusted with the collection of BGN 20 million of receivables the courts from which BGN 430,000 was collected. According to statistics, the average amount of court receivables is BGN 596, but in fact the majority of cases refer to small amounts, including for amounts up to BGN 5.

The SJC has made recommendations to the administrative heads of judiciary bodies to entrust the collection to PEAs and the order in which to do so. According to the Agreement, the specific actions for assigning and reporting of collected receivables are carried out by the administrative heads of each judiciary body and by persons authorized thereby, depending on the particular case, and the respective PEA who is assigned to collect the receivables. We will continue to work actively in this direction because, in addition to fiscal targets and debt prevention, we believe that there can be no

rule of law where the rules or sanctions for violation are not respected and effectively enforced. The actual recovery of claims of courts is of utmost importance to us, in many cases it is a matter of fines, including convictions in criminal matters. What penalty has the convict received for a crime if the fine imposed thereupon remains only on paper?

COUNCIL FOR ELECTRONIC MEDIA: On June 11, 2015 the first agreement year for CEM was signed to assign collection of receivables for state fees payable under the Tariff of fees for radio and television activity, and issued criminal orders. Most members of the BCPEA have agreed to initiate enforcement proceedings with creditor CEM. The list of their names shall be deposited with CEM partners. Over the last two years we have had 120 enforcement cases brought by the Council for Electronic Media as creditor.

FINANCIAL SUPERVISION COMMISSION: This agreement was signed on July 10, 2015 with § 82 of the final provisions of the Law on Amending and Supplementing the Public Offering of Securities Act (promulgated in State Gazette, issue 103 of 2012) to make amendments to the FSCA. Pursuant to Article 27, paragraph 7 of the FSCA defined in law fees charged by the FSC that are past due, subject to enforcement by public contractors under the Tax and Social Insurance Procedure Code or by private enforcement agents under the Civil Procedure Code (CPC). According to Article 27a, paragraph 1 of the FSCA, fines and pecuniary penalties enforceable by public contractors under the Tax and Social Security Procedure Code or by private enforcement agents under the Civil Procedure Code. After several more joint meetings in 2014 and a careful analysis of the legal framework, in 2015 the Financial Supervision Committee assigned for collection by PEAs of private and public claims.

EXECUTIVE FORESTS AGENCY (EFA) AND STATE AGENCY FOR METROLOGY AND TECHNICAL SURVEILLANCE (SAMTS)

The Bulgarian Chamber of Private Enforcement Agents (BCPEA) has an existing agreement signed by the previous period with the Executive Forestry Agency and the State Agency for Metrology and Technical Surveillance. The agreement is expected to increase the collection of fines and pecuniary penalties under effective penal provisions issued by both agencies.

An analysis of the results of our partnership with all the above institutions could be made over a period of time to have the opportunity to gather information from the PEAs on the number of cases with newly creditor country and recoveries in these cases.

BULGARIAN NATIONAL BANK

Since the beginning of 2017, there is a functioning Register of Bank Accounts and Safety boxes (RBASB) with the Bulgarian National Bank. This register has solved a number of issues for debtors, creditors and the PEA system as a whole. It is no longer necessary to randomly impose prisons, or to accumulate unnecessarily sometimes excessively large amounts of debt, which is also a form of unfair competition between the private enforcement agents themselves.

The foundations of the joint RBASB project were commissioned by the end of 2016. Our representatives then participated in several joint

working groups organized by the BNB on the drafting of Ordinance on the Register of Bank Accounts and Safety boxes. The meetings were very beneficial and our motives and remarks about the specifics of the PEA work were fully taken into account when drafting the final version of the Ordinance.

As early as the beginning of February 2017, the active partnership between CPEA and the Bulgarian National Bank was launched for the gradual provision of access to RBASB for private enforcement agents. The process was running intensively and organized until the end of April, and by then electronic access had a total of 175 PEAs. The package of required documents was prepared and sent to all PEAs by the Chamber. An organization was established for depositing the documents of the Chamber of Private Enforcement Agents at the BNB. After this period, the other colleagues submitted their applications directly to BNB. At the end of the reporting year 2017, 192 PEAs had electronic access to the register.

The cooperation between the Chamber and the Bulgarian National Bank could be defined as a benchmark for beneficial interaction and efficiency of work between the institutions. Teams of the Chamber and the BNB worked in exceptional synchronicity and perfect working relationship. The actual results were not delayed. Private enforcement agents use the RBASB on a daily basis. They are extremely satisfied with the service, and in the annual poll they evaluate it with one of the highest estimates for 2017 as one of the most useful things the Chamber has done for their activities in the past year.

SUPREME BAR COUNCIL

On June 14, 2017 a meeting between the Chamber's management and the Supreme Bar Council was held on the occasion of a letter deposited in the Chamber by the Supreme Administrative Court on taking action to stop the illegal practice of private enforcement agents on the application of Article 31 of the Bar Profession Act. At the meeting, the attorney's association expressed concerns about the number of incoming lawyers from various lawyers' councils claiming that private enforcement agents had denied them access to enforcement proceedings. After the meeting, the Chamber Board issued an official statement, which was sent to the attention of all private enforcement agents, as well as to the Supreme Bar Council. A recommendation was made to the members of the CPEA not to prevent lawyers from exercising their rights under Article 31 of the Bar Profession Act and to grant access to the same to enforcement cases after certifying their identity, their capacity as a lawyer and completing a checklist (Appendix 6 to Article 94, paragraph 1 of the Rules on Administration in Regional, Security, Administrative, Military and Appeal Advisory Courts) or an application for consideration of an enforcement file a written request for the case or any other similar way in which it is indisputably possible to determine who and at which date the execution case was examined without the need to submit a power of attorney from either of the parties in the enforcement proceedings.

NATIONAL REVENUE AGENCY (NRA)

In the past 2017, several meetings of the Chamber of Private Enforcement Agents and the National Revenue Agency were held. The efforts were aimed at finalizing the texts and signing a new agreement to electronically provide information stored and maintained by the agency through the data administrator "Information Serving" AD to the Chamber of Private Enforcement Agents and its members - operating private enforcement agents and their assistant - private enforcement agents, including the option of printing in paper form the documents received as a result of requests.

The project aims to remove the exchange of paper documents, which in turn will save considerable costs for consumables, summons officers, postal and courier services. NRA experts confirmed that it is technically possible for PEAs to obtain electronically reports on the assets of debtors in enforcement cases - existing labor contracts and open bank accounts for legal entities. Notifications and certificates under Article 191 of the Tax and Insurance Procedure Code could also be sent and received electronically. The trend is to move from communication and exchange of information via e-mail between the private enforcement agents and the NRA, to a web-based portal for real-time work.

Unfortunately, for a number of objective reasons, independent of the CPEA, the agreement was not signed by the end of 2017. However, as a result, the official opinion of the NRA on the application of the provision of Article 74, paragraph 1, sec. 4 of the Tax and Insurance Procedure Code, namely that tax and social security information within the meaning of the said provision may be provided not only to the PEAs but also to their assistants - a matter which has long been the subject of dispute and various interpretation by the NRA and the CPEA.

MINISTRY OF INTERIOR AND TRAFFIC POLLICE

Using the statutory option and another enforcement authority to collect public claims besides public enforcement agents at the NRA will create prerequisites for improving collection rates, including small debts such as fines.

This is said in a response to the Minister of Finance to the Chamber in connection with its proposal that PEA might collect fines imposed by MoI authorities. In a letter to Prime Minister Boyko Borisov and Finance and Interior Ministers dated May 30, 2017, Chairman of the Chamber of Private Enforcement Agents, Gueorgui Dichev, motivated the readiness of private enforcement agents to help the Ministry of Interior and NRA, free of charge, by taking over the most serious cases of unpaid fines.

The CPEA idea to strengthen the prevention of offenders on traffic tules is not a new one. The sector has repeatedly turned the attention of both the institutions and the public to the fact that the law allows PEAs to collect public claims on behalf of the state. Timely implementation will strengthen prevention. In its letter to the government members, it is stated that *if the state is incurring costs when collecting public obligations from public contractors or public enforcement agents, all bona fide taxpayers pay back the*

account of unscrupulous debtors, partnership with PEAs will not cost anything to the budget, and costs will be covered only by offenders. The Chamber Chairperson gives an example of the successful cooperation with the SJC for the repayment of judiciary's claims.



The former traffic police chief and road safety expert Alexi Stratiev also recommended that the state should engage private enforcement agents in order not to **force the NRA to prosecute the many offenders**, who do not want to pay their offenses. During a roundtable in the Parliament on July 20, 2017 representatives of the National Revenue Agency (NRA) announced that out of a total of BGN 66.3

million unpaid fines for traffic offenses from the beginning of 2016 to BGN 34 million currently have been handed over for enforcement. Over 40% of the fines imposed are for amounts up to BGN 50. The compulsory collection of a fine of BGN 50 costs the state about BGN 300 and it takes 3 years if all stages of the procedure are followed. More than half of the fines imposed on convicted drivers go to forced collection - the heaviest, expensive and lengthy state administration procedure.

The Ministry of Finance responded positively to our proposal, but regretfully, by the end of last year, the Ministry of Interior did not react to the hand given by the CPEA for assistance.

In September 2017, the Chamber received a response from the Ministry of Interior in connection with our letter addressed to the Prime Minister of Bulgaria, Mr. Boyko Borisov, on a proposal to provide private enforcement agents with electronic access to property data on registered vehicles from the Vehicle Register and their owners. The register is established and maintained by the Ministry of Interior in order to reduce the administrative burden of transferring ownership of the motor vehicle. The ministry informed us that a new electronic service "Vehicle ownership certificate issuance" will be added to the "Centralized register of vehicles and real-time integration with EUcaris, GF, IAAA, NRA /MDT/ and new electronic services" for present property for use by PEAs". The service will be realized via registration in the Ministry of Interior portal, which will certify the right of private enforcement agents to use it, after identification with a qualified electronic signature (QES). We hope that this useful service will be implemented and successfully used by private enforcement agents in 2018.

STATE AGENCY FOR NATIONAL SECURITY (SANS)

The BCPEA and SANS have traditional cooperation. At least once a year they hold regular meetings as they occur in an environment of goodwill and aim to eliminate gaps that PEAs admitted to not lead to the drawing up of acts for established violations under the Anti-Money Laundering Measures Act.

The SANS has introduced standard information and communication system with protected web portal for e-services of public administration, businesses and citizens in the implementation of measures to prevent money laundering and terrorist financing. A database and a web portal through which 31 categories required by persons under the Anti-Money Laundering Act (including private enforcement) to report suspicious transactions under Article 13, paragraph 2 of the Rules for Implementation of Anti-Money Laundering Act, notices for payments under Article 11a of the Anti-Money Laundering Act and amended or newly adopted internal rules for the control and prevention of money laundering under Article 16 of the Anti-Money Laundering Measures Act.

On December 18-19 2017, CPEA participated with its representatives in the focus groups on the National Risk Assessment of Money Laundering and Terrorist Financing. On the basis of this assessment, the risks of money laundering will be objectively assessed and SANS will be given guidance on the measures to be taken by the persons concerned to mitigate the high risks and to alleviate the administrative burden when the risks are defined as low or non-existent.

CENTER FOR LEGAL INITIATIVES

On March 21, 2017, Sofia Hall of Grand Hotel Sofia hosted a public presentation of the 14th issue of "Legal Barometer", which the Chamber of PEA regularly supports with the presence of its representatives. Legal barometer is a citizens' initiative for periodic monitoring, analysis and assessment of the state and development of the legal order in Bulgaria. The project is implemented by the Center for Legal Initiatives Association. The fourteenth issue focused on child justice. Guest to the event was Vergina Mitcheva-Ruseva - Deputy Minister of Justice in the period 2014 - 2017 and currently serving as judge at Sofia City Court.

The fifteenth issue of "Legal Barometer" took place on October 10, 2017, again in Grand Hotel Sofia. The topic of was: "The European Public Prosecutor's Office". Our representative Mr. Stoyan Yakimov took part in the event.

UNION OF JURISTS IN BULGARIA

The Chamber of PEA is a member of the Union of Jurists in Bulgaria and participates in all joint initiatives. On April 16, 2017, the Chamber Chairperson attended the 138th anniversary of the Bulgarian constitution at the invitation of the Union of Jurists.



PEA Polia Ruycheva was awarded posthumously with the honorary sign of the Union of Jurists in Bulgaria. The son of our tragically killed colleague accepted the award at the ceremony, where the memory of the professional, our colleague and

friend Polya Ruycheva was honored with a minute's silence.

Polya is one of the founders of the Chamber of Private Enforcement Agents. She has participated actively in working groups under the PEA Act and secondary regulations. From 2009 to 2012 she was Chairman of the Disciplinary Committee of the Chamber of Private Enforcement Agents, and from 2012 to 2015 - Member of the Chamber Board of Private Enforcement Agents. She was a member of examination committees in conducting the competitions for private enforcement agents and assistant PEAs.

She made enough time for anyone who knew her to appreciate her quiet, intelligent dignity. We lost her before we deserved her. She managed to make the profession of private enforcement agent more honest, which was succeeded only by few and a few appreciated. We will remember her as a wise, tolerant and delicate man. As an honest, responsible and principled professional who, in all of her actions, followed morality and the rule of law. A colleague with a strong personal stance on matters of importance to the sector, which earned her respectful merit in the legal profession. Her contribution to the development of our profession and its promotion in society will always be remembered and revered by us - her colleagues and friends.

With Decision No. 3 / Protocol No. 173 dated 24/02/2017, the Chamber Board of Private Enforcement Agents established an honorary distinction of the Chamber in the name of PEA Polya Ruycheva, for her merit, professional conduct and ethics. The award will be given to PEAs, assistant PEAs, lawyers and employees in the offices of merit, professionalism and act of humanity.

CHARITY CAMPAIGNS AND INITIATIVES

Since its inception, the Chamber of Private Enforcement Agents has been supporting and participating in charity initiatives. The Chamber members are long-time donors to "Bulgarian Christmas" campaign and other donor initiatives to help people who have suffered disasters and accidents.

In 2017, CPEA made a donation to four families from the village of Hitrino, who suffered a tragic incident in late 2016 when a train carrying a tank of propane-butane derailed and caused a powerful explosion. The decision on financial assistance was taken by the Chamber Board. Those in need had been identified after a preliminary study of the people most traumatized by the tragedy and their real needs. The total amount of the aid is BGN 10,270 and the amount is distributed equally among the four families. The funds will be used to treat and restore the homes and households of Hitrino residents. The Chamber's management thanks to all of its members who donated personal funds.

3.3. Public relations and media

In the past 2017, The Bulgarian Chamber of Private Enforcement Agents continued regularly and in case of an information occasion to inform the public through the media on its activities and

legislative initiatives. Besides sending press releases ad hoc, conferences and workshops to increase the participation of representatives of the Chamber topicd shows on several TV and radio channels. However, it should be noted that major national televisions mainly cover private cases involving the name of a particular private enforcement agent. Despite the negative attitude, they still got used to asking the Chamber's opinion on their data.

During the year, the Chamber management staged 5 press conferences to national media. This form of communication with the media, which started in 2015, was undertaken in order to reach a wider public awareness of our activities.

Unfortunately, the beginning of 2017 was marked by a series of reportages and bTV investigations on specific cases involving the private enforcement agent Ivan Cholakov. The Chamber of PEA sent its opinion, which was read on TV air, as well as on the TV's website. It provided an opportunity for Ivan Cholakov to present his point of view in the morning TV broadcast where the investigations were broadcast.

After the Chamber Council took note of the cases and took decisions to initiate disciplinary proceedings against Cholakov, on March 27 the Chamber Chairman Gueorgui Dichev gave a press conference. This was due to the strong media interest, and at the press conference he explicitly stressed that the SAC has a final say, where all the decisions of the Disciplinary Committee were appealed.

It should be noted that despite the big negative effect in the bTV society, the media kept the balance and, in each case, asked for the Chamber's opinion. Thus, a very large number of complaints from citizens to the media were not published. Journalists are convinced that very often people are distorting the truth and often speak outright untruths.



For the first time, the Chamber of PEAs gave a joint press conference with the Supreme Judicial Council, which made a record of the judiciary's receivables collected by the private enforcement agents. The press conference was held on June 8 at the SJS office. It was attended by the Chairman of the Chamber Gueorgui Dichev and Yuliana Koleva, Chairman of the Committee on Legal

and Institutional Affairs of the Council. PEAs have raised BGN 1.1 million in favor of the judiciary in 2016, Gueorgui Dichev announced at the press conference. For the first time, a public report was prepared after entering into agreement between the SJC and the CPEA on July 1, 2015. "We are satisfied that the courts have learned to assign the private enforcement agents to collect their receivables,"

said Yuliana Koleva and expressed hope that the next year the collectability rate will be even higher.

This press conference was widely reported in the media and helped to raise the image of PEAs, which received recognition and gratitude from the SJC, the judicial body in charge of career development.

Last year, there were also many signals that collectors face private enforcement agents and mislead citizens. It forced the Chamber to send a press release to the media and thus to inform the public of this unfair practice of collector companies. "The only bodies that can execute enforcement against debtors' property are private enforcement agents - state and private. Executive cases are involved only if there is a judgment or an enforcement order by which the court has ruled on the existence of obligations", was stated in the press release. It found a great deal of resonance in both the media and the Internet.

Commenting on the changes in the Civil Procedure Code (CPC), which are now under way, began as early as the summer. It should be noted that most of them were submitted by lawmakers, and the draft of the Council of Ministers at the previous cabinet of Boyko Borissov was also submitted. It included a large part of the Chamber's proposals in the enforcement domain - introduction of electronic auctions and distraints, creation of guarantees for non-verifiable claims on bank accounts, extension of the scope of appeals by PEA, formation of cases at permanent address, etc.

Unfortunately, the statements of Ombudsman Maya Manolova, who publicly satanised private enforcement agents all at once, led to a great deal of negative publicity against them. National media gave a wide stand to the National Ombudsman, but not to Chamber representatives to defend their position. It has reached the point where the PEAs were even called terrorists.

During discussions in the working group in the parliament on the changes in the Civil Procedure Code, representatives of the Chamber of PEAs were not invited. The negative campaign against the media sector, as well as its neglect during the talks, forced the convention of a press conference by the Chamber Board on "Liquidate the Court's Execution with Changes in the Civil Procedure Code". It was held on September 13.

Chamber Chairperson Gueorgui Dichev briefed the journalists about the changes in the code, warning that part of them was returning the times of the emigration and the court order was canceled.

"We present our opinion to the media because the Chamber of PEAs has not been invited to the debates in the judicial execution section, but we hope you will reach the citizens and the lawmakers," said Gueorgui Dichev. He also stressed: "The Chamber is not opposed to a change in legislation and supports part of the proposed amendments, but wants to achieve real protection of the rights of debtors and creditors, not repairs to the legal framework without an impact assessment in favor of monopolies, credit millionaires and debt collectors". He pointed out the main negative consequences that will occur if some of the changes are accepted. He was firm that the changes should seek a fair balance between creditors and debtors,

rather than pouring in favor of one or the other, as has so far been the case with changes in procedural law.

Dichev noted that due to the frequent comments of politicians against private enforcement agents, the situation in law offices has become intolerable. "Because of this campaign of hatred, the debtors come in with insults and threats and massively refuse to pay with the explanation that they would liquidate us," the Chairman told the media.

The press conference was widely covered in the media - television, radio, newspapers and websites. It was followed by special thematic broadcasts on BNT in "Zakonat I Nie" (The Law and We) and the Bulgarian National Radio - "Zakonat I Temida" (The Law and Themis), as well as media interviews with Gueorgui Dichev and representatives of the Chamber Board.

It should be noted that after the press conference, which found a very wide media coverage, the Chamber of Private Enforcement Agents was invited to the discussions on the Civil Procedure Code (CPC) in the parliamentary Legal Affairs Committee and its representatives took an active part.

In 2017, a traditional workshop was organized with the journalists to reflect on the activities of the Chamber of Private Enforcement Agents. It was held on December 9 and the main topic was the changes already adopted in the Civil Procedure Code in the enforcement section. Journalists were aware of the most important changes and their implications in practice for both debtors and creditors.

Of particular interest was the media's suggestion that the private enforcement agents collect traffic police fines.

The Chamber members also regularly received during the year press reports prepared by CPEA (4 in total for 2017), containing the coverage in all media of the events and activities of CPEA, namely:

- "BCPEA and the collection of obligations of the judiciary" - 09/06/2017;
- "Signs continue to show that collectors are presenting for PEA" - 29/08/2017
- "Liquidate the Court's Implementation with Changes in the Civil Procedure Code", 13/09/2017
- "Changes in the Civil Procedure Code and the proposal of the Chamber to collect the fines of the Traffic Police" - 09/12/2017

3.4. Control on the Activity of Private Enforcement Agents

PEA has one of the most regulated professions. Besides the Chamber, control over her apply for another seven institutions - the Ministry of Justice by two kinds of inspectors - Financial and those on JSA, the Interior Ministry and Prosecutor's Office, National Security Agency, National Revenue Agency, district courts, Commission for Personal Data Protection.

The Ministry of Justice and the BCPEA Board conducted independently of policy control and supervision over the PEA activities and enforce the law, Statute and Code of Ethics. Checks are carried out

on particular complaints and the overall activity of the PEA offices. Control over the sector exercised by the Ministry of Justice /legal and financial inspectors/ and self-control exerted by inspections at offices and complaint handling by the Chamber Board and its subsidiary bodies - Committee on Professional Ethics (CPE) and Committee on Legal Affairs and Oversight of PEA Activities is strong and robust. We realize that in our sector, and in most professional sectors, individual members do not always follow the rules.

The new management of the BCPEA elected in 2015 entered its term with strong demand for tighter control in the industry and legal compliance of all firms. The BCPEA started to implement a new programme of internal control activities of private enforcement agents. Within this programme, in April and May 2015 we performed the first round of inspections in all 164 law enforcement offices. The audit purpose was to determine the current status, possible violations and corrupt practices in the profession. All firms with established violations /35 in total/ received recommendations to remedy deficiencies within six months. The second round of checks ran in the period March-July 2016 and focused on the removal of any irregularities found in compliance with good practice. As a result of these revisions, the reviewers found that 32 firms recommendations of the Chamber Board are taken into account and the gaps are eliminated. In 3 of the offices it was found that violations are partially or not removed at all, which is why the Chamber Board requested the opening of disciplinary proceedings for these three colleagues. Over the last two years, full checks have been made on all the PEAs in the country, including the most recent. The process ended in 2017. Where inspectors found discrepancies and deviations from good practices, the Chamber Board made recommendations to the colleagues to precision the activity.

The parliamentary Committee on Legal Affairs and Oversight of the PEA Activities is a subsidiary body of the Chamber Board within the meaning of Article 3, paragraph 5 of the Statutes of the Chamber for a term of three years. The Committee consists of 20 members. It is run by chairperson and two deputy chairmen. The Chamber Board shall appoint the chairperson from among its members and is involved in law at Council meetings. The competence of the parliamentary Committee on Legal Affairs and Oversight of the PEA Activities to perform: Methodological and organizational support of the activities of monitoring and follow up on work in the offices of PEA /in order to set in legislation rules and regulations for operation of the PEAs/; Checks at the offices of PEA - topical or complaints and reports against the PEAs to the Chamber Board and implementation of follow-up; Collection, systematization and analysis of information about the work in the PEA offices; Giving advice to the Chamber Board on general legal issues and those relating to law enforcement.

The Committee on Professional Ethics (CPE) is a subsidiary body of the Chamber Board within the meaning of Article 30, paragraph 5 of the Statutes of the Chamber involved in the implementation, interpretation and improvement of the Code of Ethics for a term of three years. CPE act within the parliamentary Committee on Legal Affairs and Oversight of the PEA Activities. Professional Ethics

Committee shall be appointed by the Board of the Chamber and consists of nine members chosen among representatives voted by the General Assembly of Article 10, paragraph 11 of the Statutes of the Chamber. The competence of the CPE is: To collect, systematize, analyze and summarize information about the activities and behavior of private enforcement agents to update and improve the implementation of the Code of Ethics; Summarize existing professional practices through interviews; Make suggestions for improvement of the Code of Ethics based on the identified practices of private enforcement and changes in the legal, organizational and socio-economic framework of the profession.

Over the past year the Chamber Board has been and will be uncompromising towards colleagues who have intentionally committed offenses. In 2017, the Chamber's governing body was asked to initiate 26 disciplinary proceedings against PEAs. At the request of the two bodies - ICPFI and MJ - for 2017 there are 8 requests. The Board's Disciplinary Responsibility Committee took in 2017 decisions, which are on a par with those of the MJ, which contradicts the notion of incompetence about the lack of control following the "safe your colleague" principle. During the mandate of 2015-2017, the Chamber Board took a total of 87 decisions on disciplinary proceedings. It should be noted that on the basis of the requests made by the Chamber Board, the Disciplinary Committee for the most part respects the request regarding the type of sanction, not fully respecting the amount of the penalty. For its three-year term, the Disciplinary Committee (DC) has ruled a number of decisions (194 decisions in total) with severe sanction, including several "deprivation of capacity". The Committee, which, although formally part of the CPEA, is in fact an entirely independent body.

As an indisputable conclusion, the Supreme Court of Cassation generally confirms the decisions made by the disciplinary panels. The reasons for engaging in disciplinary responsibility and the imposition of disciplinary sanctions on a private enforcement agent are also upheld in court documents. There is no tolerance for the behavior of the private enforcement agents overriding the law and the rules.

There is a continuous trend to increase incoming complaints to BCPEA, totalling 654 in 2017, compared to: 620 in 2016; 522 in 2015, 449 in 2014. Curiously, what would be the static if at least one year there is no public political speech against PEAs, and with the effect of the new texts of the Civil Procedure Code, which extend the circle of actions of PEAs, subject to appeal at the court. The Chamber is extremely serious about their control activities, focusing significant resources to carry out checks on each complaint. Much of each Board meeting is dedicated namely the examination of the signals and complaints received. A significant portion of the citizens are unfamiliar not only with rights and procedures, but also with the functions and powers of PEAs, as unjustly accusing PEAs for the actions of the other side in the process of judgments and orders of procedure for accrued interest and expenses for legal fees, lawyers and legal advisers to liens imposed on social benefits, pensions and wages in bank accounts, etc. On the other hand, enforcement by nature is a highly

confrontational activity in which we forcibly enter the privacy and personal property of one of the parties in the process and is normal to have unhappy faces. It is of great importance for the number of complaints is strong and limit the possibilities under the new CPC to appeal the actions of private enforcement agents in court. BCPEA statistics indicate namely that - since 2009 complaints sharply increased and at the time the increase is double. Therefore, the Chamber proposes to widen the circle of contested acts under the Civil Procedure Code (CPC). Last but not least it should be recognized that on average in the country about 200,000 enforcement cases are formed annually. The ratio of 620 complaints referred to them was merely 0.3. Of course, for BCPEA any legitimate complaint is of great importance, any victim of any offense deserves all our attention and therefore we devote so great resource and efforts to control our activities.

In the Chamber's filing system, which was launched at the end of 2016, information on statistics, monitoring and control of the activities of the private enforcement agents is contained in the synthesized electronic form. It is a useful tool for the Chamber's control bodies to retrieve all available information about the activity of any private enforcement agent - cases, actions brought by the court, appeals lodged against them, disciplinary proceedings, violations found, penalties, recommendations, etc. The system also includes disciplinary practice as well as court practice and is used by control bodies and its separate modules - and by all private enforcement agents.

3.5. International Cooperation

The Bulgarian Chamber of Private Enforcement Agents (BCPEA) is a full-fledged member of the International Union of Judicial Officers (UIHJ), which was established in 1952. Today its members are 87 countries from all over the world.

The International Union of Judicial Officers (UIHJ) is established to represent its members before international organizations and to ensure better cooperation with national professional organizations. The UIHJ 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 law 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 law enforcement Procedures in cooperation with professionals from the fields of law and academics from around the globe. The code has already been prepared, adopted and circulated among Member - States. The Union is also involved in missions related to governments and international bodies.

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

We are also a member of the European Union of Judicial Officers (UEHJ). It was set up at the end of 2016 as the legitimate organization of the European chambers within the framework of the international union but also in response to the European Chamber of Enforcement Agents, which was not accepted across the majority of the European Union. Currently, 25 countries are members of the UEHJ. The organization is headquartered in Brussels. Its purpose is in close coordination with the UEHJ to carry out the following activities: development, promotion and presentation of the profession of private enforcement agent in the different Member States of the European Union; representation of the profession in the institutions of the European Union by expressing a common position; strengthening cooperation with the various legal professions; participation of representatives of the profession in relevant public consultations organized within the European Union; participation in projects funded by the European Union, particularly with regard to cooperation in the field of law enforcement; coordinating the profession of enforcement agent within the European Union in order to promote global standards and best practice in enforcement; organizing relevant training activities related to the training of private enforcement agents within the European Union; representation within the European Union, in consultation with other international organizations and institutions or third countries; all relevant activities and services for the benefit of its members directly or indirectly linked to the objectives set.

On March 31, 2017, the Chairman of the Chamber of Private Enforcement Agents Gueorgui Dichev and the Private Enforcement Agent Vassil Nedyalkov participated in the Third Annual Conference of the Enforcement Agents of the Republic of Serbia, organized with the support of the Ministry of Justice and the Supreme Court of Cassation of Serbia. It included public enforcement officers, representatives of the Ministry of Justice, judges from different courts in the Republic of Serbia, representatives of Chambers of Private enforcement agents from the Balkan region, as well as representatives of the business community. The main focuses of the discussions were the role of the public enforcement agent as an official, the control over the activity of public enforcement agent and the Tariffs of activity.



On May 19, the Permanent Council of the International Union of Judicial Officers (UIHJ) met in St. Petersburg. The forum was preceded by an international legal forum traditionally held each year in the city. Participants from Bulgaria - PEA Totko Kolev, PEA Stoyan Yakimov and the administrative secretary of the Chamber of Private Enforcement Agents, Anelia Glavanova, participated in the sessions devoted to the enforcement of the law and the presentation of the World Code of Enforcement Agents.

The Bulgarian PEAs used the venue to familiarize the management of the UIHJ with the processes of initiating, preparing and submitting legislative amendments to the Civil Procedure Code by the Ombudsman of the Republic of Bulgaria.

The Bulgarian PEAs used the venue to familiarize the management of the UIHJ with the processes of initiating, preparing and submitting legislative



FRANÇOISE ANDRIEUX, PRESIDENT OF THE UIHJ: Bulgaria needs to provide legislation that will not block successful implementation of reforms.

UIHJ Chairperson Françoise Andrieux has shared concerns about blocking law enforcement in the country and the consequences of this not only for Bulgarian but also for European citizens. The management of the UIHJ is committed to supporting and

sending a letter to its Bulgarian members. The position of the UIHJ was sent to the Bulgarian institutions, including Prime Minister Boyko Borisov.

"Our analyzes of the texts submitted to the National Assembly and prepared by the National Ombudsman of the Republic of Bulgaria and political parties suggest a risk of blocking law enforcement activity in Bulgaria, which in turn can affect the judicial system, the economic environment, the interests of the European citizens, as well as to have a negative impact on corruption. However, we believe that Bulgaria will provide legislation that will not block the successful reform and will not jeopardize the economic environment, financial stability will put at risk the civil turnover from private justice and corruption", wrote in her letter to the Chairman of the Chamber of Private Enforcement Agents, President Françoise Andrieux.

"The collection of debts, not only in Europe, is a huge market focusing a considerable number of interests, seeking changes in legislation, through which to secure access to this market intersect. But legal enforcement is not business. It is justice and part of the judiciary. Its aim is to have a fair balance between the interests of the debtor and the creditor. And because of the

populism that is found in many places, it is often happening that this balance is disturbed," Andrieux said. In her letter with which the Chamber of Private Enforcement Agents and the Bulgarian Institutions acquainted the Bulgarian institutions, attention was paid to several facts: the leading role of Bulgaria in the reform of forced enforcement; the contribution of private enforcement to the issues of indebtedness in the local economy and the public sector; the activity of the Bulgarian Chamber of Lawmakers in the development and provision of a model for the introduction of e-justice in law enforcement, ensuring transparency and high efficiency of the processes, better protection of the rights and interests of the parties involved.

On June 19, the Serbian Chamber celebrated its 5th anniversary. Guests of the event were Deputy Chairperson of the Chamber Board of Private Enforcement Agents Elitsa Hristova and PEA Stoyan Yakimov. The event also honored President of the International Union of Judicial Officers Françoise Andrieux.

On September 5-8, 2017, a large group of 32 Estonian PEAs was in Bulgaria on a private visit. They visited four Bulgarian cities - Veliko Turnovo (September 5), Plovdiv (September 6), Sofia (September 7) and Burgas (September 8). On the Bulgarian side, the meeting and organization of the group was taken over by colleagues Todor Lukov, Victor Gueorguiev, Delyan Nikolov, Stoyan Yakimov and Nedelcho Mitev. Short workshops and visits to the private enforcement agents were organized during the visit. The topic of the workshops were some basic issues such as: legislative issues and a common structure of law enforcement institutions in Bulgaria; principles of tariffing of the activities of the private enforcement



agents in Bulgaria; rights and obligations of the parties in the enforcement proceedings; ways of communicating with debtors; service of documents; organizing insolvency proceedings; current issues of the Bulgarian and Estonian PEAs; organization of work in law office of PEAs; forced execution against commercial companies (as a complex of assets, obligations and factual relationships) provided by the Special Pledges Act and many others. Insofar as

the Estonian colleague's intense program allowed, they were also presented with tourist sites from the cities in our country that they visited. Meetings of this kind are always useful for communicating with private enforcement agents from different countries, exchanging ideas and experiences and creating lasting friendships.



The 8th International Scientific and Practical Conference of the Russian Service of Court Bailouts on "Information Technology in the Field of Judicial Implementation" was held in Suzdal, Russia, on September 20-23 and gathered 164 private enforcement agents from 28 countries. The Bulgarian Chamber was presented by Tanya Madzharova, member of the Board, Todor Lukov, Deputy Chairman of the

parliamentary Committee on Legal Affairs and Control of the Activities of PEA and PEA Delyan Nikolov from Burgas. The program of the conference included a plenary session, participants' reports and discussion sessions. The forum was attended by President of the International Union of Enforcement Agents François Andrieux and her Deputy Mark Schmitz from Belgium, as well as judicial officers from Abkhazia, Azerbaijan, Armenia, Belarus, Belgium, Bulgaria, Vietnam, Germany, Kazakhstan, Cambodia, Kyrgyzstan, China, Laos, Latvia,



Moldova, Mongolia, Romania, Serbia, Tajikistan, Thailand, Uzbekistan, Finland, France, Montenegro, the Czech Republic, Estonia and South Ossetia. Director of the Federal Service of Judicial Assemblies of Russia Dmitry Aristov presented a presentation on "Information Technologies in the Activity of Russian Private enforcement agents" where he talked about existing technologies and future innovations. Report on "Blockchain - what is it and how it works? Is there any impact on performance?" was presented by Mrs. Françoise Andrieux.

On the second day, the Conference included thematic reports on information technologies and the prospects for their development in the Czech Republic, Armenia, Belgium, Bulgaria, China, Serbia, France, Moldova, Montenegro, Thailand, Uzbekistan, Kyrgyzstan, Cambodia and Mongolia. Speeches were also held by representatives of Russian organizations and the scientific community. The remarks made it clear that the subject under consideration is an important aspect of modernization of law enforcement worldwide.

At the end of the venue, Mr. Aristov thanked everyone present for their participation and expressed the hope that conducting the scientific and practical conference would be an important contribution to improving the efficiency of the law enforcement. In turn, the participants expressed their gratitude to the forum's

organizers for the opportunity not only to discuss urgent issues and to share valuable experience, but also to cooperate in the field of information technology.

On November 23-25, 2017, Chamber's Deputy Chairperson Elitsa Hristova and Administrative Secretary Anelia Glavanova took part in the meeting of the Standing Council of the International Union of Judicial Officers and the Council of European Chairpersons, which this year took place in Paris, France. The following main topics were included in the Standing Council agenda: adoption of the UIHJ Activity Report for 2016; links of the UIHJ with the European and world institutions on law enforcement issues; cooperation agreements with universities from different countries; reports on the activities of the Eurodol, Euromed and Eurodunar Subsidiaries; the activity of the Jacques Innsard Research Institute; financial report for 2016; statements by delegations; status and development of the activities in the ongoing projects of the UIHJ - e-Justice, STOBRA; communications and editions of the UIHJ, etc. Deputy Speaker of the Chamber of Private Enforcement Agents Elitsa Hristova introduced the participants in the World Forum with the adopted major changes in the Bulgarian Civil Procedure Code. She shared with our colleagues from abroad not only the experiences and the positives we had come out of this battle, but especially the new challenges we met. In the general opinion of those present, because of the state of social relations today, many private enforcement agents and other countries will face similar issues. In conclusion, our representatives thanked everyone who supported us in this difficult period. Special gratitude was expressed for the official positions and the advice of the UIHJ management. Being part of a community with a very high authority in Europe has helped us a lot in defending our position.

3.6. Services Rendered to Chamber Members

In 2017, the Bulgarian Chamber of Private Enforcement Agents (BCPEA) continued to build and maintain the organization's capacity to provide electronic and other services to its.

3.6.1. DEVELOPMENT OF ELECTRONIC ENVIRONMENT AND TECHNOLOGY

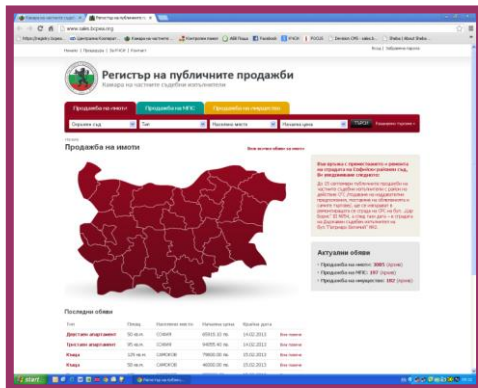
A major priority for the BCPEA since its establishment is the electronic access to information on debtors, as well as carrying out enforcement actions electronically. With its own forces and resources, it has created and continuously develop the Register of Debtors and the Register of Public Sales, which significantly improved transparency, awareness of the business and the final prices of the ongoing auctions. The sales site has millions of visitors not only from the country by the Chamber even asked by the Mayor of him to publish links and to tenders of Commons, as the prices that are achieved by the PEAs are much higher than those in sale by the municipality. This example is indicative of the adequacy of the new proposals of the BCPEA for amendments to the Civil Procedure Code to allow electronic auctions and voluntary sale of debtor property in future electronic platform. In 2018, we are going to launch these so important projects not only for the profession but also for the whole society.

As a confirmation of our goodwill and support of the initiative of the Government of the Republic of Bulgaria for the introduction of

e-Justice, the Chamber of PEAs holds continuous meetings and talks with organizations and colleagues from the international community in whose countries these electronic systems are operating successfully. It is obvious that the Chamber's initiative met in 2017 a response and commitment from the executive and legislative power in the Republic of Bulgaria, in the face of the Ministry of Justice and the parliamentary Committee on Legal Affairs. The leaders of these two authoritative institutions have shown their support for the proposed projects for electronization of law enforcement procedures in real terms, once again emphasizing that e-Justice is a priority in the work of their teams.

Last year we spent considerable human and financial resources to automate processes and work information in the BCPEA, including in terms of statistics, disciplinary and judicial practice, the activities of both the administration and the authorities but also of each individual member of the Chamber. Since the beginning of 2016, the Bulgarian Chamber of Private Enforcement Agents (BCPEA) has put into operation Centralized Information System for integrated processing of statistical information every 6 months and annual reports of PEAs. The electronic system of statistics on the activities of PEA relieves tremendous work in our organization. For the PEAs and the Chamber administration we completely eliminated the need for drafting, sending and accordingly manual processing of reports of PEA on paper. For over one year, the Chamber's administration has successfully used an integrated electronic filing system. It was a long-awaited and successfully implemented project. A huge archive of BCPEA documents for the past ten years has been digitized and transferred as a database system and undergoes successful upgrades in everyday administrative activities.

3.6.1.1. REGISTER OF PUBLIC SALES (RPS)



Launch of the website "Register of Public Sales" took place in the summer of 2009. At the end of 2011, a new web-based register was successfully implemented corresponding to the growing demands of consumers PEAs and enjoying it outside clients. After its establishment, the Chamber continued monitoring of its work and by the start of 2014 it has led to several enhancements to improve its functionality. An important success for

BCPEA ensures its successful development was achieved in late 2012 and early 2013. By decision of the Supreme Judicial Council (SJC) regarding the amendment of Article 487, paragraph 2 of the Civil Procedure Code (CPC), the Central Register of Public Sales has become a major and indispensable for keeping electronic database conducted under the Civil Procedure Code (CPC) sales of private enforcement in the country. Since its inception, the Chamber has been constantly monitoring its work, and this over the years, including in 2017, has led to several improvements in its functionality. In the light of the new changes in the Civil Procedure Code, there is already the need to replace the current

public selling platform of PEAs with a new, more up-to-date and significantly expanded function.

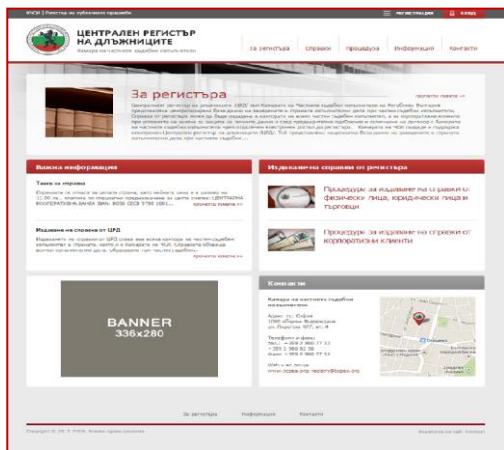
For the past twelve months of 2017, the website of the Register of Public Sales was visited by **855,846** unique IP addresses, but at least twice as many unique visitors have logged into the site, given that many computers are used by more than one person, and that behind some IP - addresses remain many individual users /as a corporate client with multiple computers and users/. This is an increase by **3.25%** of unique visitors to the website, compared with 2016, when visitors totalled **828,932**. Apparently, the page of the register increases its popularity and generates increased interest among users. In 2017, in the Register of Public Sales of the Bulgarian Chamber of Private Enforcement Agents features **51,699** announced sales of property (compared to 50,820 in 2016). Among them: **45,646** real estate announced sales /compared to 46,545 announcements in 2016/; announced sales for vehicles - 1697 announcements /compared to 1751 announcements in 2016/ and announced sales of and movable property - 3 457 announcements /compared to 3421 announcements in 2016/. Here, we want to emphasize - **the number of published announcements does not mean actual sales, nor is the fact that the property is subject to performance, in many cases there are several sales of the same properties due to lack of bidders.**

Real estate sales announced on the website in 2017 total 46,545 veersus 45 648 in the previous 2016. They are divided by district courts as follows:

Sofia Regional Court	Sofia District Court	Blagoevgrad	Burgas	Varna	Veliko Tarnovo	Vidin
4331	2204	2458	5220	3172	1814	973
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovech	Montana
669	1401	1752	633	320	2036	484
Pazardzhik	Pernik	Pleven	Plovdiv	Razgrad	Ruse	Silistra
1480	511	1805	2341	523	1496	516
Sliven	Smolyan	Stara Zagora	Targovishte	Haskovo	Shumen	Yambol
1321	1862	1471	528	3076	1270	878

That number of visitors have logged onto the website 3,828,438 times and had examined a total of over 44,265,702 pages. The average number of pages reviewed per visitor is **12** pages per visit, as visitors spent on the site average about **8** minutes per visit. On average, our site was visited by approximately **2344** visitors (compared to 2016, this number was **2271**).

3.6.1.2. Central Register of Debtors (CRD)



The Central Register of Debtors was created as a centralized database in 2011. The initial system has been in operation since the beginning of 2011 to September 2014. Entirely new software CRD was awarded in full and went operational in October 2014 with same functions today. In the past 2017, some upgrades were made to the current software, but they only showed that there is a need for this complete upgrade.

At present, the Register of Debtors has uploaded approximately 1,123,500

pending cases, and total suspended and closed cases are approximately 624,337.

The Register of Debtors is in continuous, everyday use by users - private enforcement agents, companies, individuals, and corporate clients /mostly banks, non-bank financial institutions, insurance and leasing companies/. Over the recent years the number of reports issued increased significantly compared with the first three years of its launch. In 2017, they issued a total of 59,514 references from the Central Register of Debtors, including 12,528 references from different companies and citizens and 46,986 references - from our corporate clients (for comparison, in 2016 - 22,510 references; 2015 - 21,184 references; 2014 - 29,126 references). This is a 10-fold increase in the number of reports issued by CSD corporate clients compared to last year, when it was merely 4795. The trend eloquently demonstrates the strengthening confidence in our organization.

In the administration of the Chamber of Private Enforcement Agents (CPEA) there is an employee with the relevant training and qualification of a permanent employment contract, who is responsible for the direct monitoring and non-technical support of the Register. This reduces the costs of External Services for the Chamber and allows for improved communication of the Chamber's staff with Sector members and CRD clients on issues and matters related to the registry. The CRD functionality monitoring by the Chamber officer significantly improves and facilitates the day-to-day operation of the system. In 2017, there is a growth in the CRD revenue compared to the one set in the annual budget (about 11% above the revenue forecast).

3.6.1.3. BCPEA Filing System

The Chamber has successfully implemented and operated a uniform filing system. By the end of 2016, the project was implemented in its entirety. The entire paper archive in the administration was digitized and imported as a database in the system. Information is currently being developed and used successfully not only to manage daily document flow, but also for statistical and monitoring purposes.

Through the electronisation of work processes, we have increased the productivity and internal organization of the Chamber, improving the efficiency of the work of all its bodies. Document Flow Optimization in our organization helps us effectively manage the content of both paper and electronic documents. With the help of the system, the work processes are automated, the tasks for the Chamber's employees and its bodies are easily defined and created. The system is designed to integrate successfully into the existing IT environment. With it, we can get an optimal exchange of information and documents with third-party systems with ease of administration. Through the created digital archive, access to archival documents has been extended and facilitated without endangering their physical condition. The filing system provides the opportunity to work with electronic copies of disciplinary cases and files. Through the "Disciplinary and Judicial Practice" module, including DC decisions, decisions of district courts and decisions of the Supreme Court of Cassation, it is possible to sort and search documents on different criteria - what disciplinary sanctions are imposed on disciplinary cases depending on a certain violation of a legal norm, rules of the Code of Ethics or the Statute of the Chamber of Private Enforcement Agents. In this way, a disciplinary code is created that will help the sanctioning authorities in their activity of establishing violations and rendering their acts, respectively of the private enforcement agents in their activity. Through information in the database about complaints, disciplinary proceedings, claims for damages, insurances, and other data for each private enforcement agent, the system enables data to be collected quickly and electronically and systematized; to automatically notify the PEA of non-performance in time of his obligations - for example, that he has not submitted the report or has not renewed his insurance, etc. Here is the place to give special thanks to the Chamber member - Gueorgui Gueorguiev, who paid huge efforts in the introduction of our filing system.

3.6.1.4. Electronic distrains

Despite efforts, we completed the previous year and we start the current year with the hope that finally the legislature will show political will for the adoption of necessary changes in the Civil Procedure Code to enable the introduction of electronic distrains in practice. At the end of 2015, at the National Assembly, a very good and working draft of the Civil Procedure Act was prepared. Together with the Ministry of Justice we drafted ordinance under Article 450a of the Civil Procedure Code (CPC), so we have grounds for optimism. Electronic distrains are alphabetical example of "possibilities" of the administration, as mentioned above. Given that performance fees are reduced in some cases 30 times not to bring electronic distrains for already 5-6 years is ridiculous.

3.6.1.5. Electronic data exchange with NRA

The practice of implementing the agreement with the NRA on interaction and exchange of information has shown that there are a number of issues the removal of which requires an active position and work by the Chamber of Private Enforcement Agents. In 2017, representatives of the Chamber of Private Enforcement Agents (CPEAs) talked and held proactive meetings with NRA representatives to sign a new agreement or to supplement the current scope for expanding the

scope of services. Our main goal in the field of electronic services is to migrate from web-requests and receive e-mail information to full exchange of data with NRA's information system in a broad integration electronic platform. Unfortunately, by the end of the reporting period we were unable to sign a new agreement between the Chamber and the NRA and start the real work on realizing this so important for the daily work of the private enforcement agency. In this sense, our goal is to continue our efforts in this direction early in 2018.

3.6.2. Training. EUROPEAN SCHOOL OF ENFORCEMENT.

By the end of 2016, we laid the foundations for a new, highly structured structure - European School of Enforcement (ESE), which, with its first steps, has shown its efficiency both internally and internationally. This was a significant event for the Chamber, a long-awaited dream and we are pleased that after more than 11 years we have made it a reality! The ESE is open to anyone wishing to gain knowledge of enforcement in Bulgaria and Europe, whether they are jurists or not.

The need for the establishment of ESE was conditioned by a number of legitimate reasons, which for many years were analyzed in their totality and after a careful analysis of the results of the implemented CPEA training strategy, namely:

- Rapidly changing legislation;
- The European dimensions of enforcement and its ever-wider regulation at European Union level;
- International dimensions. There are an increasing number of cases of cross-border enforcement;
- Abandonment by other legal professions, especially judges and prosecutors. The EC report on judicial training for 2015 shows that in all (28/28) Member States there is organized training for judges in almost all (27/28) for prosecutors. 32% of judges have undergone at least one European Union or national law training in another Member State, 29% of prosecutors, compared with 14% of private enforcement agents;
- Lack of prior training for the PEAs, unlike judges, prosecutors and lawyers;
- Existence of a legislative requirement. According to Article 29, paragraph 2 of the Private Enforcement Agents Act - "The private enforcement agent is obliged to upgrade his/her qualifications and to introduce, train and steer his/her assistants and employees."

The European School of Enforcement was established by a decision of the Chamber Board of Private Enforcement Agents dated 14/10/2016 and registered as a foundation for carrying out activities in public benefit by a decision of Sofia City Court dated 17/11/2016 under company case No 734/2016

In 2017, the Foundation's activities developed in the following directions:

Institution build and development

- All administrative procedures following the court registration have been completed, namely:

- registration under BULSTAT;
- registration for carrying out activity in public benefit in the Ministry of Justice;
- VAT registration;
- approval by the State Agency for National Security of internal rules for the control and prevention of money laundering and the financing of terrorism;
- registration as a data administrator under the Personal Data Act;
- Creating the required internal registers of different types of contracts.
- A logo (logo) of the Foundation was created in Bulgarian and English, duly registered by the Patent Office and promulgated in its Official Bulletin No 11.2 of 30/11/2017;
- A Foundation website has been developed and constantly upgraded, providing a growing number of consumer information services;
- A small team of the Foundation was formed by civil-law assistants to provide financial and accounting training and information and support services;
- The office provided by the Chamber to the Foundation is furnished with the minimum necessary equipment and furniture.

Training activities

- During the reporting period, the Foundation conducted a study on the training needs of private enforcement agents and their employees as well as other potential target groups:
 - An electronic questionnaire was sent to all the private enforcement agents. 74 responses were received;
 - A series of meetings were held with representatives of the judiciary, other legal professions and government, business and international institutions to collect opinions on training needs in the field of enforcement.
- There were eight training workshops with a total of 576 participants as follows:
 - Topics: "Amendments to the Commercial Act and Special Pledges Act of December 2016", "Complications in the Enforcement of Real Estate," "Rights, Obligations and Responsibilities of Assistant PEAs", "Amendments to the Civil Procedure Code (CPC) from October 2017 in the context of enforcement proceedings ".
 - Target groups: six workshops for PEAs and employees in their offices, one workshop for candidates for a PEA assistant, one workshop for lawyers practicing in the field of enforcement.
 - Teachers/lecturers: five judges (four of them from the SCC), one PEA, one lawyer.
 - Evaluation by participants: 419 participants (72.74%) of the total were responding to the workshop questionnaires. Estimates "above expectations" - 5 and 6 according to the six-point system are average:
 - 82% for the curriculum;

- 81% for teachers;
- 80% for materials;
- 80% for the venue.
- Tables presenting workshops, topics, number of participants and participants' assessments are attached to the report.

➤ Training materials (aids) on the complications of the enforcement against real estate used in conducting the relevant training have been prepared and printed. Special editions of the Commercial Law and the Civil Procedure Code have been printed for the needs of the educational activities of the European School of Enforcement.

Total number of trainings - 8

Total number of participants- 576

Number of trainings organizes by European School of Enforcement in 2017				
Month	Dates	Location	Workshop topic	Number of attendees
February	17-18	city of Sofia, Ramada Hotel	"Amendments to the Commercial Act and the Special Pledges Act of December 2016"	90
June	02-03	Village of Glavatartsi, Glavatarski Han Hotel	"Complications of enforcement against real estate"	67
September	29-30	city of Sofia, Novotel Sofia Hotel	"Complications of enforcement against real estate "	66
October	06-07	city of Sofia, Park Hotel Moskva	"Rights, Duties, Powers and Responsibilities of Assistant Private Enforcement Agents"	41
November	18-19	city of Sofia, Ramada Hotel	"Amendments to the Civil Procedure Code dated October 2017 in the context of enforcement proceedings"	119
	23	city of Sofia, Park Hotel Vitosha	"Amendments to the Civil Procedure Code dated October 2017 in the context of enforcement proceedings"	61
	24-25	City of Plovdiv, Imperial Hotel	"Amendments to the Civil Procedure Code dated October 2017 in the context of enforcement proceedings"	89
	28	city of Sofia, Ramada Hotel	"Amendments to the Civil Procedure Code dated October 2017 in the context of enforcement proceedings"	43

International Activity

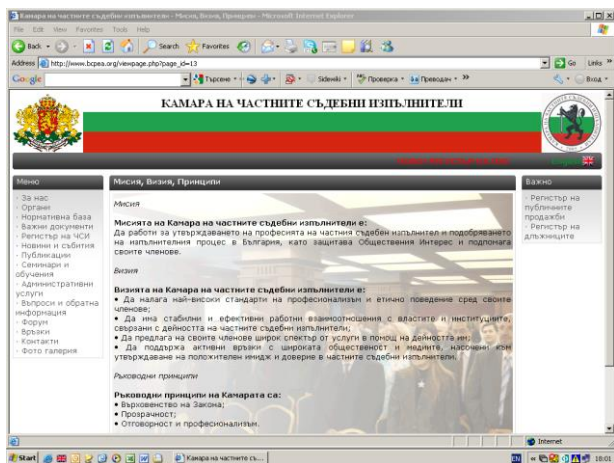
During the reporting period, the Foundation assisted the PEA Chamber in presenting its position on amendments to the Civil Procedure Code (CPC) to a number of foreign partners and international

organizations. The ESE has signed a partnership agreement with the Academy of European Law (AEUL) in Trier, Germany, whereby PEAs and employees from their offices can participate in the Academy's training activities with a significant concession fee. A Foundation representative participates in the final conference of a training project for court clerks and private enforcement agents, funded by the European Commission. Contacts have been established with relevant EC services and training institutions for private enforcement agents from other European countries, opportunities for joint work on training projects have been discussed. The Foundation supported as a partner a project for the training of court and private enforcement agents in the field of European law and foreign languages submitted by the Academy of European Law to the European Commission. The result is pending in 2018.

Financial sustainability

The Foundation's main source of funding and financial sustainability during the reporting period were the fees for participation in the training organized by the Foundation amounting to BGN 133,705.16. The expenses of the Foundation for Educational Activities, Maintenance and Taxes / Fees amount to BGN 113,506.52. The financial result of the Foundation's activity as at 31/12/2017 is BGN 20,198.64.

3.6.3. Information and administrative services



Analysis of the results from the past 2016 shows that members of the Chamber are relatively satisfied with the way the communication tools. On the one hand, they are satisfied with the information received on the Chamber activities. On the other hand, they have security, reliable feedback to the administrative team and the management of the BCPEA and they can get advice and support on issues and issues of daily dynamics in law offices. They

highly appreciate the proper, adequate and professional service they receive during the year.

Each member of the Chamber has the responsibility to build the image of the profession. Professional activity and morale of each PEA has a direct impact on the work and reputation of his colleagues. A PEA has the right to request updated information and quality services, but also has the obligation to comply with the rules and policies adopted by the governing bodies of the Chamber.

We work hard to regularly update the CPEA website, but our ambition is to create an entirely new and modern website of the Chamber in 2018 because the existing one is technically outdated.

In the section «Jurisprudence» we have published judgments of the courts of the Republic of Bulgaria in connection with law enforcement. After eleven years of effective operation of private

law enforcement, we have already accumulated some case law in the form of important court decisions in the field of enforcement. We publish these decisions to benefit the parties in the enforcement process, and try to unify the practice of courts throughout the country. In addition, we can add that by the end of 2016 we have collected and summarized the existing disciplinary and judicial case law, the same is provided for use by members of the Chamber already existing new system for filing and management processes of the BCPEA.

The section "Important documents", in the sub-section "Legal norms of the EU", contains all main European directives, regulations, procedures and instructions concerning cross-border enforcement of judgments and obligations of private enforcement agents (PEAs) in Bulgaria resulting from the country's membership in the European Community. As part of the information campaign of the BCPEA in 2015, we have updated the section "Questions and Answers" on the website to provide additional information to citizens and the opportunity to ask specific questions via the feedback form.

We maintain active 24/7 service and two national registers - Register of Public Sale and Central Register of Debtors. Very good ratings were awarded by PEAs who participated in the annual poll regarding these services: **5.17** for the BCPEA website; **5.27** for the Register of Debtors and **5.32** for the Register of Sales (compared to 2016 - 5.18 for the BCPEA website; 5.43 for the Register of Debtors and 5.31 for the Register of Sales). The quality of materials produced by the Chamber for 2017 is rated at **5.26** (versus 5.20 in 2016).

In 2017, we continued the tradition of issuing a bulletin of the Chamber. It is a tool for internal communication and industry periodically and systematically informs its members about the main activities, processes, legislative changes and important trends that are relevant to the profession of private enforcement agent. The purpose of the bulletin is to provide information on the Chamber activities to distribute national and regional initiatives of the Chamber and its members thus is useful for the entire professional community. The bulletin for the first half of the fiscal year was sent to all the PEAs at the end of July 2017. By the end of January 2018 the bulletin for the second half of the past year will be ready.

The bulletin is distributed in electronic format. It is sent via e-mail to PEAs, to their offices and associates. The bulletin is addressed to traditional partners of the Chamber, such as business organizations, banks, Ombudsman, etc. The bulletin for 2017 presented key findings from the annual statistical reports for the previous years, information campaigns of the BCPEA, execution on agreements with institutions news for enforcement of world partnership initiatives, Chamber public opinions on legislative changes, etc.

In order to maximize the awareness of their members for all media publications reflecting the activities of private enforcement agents (PEAs), this year the Chamber renewed the contract with Bulgarian News Agency (BTA) for the service «Electronic Press Clipping» - tracking a given topic in emissions BTA, online and print

publications in national and regional media. Through the subscription of the Chamber for this service, members of the BCPEA receive the fullest possible information from national and regional media on the subject "enforcement". The Chamber management considers that this initiative and investment makes sense and sincerely hopes to be useful members of this service in 2018.

During the reporting period the Chamber continued to render standard administrative services for its members - entries and deletions from the register of private enforcement, changes in circumstances Registry administration of the Central Register of Debtors (CRD) and other records maintained by the BCPEA, collection, compilation and analysis of statistics and information about the PEA, issuance of certificates, official memos and other documents, issuance of identity cards, cases and signs, distribution of publications of the BCPEA, document, administration of complaints overall administration of the disciplinary process in disciplinary proceedings and support the work of the Disciplinary Committee of the BCPEA, organizing national and regional fora, training and many others To be as informed about measures taken by the Chamber's Board decisions at its meetings, and the results of their implementation, all Chamber members receive regular e-mail records of the meetings full volume.

3.6.4. Services under development

One of the main priorities for the Chamber's development in the coming year will be the electronicisation of law enforcement procedures.

The introduction of an electronic platform to access all debtor information on enforcement cases is an extremely important project. It is about collecting information about debtors from GRAO, Geodesy and Cadastre Agency (AGKK), Property Register, Commercial Register, National Social Security Institute (NSSI), NRA, Traffic Police, customs, etc. In addition, the electronic platform will relieve the creditors and PEAs from the heavy and slow process of administering each individual state fee, which in a few cases also leads to the loss of creditors, as some of them manage to transfer their assets while collecting debtors' assets. The platform will also allow electronic exchange of mandatory procedural law notifications on enforcement cases, such as those of NRA for debtors' public debts.

For the project implementation and throughout the past 2017, many meetings were held between CPEA, our partner "Information Service" AD and all stakeholders from which we get information on the cases. Our partners from "Information Services" have the necessary technical and financial potential to secure this electronic system. Once again, we are convinced that a project that is in the interests of people, business and the state, respectively of the institutions, and which will reduce the costs, is hampered, delayed and neglected. At the level of management, we get understanding and consent, but then "experts" intervene in the relevant institutions concerned and the issues begin. As difficult as it may be, we will not give up and in 2018 we will continue our efforts until we have achieved the

ultimate goal that is in line with the best European practices and the Council of Europe Recommendations on Enforcement.

The introduction of electronic performance actions such as distractions, auctions and voluntary sales will also be key to the progress of the profession in the coming year. That is why we will make the most of our efforts and potential to start with these projects in 2018. The initiative of introducing the system of electronic distractions is now entirely in the hands of the executive and the legislature. We hope in 2018 to finally become a reality. Bringing the project to a successful end will prove the will of the state to introduce a modern European approach to law enforcement procedures, which will lead to a reduction of about 30 times the fees for citizens and business.

In the light of the latest amendments to the Civil Procedure Code (CPC), it will be very important to improve the electronic registers of CPEA, namely to develop a new Chamber website and a new Public Sales Registry. Since the current website of the Chamber has been operating since 2011 and there are already significant deficiencies and imperfections in its interface, in 2018 we will commission a contractor to design an entirely new and modern website of our professional organization. The public sales registry also appears to be outdated and not suitable for quick and efficient work. In order to improve and optimize its core modules and functionalities, as well as meeting the ever-increasing requirements of site users, we will instruct a contractor to create a new Register of Public Sales.

The assignment of the widest range of public receivables for collection by PEAs should be a leading factor in the efforts of the new management of CPEA. We will continue to work responsibly to collect state and municipal public claims to optimize compliance control and the Code of Ethics, including unfair competition and enhanced work with the institutions and the media. We will build on our proactive media policy and efforts to promote an adequate public image of the PEA. The assignment of new powers to PEAs, in line with best European practices, should also be the focus of priorities for the Chamber's management.

We will continue with the Chamber Board's policy for an effective control over the activity of private enforcement agents and its improvement, which we believe should include:

- Use of electronic means of monitoring and control;
- Reducing human and material costs of both PEAs and auditors;
- Adopt criteria for risk assessment, supervision and auditing of the offices according to them;
- Close cooperation with the Inspectorate of the Ministry of Justice with a view to the effectiveness of the control and alignment of the criteria for seeking disciplinary responsibility;
- Deafting a Disciplinary Code.

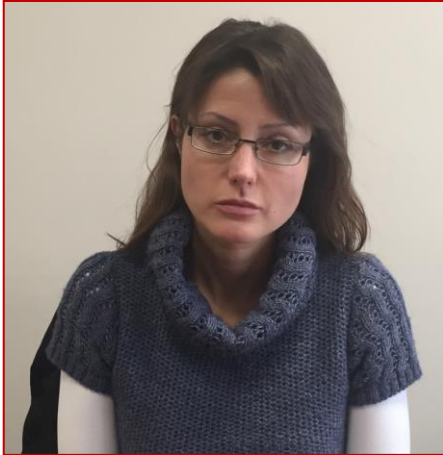
2018 will also be the year in which the Chamber's management will pay maximum efforts to speed up training activities of the ESE and make it an indispensable and easily accessible partner for every working colleague in the PEA's law office. As part of these efforts, we are also looking forward to the project for distance learning /webinars/ through which the training system for enhancing the professional

qualification of PEA and their employees will upgrade to an entirely new stage - a modern, modern and European approach.

Last but not least, we must also note the desire to increase the quality and quantity of services provided by the Chamber to its members, including through an appropriate material base. We continue with market demand in line with the Chamber's needs of purchasing a new office. Hopefully, in 2018, this initiative will end successfully and the Chamber will have a new and modern office - the headquarters of our organization in the city of Sofia.

REPORT

On the activities of the Disciplinary Committee with the Bulgarian Chamber of Private Enforcement Agents for 2017



Dear Colleagues,

We present to you the report of the Disciplinary Committee of the Bulgarian Chamber of Private Enforcement Agents for the past 2017. Traditionally, we will first provide statistics on complaints received, and then a brief report on the activities of the Disciplinary Committee and disciplinary proceedings.

I. Statistics on "Complaints"

In 2017, the BCPEA received 620, complaints and this year we have seen a longer lasting trend for their high number. In the previous 2016 the figure was 620, in 2015 - 522, in 2014 - 449 and in 2013 - 484. To enhance the contrast versus complaints received in previous years, in 2012 they were 419; in 2011 - 369, in 2010 - 325, in 2009 - 282, in 2008 - 205. We also present the quantitative distribution of complaints by years.

Compared to previous years, complaints received in 2017 are as follows:



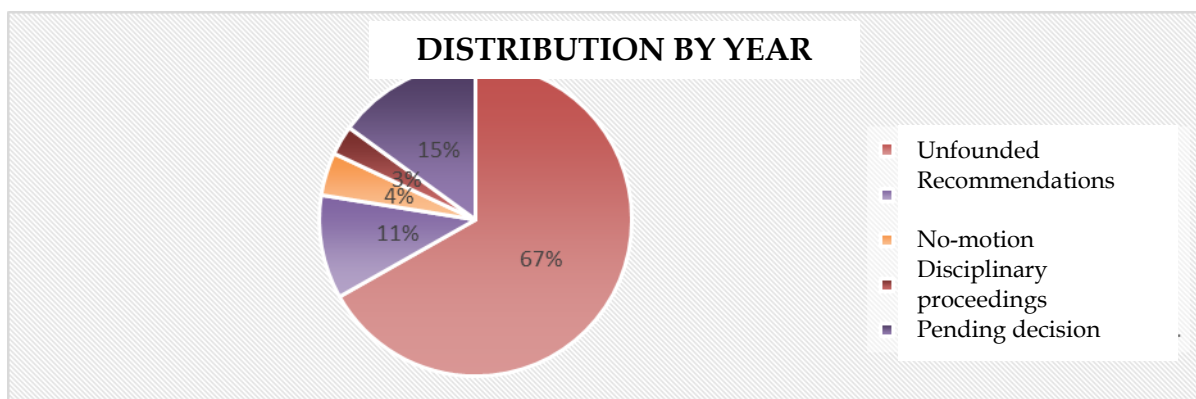
- versus 2008 - up by 219%;
- versus 2009 - up by 132%;
- versus 2010 - up by 101%;
- versus 2011 - up by 77%;

- versus 2012 - up by 56%;
- versus 2013 - up by 35%;
- versus 2014 - up by 46%;
- versus 2015 - up by 25%;
- and compared to the previous 2016 - 5%.

The sustainable trend of a large number of complaints does not mean a large number of legitimate complaints. Of the 654 complaints received in 2017, 437 were unfounded, 70 were addressed, 31 were left without motion, 20 were decided to initiate disciplinary proceedings, 96 are pending resolution in 2018.

In absolute terms, the figures are as follows: 66.83% of all complaints in 2017 were unfounded; recommendations were made in 10.70%; no motion - 4.74%; in 3.06% of them, the Chamber Board has decided to initiate disciplinary proceedings and in 14.67% of complaints pending consideration by the Chamber Board in 2018.

We also present the distribution of complaints, by result.



In comparison with the previous years of 2015 and 2016, the analysis shows that the percentages of data are similar, namely:

	2015	2016	2017
Unfounded	63.03%	62.26%	66.83%
Recommendations	15.52%	14.68%	10.70%
Initiated disciplinary proceedings	4.98%	5.48%	3.06%
No motion	3.26%	5.16%	4.74%
Pending decision	13.21%	12.42%	14.67%
	100%	100%	100%

The analysis shows a trend continued existence of a relatively large number of complaints in 2017 as well. Statistics show that on average received are 55 complaints per month, 14 per week and 3 complaints every working day! The majority of complaints were received in March - 73, and the least in September - 40.

It is interesting to note that there were no appeals against the 45 private enforcement agents in the Chamber against their actions. A total of 44 of the private enforcement agents in effect in 2017 had one complaint about their activity in the past year. A total of 71 PEAs had less than five complaints; 31 PEAs had filed between five and nine complaints and 12 PEAs had more than 10 complaints.

By areas of action, the data are as follows: Undoubtedly, most complaints have been filed against PEAs with area of action within Sofia City Court - nearly 40% of complaints received in 2017; followed by Plovdiv District Court - nearly 10%; Varna District Court - 9%. It should be noted that there is also an area of action without any complaint - Targovishte District Court, as well as such - with less than 5 complaints for the whole region - Kyustendil District Court, Lovech District Court, Vidin District Court, Razgrad District Court, Silistra District Court, Sliven District Court, OS Yambol District Court, Haskovo District Court and Smolyan District Court.

A brief summary of the activities of the parliamentary Committee on Legal Affairs and Control of the Activities of the PEA in the case of the examination and the resolution on complaints in the Chamber of PEAs should be provided.

During the three-year mandate of the Chamber's management, 1995 complaints were allocated for consideration, including only 250 that had no opinions represented, or only 14%.

It should be noted that some of the members of this Committee have not taken any part in considering and ruling on complaints since the very beginning of its mandate! Others were conscientiously fulfilling their duties by presenting their views on their complaints in good time. Also, for most of the mandate, the Committee was working with half of its members.

II. Statistics on Disciplinary Committee activity in 2017

From 2006 by the end of 2017, the Disciplinary Committee of the Bulgarian Chamber of Private Enforcement Agents (BCPEA) opened a total of **358** disciplinary proceedings against PEAs. Pursuant to Article 70, paragraph 1 the Law on Private Enforcement Agents (LPEA) proceedings must be instituted at the request of the Minister of Justice or by a decision of the Chamber Board. According to this criterion, the figures are as follows:

2006 - 5 disciplinary cases - three disciplinary proceedings by decision of the Chamber Board and **two** at the request of the Minister of Justice and **one** at the request of both bodies;

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

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

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

2010 - 21 disciplinary cases - ten at the Chamber Board's request, **eleven** by the Minister of Justice;

2011 - 17 disciplinary cases - seven at the Chamber Board's request, **nine** by the Minister of Justice and **one** at the request of both bodies

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

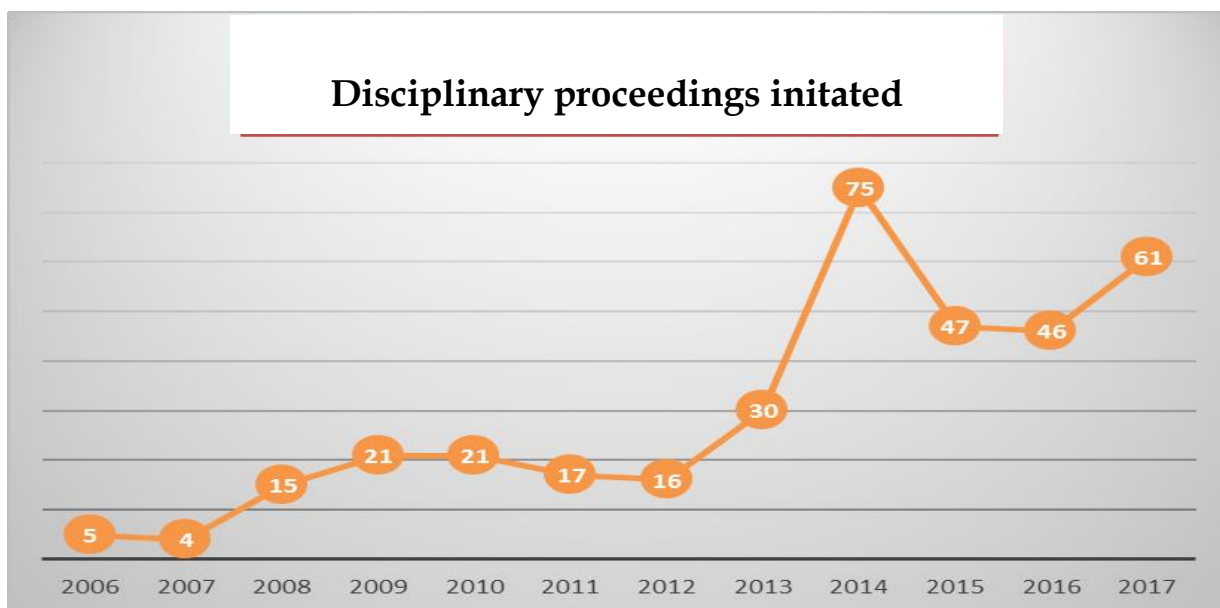
2013 - 30 disciplinary cases - ten at the Chamber Board's request, **eighteen** by the Minister of Justice and **two** at the request of both bodies;

2014 - 75 disciplinary cases - twelve at the Chamber Board's request, **fifty-seven** by the Minister of Justice (four of them are initiated in parallel for judicial and financial review), and **six** at the request of both bodies;

2015 - 47 disciplinary cases - fourteen at the Chamber Board's request, **twenty-six** only at the Minister of Justice's request, **five** at the request of both bodies and **two** were returned by the Supreme Cassation Court for re-consideration;

2016 - 46 disciplinary cases - twenty-six at the Chamber Board's request, **eleven** only at the Minister of Justice's request, **and four** at the request of both bodies and **five** were returned by the Supreme Cassation Court for re-consideration;

2017 - 61 disciplinary cases - twenty-six at the Chamber Board's request, **twenty-seven** only at the Minister of Justice's request, and **eight** at the request of both bodies.

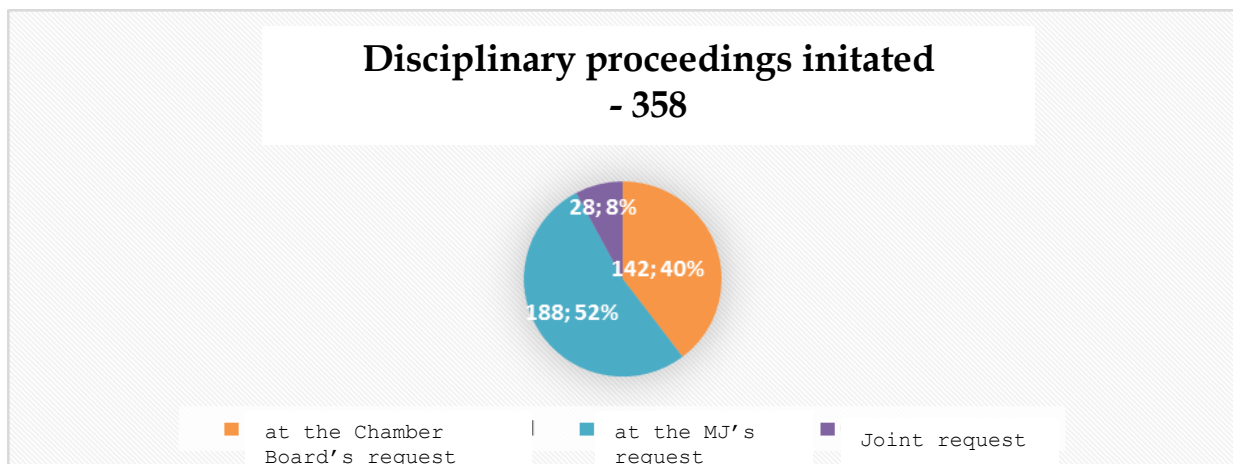


To make it clearer, we also provide this information in a tabular format:

	at the Chamber Board's request	at the Minister of Justice's request	Joint request	TOTAL
2006	3	1	1	5
2007	3	1		4
2008	5	9	1	15
2009	15	6		21
2010	10	11		21

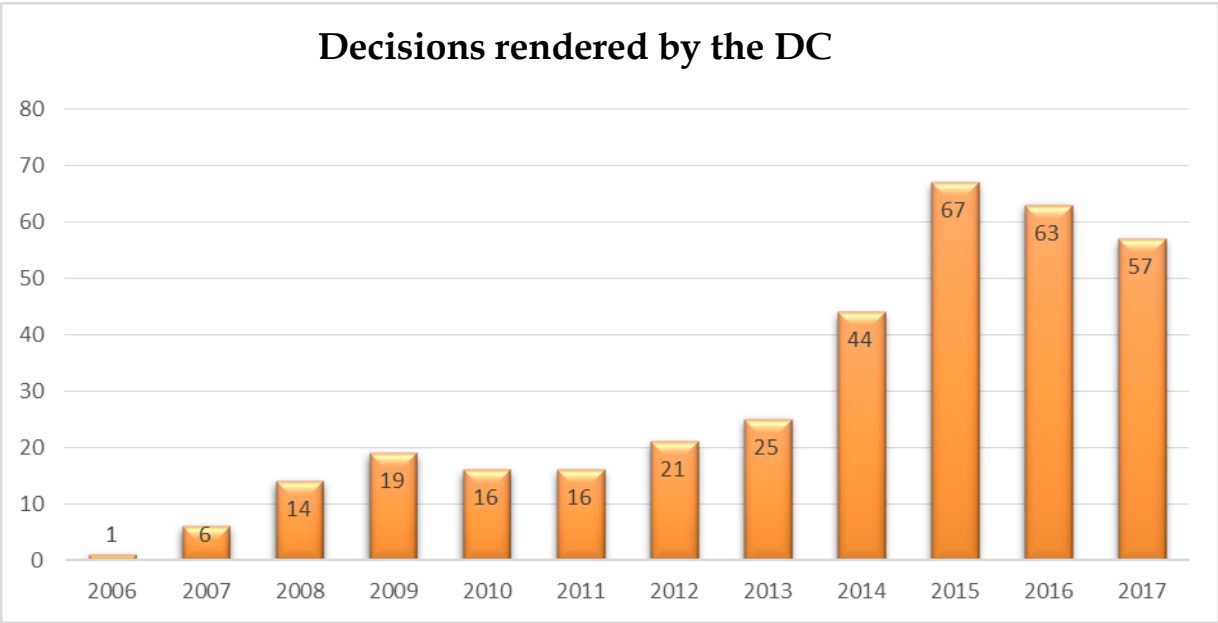
2011	7	9	1	17
2012	11	5		16
2013	10	18	2	30
2014	12	57	6	75
2015	14	28	5	47
2016	26	16	4	46
2017	26	27	8	61
	142	188	28	358

Statistics show that out of a total of 358 disciplinary proceedings, 142 proceedings (almost 40%) were initiated by decision of the Chamber Board, at the request of the Minister of Justice - 188 (more than 52%) and 28 at the request of both bodies (approximately 8%).



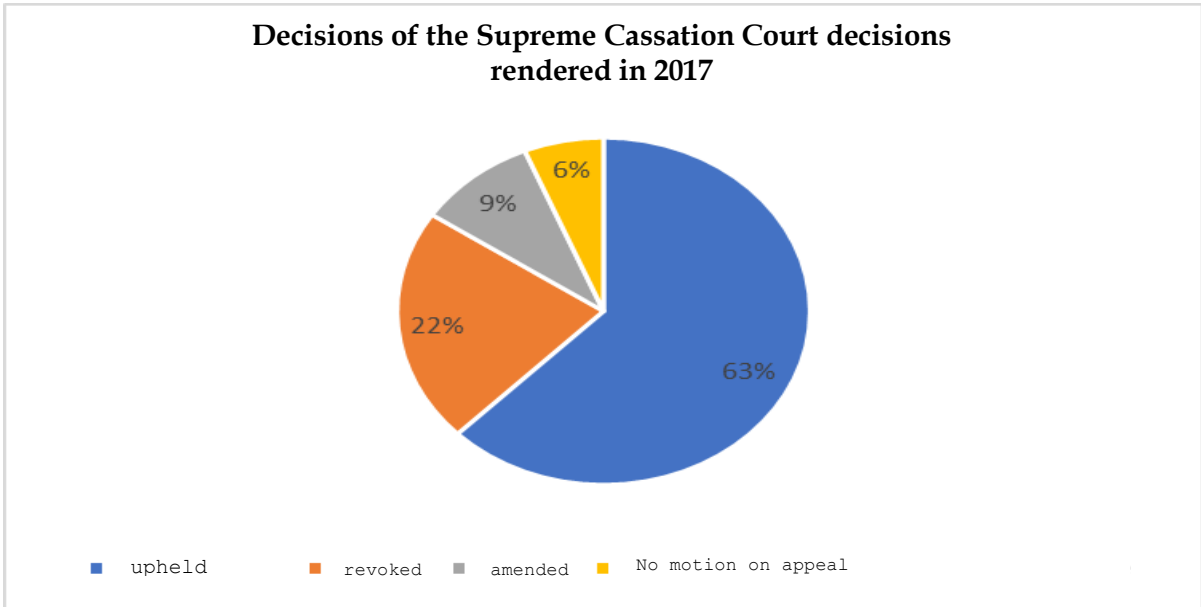
The Disciplinary Committee has delivered a total of **356 decisions**. Yearly statistics is as follows:

- 2006 - **one** decision rendered.
- 2007 - **six** decisions rendered.
- 2008 - **fourteen** decisions rendered.
- 2009 - **nineteen** decisions rendered.
- 2010 - **sixteen** decisions rendered.
- 2011 - **sixteen** decisions rendered.
- 2012 - **twenty-one** decisions rendered.
- 2013 - **twenty-five** decisions rendered.
- 2014 - **forty-four** decisions rendered.
- 2015 - **sixty-seven** decisions rendered.
- 2016 - **sixty-three** decisions rendered.
- 2017 - **fifty-seven** decisions rendered.
- 2018 (by the end of tenure 2015-2017) - **seven** decisions are rendered.



In the past 2017, the Supreme Cassation Court (SCC) ruled 50 decisions, and the results are as follows:

- upheld - 20;
- revoked - 7;
- amended - 3;
- no motion on appeal - 2;



As an indisputable conclusion, the Supreme Court of Cassation generally upholds the decisions made by the disciplinary panels. The reasons for engaging in disciplinary responsibility and the imposition of disciplinary sanctions on a private enforcement agent also find their confirmation in court documents.

The Chamber Board at its meetings, held in 2017, has taken 27 decisions to initiate disciplinary proceedings. During the mandate of 2015-2017, the Chamber Board took a total of 87 decisions on the institution of disciplinary proceedings: in 2015 - 18; in 2016 - 42

and in 2017 - 27 decisions. It should be noted that on the basis of requests made by the Chamber Board, the Disciplinary Committee has for the most part accepted the request regarding the type of sanction, not fully respecting the amount of the penalty.

For example, on the basis of 18 requests made in 2015, 15 were granted by type of sanction: 2 fully met (including upheld by the Supreme Court of Cassation) and 13 partially met - regarding the penalty amount. Three requests were rejected.

Of the 42 requests made in 2016, 19 were granted by type of sanction: 7 fully met (including four confirmed by the Supreme Court of Cassation) and 12 partially met - regarding the penalty amount. Nine requests were rejected; on seven requests, the Disciplinary Committee has imposed a lesser penalty than requested by the Chamber Board of Private Enforcement Agents; five were resolved to a higher penalty than the one requested, and two are pending resolution in 2018.

The 27 requests made by the Chamber Board in 2017 with a decision to initiate disciplinary proceedings, formed in the same year, 20 are to be reported to the Chairman of the Disciplinary Committee for initiation in 2018. Nine were granted by type of sanction: 5 fully met and 4 partially met - regarding the penalty amount. Four requests were rejected; the Disciplinary Committee has issued a penalty less than that requested by the Chamber Board, one is jointly initiated in an unfinished procedure from 2016, and five are pending resolution in 2018.

In 2017, a total of 27 requests for disciplinary proceedings were filed by the Minister of Justice, 19 of them disciplinary proceedings being instituted only at the request of the Justice Minister, 8 jointly with decisions of the Council and united in one case.

In the case of 61 disciplinary proceedings initiated only in the reporting year 2017, the Disciplinary Committee issued 47 decisions, representing over 67% of the disciplinary proceedings initiated in 2017. The remaining ones are as follows: seven of them were resolved in January 2018, the rest were postponed to the next Disciplinary Committee in 2018.

Of the disciplinary proceedings initiated during the mandate of 2015-2017 for the continuation of proceedings in 2018, ten disciplinary cases remain - two in 2016 and eight in 2017. It should be noted that seven of these remaining ten proceedings are only against one private enforcement agent, due to his chasing of the notification procedure for the scheduled sessions.

Of the 47 judgments, seven have entered into force (four have been appealed - confirmed by the SCC, and three have not been appealed), seven are scheduled to sit in court before the SCC in 2018, and 33 are subject to a time limit for appeals.

Throughout 2017, the Disciplinary Committee has ruled on a total of 57 decisions.

The Disciplinary Committee tended to impose a "fine" penalty, with 25 of these 57 decisions having made such a penalty; has imposed four "reprimand" penalties; has dismissed fifteen requests for disciplinary proceedings; imposed two disciplinary penalties "deprivation of legal

capacity"; has ceased two; two of them have left no respect; by four judgments, has ruled that it does not impose a disciplinary penalty, in two judgments it has made a mixed form of sanction and has made a decision for temporary removal from office.

The effective decisions in 2017 are 42, the result being as follows:

1. Reprimand: 5.
2. Fines - 21, including:
 - up to BGN 1000.00 - 10;
 - over BGN 1000 - under BGN 5000.00 - 5;
 - over BGN 5000.00 - 3;
 - BGN 10,000.00 - 3.
3. Warning for temporary debarment - 2.
4. Debarment - 4:
5. Suspended - 2.
6. Rejected requests for disciplinary measure - 3.
7. Non-sanction - 3.
8. Temporary removal under Article 71, paragraph 3 of the PEA Act - 2.

The tendency for the heavy workload of the disciplinary teams is also preserved this year. The Disciplinary Committee in 2017 held 83 hearings, and during its entire term of office 225, including: 64 meetings in 2015; 66 meetings in 2016, 83 meetings in 2017 and 12 meetings in January 2018.

In 2017, 57 decisions were made within the following deadlines:

- up to **1 month** - 24 decisions or over 42% of the decisions made in 2017;
- from **1 to 3 months** - 17, which is almost 30% of the decisions made in 2017;
- from **3 to 6 months** - 11 or 19% of the decisions made in 2017;
- from **6 months to 1 year** - 5 decisions, making almost 9% of all decisions made in 2017;
- **over 1 year** - no decisions have been made.

The analysis of the Committee's activity during the reporting period shows that some major violations:

- Violations of the rules for conducting a public sale, including a regular sale of sales;
- Infringements in making an inventory of property, such as making inventories without a true look at the property, breaches of inventory records, without indicating factual circumstances and property status;
- Breaches in the service of papers in enforcement cases and inappropriate notification of parties and participants in the proceedings for the execution performed;
- Violations of local jurisdiction in the opening of enforcement cases;

- Infringements and unjustified delay in administering complaints received and unjustified delay in the adjudication of claims and claims brought in enforcement cases;
- Non-provision of materials and assistance in the examination of complaints received;
- Infringements of ordered amounts of execution, as well as improper determination of the amount of the fees;
- Failure to carry out due diligence on the ownership of the property on which it is executed, performance on non-invisible property, enforcement on a foreign property

Almost all of the requests from both the Chamber Board and the Minister of Justice are found to have committed numerous violations.



Maria Tsacheva,
Chairperson of the Disciplinary Committee
with the Bulgarian Chamber of Private
Enforcement Agents

REPORT

On the activities of the Control Committee with the Bulgarian Chamber of Private Enforcement Agents for 2017



Dear Colleagues,

The past 2017 was the last of this mandate of the Control Council and the 12th since the establishment of the CPEA. Despite the attacks on our sector, the governing bodies mobilized to survive the profession. We were invited to working groups of the MoJ and the SC, where our colleagues worked. The management has succeeded in uniting the responsible PEAs to preserve the independence of our profession.

During the reporting year, the Chamber Board has managed to fulfill much of the pre-set goals and objectives. We have improved control of the PEA, continued work in the development of electronic services by the Central Register of Debtors and the Register of Public Sales that we offer. We still do not know exactly how our latest change to our charges and the amendments to the Civil Procedure Code (CPC) in 2017 will affect our activity.

The work of the Supervisory Board was consistent with the basic principles of the Plan on Control Committee Activities. Members of the Control Committee participated in all the Chamber Board. For the period we have not received a single signal on verification concerning the budget of the BCPEA, or management of the property. In this sense, except that the Control Committee of the BCPEA performed its supervisory powers under Article 64 of the PEA Act, it was unable to fully transform into a permanent body, with full membership and to assist the Board, which our profession is much in need of.

Despite a few timid attempts in 2017, the planned procedure for choosing a building to be purchased by the CPEA to meet the needs of the CPEA administration and to carry out trainings (which were decided by the Council in 2013) as well as by the General Assembly in 2015 and 2016). Given the rise in real estate prices over the last 3 years, this issue remains undecided.

In 2017, the continued development of precise and accurate accounting of income and expenses from operations of the Chamber, and there are the results of good cooperation with AFA Ltd., which previously took four years accounting services to the BCPEA. Good level of accounting services provided by AFA Ltd. and working with them in 2017, they found an objective look at optimizing the resources of the Chamber, which raised the positive financial result for the year.

The Control Committee considers that **the Board Chamber activities in 2016 were lawful, efficient and in a spirit of continuity.**

There were **11** regular and **5** remote meetings to take **848** decisions in total, including **177** on operational, current and economic issues and on **671** on complaints received.

Meetings are held regularly and with the required quorum, decisions are taken in strict compliance with the Constitution and internal translated the Chamber.

Committee members are divided into committees and are responsible for the relevant portfolio. At each meeting they were informed of the implementation of previous decisions taken by monitors in compliance with deadlines for their implementation. Any significant costs that are borne by the Chamber are taken decisions by the Chamber Board. In individual cases, there is insufficient activity of individual members of the Chamber, operational activities, including organizational and financial matters.

Where necessary, the Control Committee has made recommendations and notes that the members of the Chamber Board of Private Enforcement Agents have taken into account or taken into account in their deliberations and decisions.

During this period the **Chamber continued to operate as an autonomous and financially solvent organization**. Total revenues of the Chamber for 2017 were **BGN 685,187.00**.

Proceedings from activities amounted to **BGN 234,940.00**. The positive result in revenue in 2017: proceedings from the Central Register of Debtors - **BGN 222,904.00**, booklets and advertising banners - **BGN 12,036.00**, etc.

Revenues from non-profit activities are **BGN 450,247.00**, as the most significant items are: membership fees - **BGN 342,650.00**, entrance fees to colleagues about **BGN 84,676.00**, etc.

As a VAT registered person for implemented business BCPEA regularly reported and imported due VAT is the tax credit applicable.

In analyzing the expenses incurred, the **Control Committee finds that they are reasonable and appropriate** according to the budget adopted and voted and according to the decisions of the Chamber Board.

All costs incurred are in total **BGN 740,657.00**, the main costs are subscription contracts, fund payroll administration, security, maintenance of the sites of the Chamber, supplies, General Assembly - regular and overtime donations soccer tournament membership in international organizations, workshops, trainings, etc.

In 2017, the financial result of the Chamber is **BGN 72,483**, which means after paying taxes, will form a reserve for the Chamber.

In 2017, there was comparable expenditure of previous years between economic and non-profit activity - 34% for business and 66% for non-profit activity.

At the end of the fiscal 2017, the Chamber financial position is stable, reserves exceed BGN 750,000 - funds for the purchase of an office of the Chamber of Private Enforcement Agents, BGN 190,000 - reserve fund. Possible perspective of the next 2018 is stable smooth growth of the positive financial result and increase the reserve of the BCPEA.

The accounting and financial records are maintained according to national accounting, the financial statements and balance sheets are composed by AFA, a specialized accounting company.

The Bulgarian Chamber of Private Enforcement Agents is a financially stable organization and continues to evolve in the ascendant, which contributes to better protect the rights and interests of the profession of citizens, business and the society.



Ivan Hadzhiivanov
Chairperson of the Control Committee
Bulgarian Chamber of Private Enforcement
Agents