



**REPUBLIC OF  
BULGARIA**



***CHAMBER OF PRIVATE ENFORCEMENT AGENTS***

**ANNUAL REPORT**

**2 0 2 4**



**Distribution and number of private enforcement agents /181/ on the territory of the Republic of Bulgaria by judicial areas of action as of 31 December 2024.**

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	10	Montana	2	Sofia City	37
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	3	Stara Zagora	10
Veliko Tarnovo	7	Pleven	7	Targovishte	1
Vratsa	4	Plovdiv	18	Haskovo	3
Gabrovo	3	Razgrad	3	Shumen	5
Dobrich	5	Ruse	5	Yambol	2
Kardzhali	2	Silistra	1		
Kyustendil	4	Sliven	3		

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 Stefan Gorchev - Deputy Chairperson  
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 Nikola Popov  
 Petko Iliev  
 Delyan Nikolov  
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 Victor Stoyanov  
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 Alexander Dachev  
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 Reserve member  
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#### **CONTROL BOARD**

Rositsa Apostolova  
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 Hristo Gueorguiev  
 Ivelina Damova -  
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## **Table of Contents:**

<b>ADDRESS BY THE CHAIRPERSON</b>	p.4
<b>1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM</b>	p.9
<b>2. CHAMBER DETAILS</b>	p.11
<b>3. ACTIVITY OVERVIEW</b>	p.11
3.1. CONFERENCES AND WORKSHOPS	p.18
3.2. INTERACTION WITH INSTITUTIONS	p.21
3.3. PUBLIC RELATIONS AND MEDIA	p.37
3.4. CONTROL OVER PEA ACTIVITY	p.39
3.5. INTERNATIONAL COOPERATION	p.42
3.6. SERVICES PROVIDED TO BCPEA MEMBERS	p.50
3.6.1. ELECTRONIC ENVIRONMENT AND TECHNOLOGY DEVELOPMENT	p.50
3.6.1.1. REGISTER OF PUBLIC SALES	p.52
3.6.1.2. CENTRAL REGISTER OF DEBTORS (CRD)/ INTEGRATED PLATFORM OF ENFORCEMENT CASES, IPEC)	p.54
3.6.1.3. BCPEA RECORD-KEEPING SYSTEM	p.55
3.6.1.4. ELECTRONIC SYSTEM FOR ALLOCATION OF ENFORCEMENT CASES TO PUBLIC CREDITORS (ESAECPC)	p.56
3.6.1.5. INFORMATION SYSTEM FOR SINGLE-ENTRY POINT FOR DISTRAINTS AND SYSTEM FOR ELECTRONIC PUBLIC AUCTIONS	p.57
3.6.1.6. JUDICIAL ENFORCEMENT INFORMATION SYSTEM (JEIS)	p.58
3.6.1.7. ELECTRONIC DISTRAINTS	p.59
3.6.1.8. PRIVACY PROTECTION SYSTEM -BCPEA AND PEAS OFFICES	p.59
3.6.2. TRAINING. EUROPEAN SCHOOL OF LAW ENFORCEMENT	p.60
3.6.3. INFORMATION AND ADMINISTRATIVE SERVICES	p.61
3.6.4. SERVICES UNDER DEVELOPMENT	p.63
<b>4. REPORT OF THE BCPEA DISCIPLINARY COMMITTEE FOR 2024</b>	p.67
<b>5. REPORT OF THE BCPEA CONTROL BOARD FOR 2024</b>	p.73
<b>6. FINANCIAL STATEMENT FOR 2024</b>	

## ADDRESS BY THE CHAIRPERSON



### **ESTEEMED COLLEAGUES, LADIES AND GENTLEMEN,**

At the General Meeting held at the end of January 2024, significant changes occurred in the composition of the governing bodies of the Chamber of Private Enforcement Agents (CPEA), while maintaining the necessary continuity.

The new team immediately began work on the implementation of the programme on which it was elected. Given the difficult economic situation of the law firms in recent years, the main priority was all actions and measures that could not only stop, but also reverse this dangerous trend that threatens the very existence of the profession. A team of colleagues was immediately formed, which urgently prepared a full analysis of the financial situation of law firms.

The main findings in the Report of 28 February 2024 are as follows:

1. A clearly expressed trend of leaving the profession - 15 private enforcement agents have voluntarily ceased their activities, half of them - after 2018;
2. A sharp decline in the number of employees with a wide range of negative implications:
  - 2.1. On average, the staff of all offices of private enforcement agents decreased by 30%;
  - 2.2. Assistant Private Enforcement Agents decreased by 13% for the period 2018-2023;
  - 2.3. The total number of employees decreased by 15% from 2018 to 2023, with 282 people being laid off and the trend continues to be negative.
3. Critically threatened by the cessation of activity are small and some of the medium-sized offices:
  - 3.1. 30 offices have filed less than 300 cases for 2023;
  - 3.2. 54 offices have filed less than 500 cases;
  - 3.3. In 48 offices, the staff is up to 5 people with an average decrease in employees of 67%.
4. The number of newly filed cases has decreased significantly, with 21 out of 28 regions reporting a significant drop, reaching up to 300% (Shumen);
5. The average material interest in newly filed cases has decreased drastically, which directly affects the revenue for the offices' maintenance;
6. The amounts collected have decreased significantly in recent years, with the negative difference between 2018 and 2023 being -25%;
7. In 30% of cases, private enforcement agents finance the execution, as claims for alimony, employment relationships, child custody, as well as public state and municipal claims are exempt from advance fees;
8. Costs dramatically grew, which, combined with the drastic decrease in revenues, threatens the very existence of the system:
  - 8.1. The official inflation is 100% for the period 2006-2023;

8.2. The minimum wage from BGN 160 in 2006 has increased 6 times to BGN 933 in 2024, the average salary has also increased 6 times from BGN 355 to BGN 2,173, with the growth of 318% in the period 2017-2023 alone (439% in similar administrative and support activities);

8.3. Annual labour costs for the period 2008-2022 have increased by a total of 313% (431.48% in similar administrative and support activities);

9. The real costs of offices of private enforcement agents are much higher than the legally recognized 25%;

10. The amounts to be collected determine the amount of the collected amounts, which in turn determine the revenues of the offices, and the receivables entering the system at the private enforcement agency objectively, including in the long term, cannot ensure the necessary revenues for the maintenance of the offices and the private enforcement agency should be assigned additional activities to ensure the necessary additional financing.

The conclusions in the report are clear and unequivocal:

"The established facts lead to the conclusion that immediate and comprehensive measures are needed to financially stabilize the system by updating the simple fees in the Tariff for Fees to the LPEA (the same is from 2006), changing the taxation regime and assigning new activities to PEA. "

The report on the financial condition of the offices was immediately presented to the attention of the Minister of Justice with a request for a meeting to discuss urgent measures to stabilize the PEA system.

Once again, however, the political crisis thwarted the efforts of the BCPEA to solve the serious problems. The National Assembly was dissolved and the country once again proceeded to the next early elections. In the familiar and tired of political deadlock, the BCPEA governance did not stand idly by, but directed its efforts towards the measures from the programme that do not depend on the state. Back in February, a meeting was held with the management of the Association for Receivables Management, at which we urgently requested a solution to the problem of collecting private enforcement agents' fees after concluding agreements with debtors for payment of the debt to the collection company. We reached an understanding, as a result of which one of the largest companies in this industry revised its software in order to protect the rights of private enforcement agents to the maximum extent.

In implementing its program, the BCPEA Council also paid special attention to the issue of payment of advance fees in full by corporate creditors. In parallel, a legal and economic analysis of the procedure for serving extrajudicial documents when assigning under Article 18, para. (5) of the Chamber of Private Enforcement Agents Act was prepared, which established the average cost of this activity. The BCPEA Council took special decisions on both issues as of 11 June 2024. The Chamber sent letters to all corporate creditors in enforcement cases, as well as to the bar associations in Sofia and the country, informing them of the difficult situation of the law firms and of the efforts of the management of the Chamber of Private Enforcement Agents to stabilize the system. The letters have been brought to the attention of all private enforcement agents in the country, with special attention being paid to them to immediately

begin to align their actions with the decisions adopted generally for the profession.

After another change in the governance of the Ministry of Justice, we introduced the new Minister of Justice, Ms. Maria Pavlova, to the problems of the system and the urgent measures that need to be taken. After the meeting on 21 May 2024, we sent the letter requested by the Minister, in which we described the functions assigned to private enforcement agents in other European countries and requested the formation of a working group to develop legislative proposals in this direction. Since no action was taken by the Ministry of Justice, we again sent an official insistence on urgent action. On 17 October 2024, the Ministry of Justice asked us to nominate representatives to participate in an interdepartmental working group, which we immediately fulfilled. Ultimately, on 02 January 2025, the Minister issued an order to establish the working group, which includes representatives of state bodies, the legal professions, the court, business organizations, banks, consumer organizations, etc. We hope that in dialogue with all participants we will quickly reach an understanding on the best European practices in the field of judicial enforcement, which will be introduced in our country.

The issue of the unfair and even unconstitutional taxation of private enforcement agents was unfortunately not resolved again. The costs of the offices are much higher than the legally recognized 25% and private enforcement agents are the only ones in the country to pay "profit" tax not on their real income, but also on their expenses, which is unacceptable. Despite the meetings held with state representatives and the letters and opinions that we sent to the Ministry of Finance and the National Assembly. this issue extends into the tax year 2025.

In mid-March 2024, a good practice was revived, by holding a retreat in the village of Arbanassi with the participation of all bodies of the Chamber. After two days of hard work, a detailed plan for the activities of the Chamber of Private Enforcement Agents in the three-year term that has begun was adopted. New rules for the work of the BCPEA Council were also adopted, which reflect the changes in management promised in the programme - a multi-level system with corresponding self-government of the sub-units. To reveal its full potential, the new management model needs to be technologically secured with the appropriate software solution. Given the urgent need to update the Chamber's office management program, the issue was resolved as part of it. In 2025, The BCPEA Council will now be able to work with the new program, which will allow transparency, traceability, and personal responsibility for each task, as well as accountability for the work of each team member.

Very serious efforts were also made in implementing our programme regarding the public image of the profession. The constant proactive media policy through meetings, seminars, interviews, and press releases led to hundreds of coverages, publications and materials that objectively reflected the activities of the Private Enforcement Agents and the Chamber. At the end of September, a meeting was held between the managements of the Bulgarian and Greek chambers, at which cross-border enforcement and, above all, the new activity of Greek private enforcement agents in documenting factual circumstances was discussed. The forum was attended by numerous Bulgarian journalists, who covered in detail all aspects of this event.

On 20 November 2024, the BCPEA, with the assistance of the Ministry of Education and Science, launched an extremely serious and useful project for society - the National Campaign "Management of Personal Finances and Credits - Basic Rules and Informed Decisions". The initiative aims to provide basic, useful knowledge on managing personal finances for young people between the age of 17 and 19 and was provoked by the alarming data on the number of debtors at an early age. Data reference in our information system indicates that 120,000 people aged up to 30 are debtors. The campaign started in Sofia, but covers settlements throughout the country, with the goal being to conduct trainings in all 150 schools that wish to do so during the school year. Special thanks go to both our colleagues from the BCPEA Council, who prepared the entire concept and materials for the campaign, and the dozens of private enforcement agents from across the country, who visit schools in their area free of charge to help students avoid financial and legal problems.

In 2025, we will celebrate 20 years since the establishment of our profession, which will be accompanied by other socially significant events and projects. The Chamber will continue its proactive media policy, as well as that of responsibility to society, institutions, and citizens.


In the reporting year 2024, as in all previous years, the Chamber developed high-level international activity, as we participated in the forums of the International Union of Judicial Officers and maintain constant contacts with our colleagues from different countries. This is extremely important for us in order to be aware of the latest trends in the development of the profession in Europe, especially considering that some time ago we were among the leaders in this development with the reforms that were carried out in our country. However, for years in Bulgaria, everything in our field has been frozen, which is why we are already significantly lagging behind other countries.

The profession of private enforcement agent is fully and comprehensively regulated by the state, its present and future entirely depends on the will and activities of the executive and legislative authorities. Whatever efforts the Chamber makes, whatever projects based on the best European practices it presents to society, without working institutions and parliament, nothing can improve. Unfortunately, the severe economic crisis of our profession coincided with the largest political crisis in the recent history of Bulgaria. Our problems and their solutions are clear and already publicly known, but with a constantly absent parliament, with constantly changing governances of the Ministry of Justice, most of whom are in their official capacity, not a single decision can be brought to its normative conclusion. There are many examples in recent years when bills affecting judicial enforcement reach the final right for a second vote and the parliament is dissolved for the next early elections. It all starts over again in the next National Assembly, but the same development follows again. The situation is similar with issues within the competence of the executive branch, the first in importance of which is the updating of simple fees in judicial enforcement. Given that private enforcement agents are self-supporting through the Tariff fees, within the Private Enforcement Agents Act, as approved by the Council of Ministers, how could this activity be self-financing after operating at prices from 20 years

ago? Is there an operating store in the world where the prices are the same as they were in 2005? The questions are rhetorical. All this continued to happen in full in 2024, which rendered meaningless the enormous work and efforts put in by the BCPEA Council. Therefore, we will not mention the dozens of meetings with various bodies, institutions, and organizations over the past year.

A small and limited-effect part of the measures to stabilize the profession do not depend on changes in the legal framework, and the BCPEA Council worked hard on them during the reporting year. In 2025 work on them will continue, with the focus on the conduct of private enforcement agents themselves, since the results of these actions depend largely on whether all private enforcement agents comply with them.

Hopefully, 2025 will bring us health and at least a little political stability, so that the accumulated problems in judicial enforcement can finally be resolved, which can only happen after regulatory changes. The encouraging fact is that just a few days ago a regular government was formed, which has the task of setting in motion numerous stalled processes in a few sectors, including justice.



**GEORGI DICHEV,**

CHAIRPERSON OF THE BCPEA COUNCIL OF PRIVATE ENFORCEMENT AGENTS



## 1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

With the introduction of private judicial enforcement in Bulgaria 19 years ago, our judicial system showed that successful reforms are possible. It was introduced by a special law and after political consensus, support from the judiciary and approval of banks and all business organisations. The reform has brought efficiency and sustainability. There is currently no institution that can deny the role of private enforcement. Moreover, creditors give a firm assessment, preferring it to state enforcement.

The system of private judicial enforcement is an effective regulator of the business environment, a source of revenue for state and municipal budgets, a tool for solving problems with due funds to workers, citizens, families. The statistics and figures from our activity are unequivocal -without the PEAs the return of debts, the stability and the security of the economy and the citizens is impossible. The profession is an extremely important part of the efficient functioning of the judicial systems in Europe and worldwide. At present, private enforcement clearly remains the preferred instrument of creditors to protect their judicially recognised rights. This is what the figures say: the amount collected since our profession was established totals BGN 15.3 billion (EUR 7.8 billion). The state budget, without spending a penny for this activity, received BGN 1.8 billion (EUR 920 million).

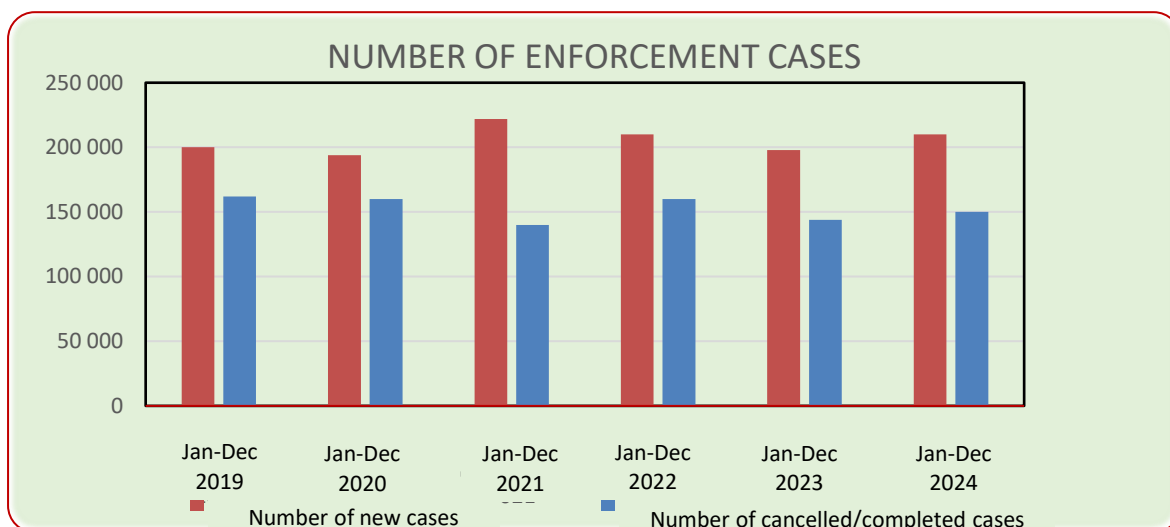
Today, about two thousand employees work in the offices of the Private Enforcement Agents. During the first years of the profession, there was a lot of talk about the role of PEA as a regulator of the business environment. For the billions of leva that have returned to business and the state budget.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

At the end of 2024, there were **181** PEA offices in Bulgaria, employing over 1,800 employees. In previous years, the number of these employees was even larger, but the health, political, and economic crises since 2020 have collapsed the labour market, as well as the ability of PEAs to maintain sufficient and qualified staff, due to the unenviable financial situation of the offices.

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

<u>Formal proceedings:</u>	<u>Cases closed:</u>	<u>Amount collected:</u>
2020 - 194,000	2020 - 160,000	2020 - BGN 655 million
2021 - 222,000	2021 - 140,000	2021 - BGN 900 million
2022 - 210,000	2022 - 160,000	2022 - BGN 850 million
2023 - 198,000	2023 - 145,000	2022 - BGN 820 million
2024* - 210,000	2024* - 150,000	2024* - BGN 800 million

\* Note: Data for 2024 are approximate, as they are still being collected and summarised.



In the nineteen years since the establishment of private enforcement, Private Enforcement Officers have initiated **3 million and 065 thousand cases**, concluded **1 million and 685 thousand cases**, and the amount collected exceeds **BGN 15.3 billion**.

Enforcement cases are about 200,000 a year. There is a decline in their material interest. The largest share of newly formed cases falls on traders - approximately 40%, followed by the state and municipalities with 32%, in third place are citizens with 11%. For years, cases in favour of banks have been permanently under 10% of the total.

**The PEA cases in favour of the state, municipalities and citizens are on average about 65,000 per year, and for the last 2024 this number even exceeds 80,000.** According to BCPEA statistics, the figures point to an enhanced public function of PEAs. We are returning an increasing number of "state money", and in the difficult financial situation in which the Bulgarian municipalities find themselves, they prefer to work with PEAs. Most of the municipal administrations already use the services of PEAs. Private enforcement agents annually collect and contribute to the republican budget amounts constituting public receivables on enforcement cases from PEAs on an annual basis, calculated in millions of BGN.

In 2024, the complaints filed through the PEAs to the district courts were about 2,750, of which the court upheld about 440.

More than half of the private enforcement agents have empowered their assistants - as of 31 December 2024, 192 PEA assistants were operating throughout the country. Creditors in enforcement cases at the PEAs are not only companies, banks, and businesses in general, the state and the municipalities, but also the Bulgarian citizens with receivables both in civil legal relations and for labour remunerations, alimony, and child transfer. It should be considered that with the amendments to the Civil Procedure Code of 2017, claimants in maintenance cases, child handover, labour disputes and public claimants are exempt from advance fees.

The law companies use modern technologies in their office work. Access to information on debtors, much of which is already received electronically, ensures such an important speed of the process.

Private enforcement in Bulgaria meets all European criteria for a modern, legal, and effective activity.

## **2. CHAMBER DETAILS**

Since its establishment on 26 November 2005, the Chamber of Private Enforcement Agents has established itself as a good partner for Bulgarian and international institutions. After 19 years of hard work, although they continue to take undeserved negatives from the economic crisis and political controversies in the country, PEAs have proven that they work for the benefit of society as a whole, they strive to impose high standards of professionalism and ethical behaviour. The Chamber maintains effective working relationships with authorities and institutions and offers a wide range of services to its members.

Private enforcement agents operate on the territory of all district courts in the Republic of Bulgaria and as of 31 December 2024 there were a total of 181, of which 88 men and 93 women.

During the reporting period, a total of three private enforcement agents with areas of operation of the Vratsa District Court and the Dobrich District Court lost their legal capacity forever, as follows: two with areas of operation of the Plovdiv District Court, respectively, pursuant to Article 31, para. (1), sec. (1) of the Private Enforcement Act and one with an area of operation of the Plovdiv District Court, pursuant to Article 31, para. (1), sec. (2) of the Private Enforcement Act.

Two private enforcement agents with areas of operation of the Gabrovo District Court and the Burgas District Court, lost their legal capacity for a certain period pursuant to Article 31, para. (1), sec. (7) of the Private Enforcement Act (disciplinary penalty imposed under Article 68, para. (1), sec. (4) of the Private Enforcement Act).

The circumstances for each private enforcement agent, subject to entry in the Register of Private Enforcement Agents according to Article 4, para. (3) of the Private Enforcement Agents Act, shall be duly reflected, and stored on paper and electronic media in personnel files of all PEAs.

The Chamber is managed by a Council of eleven main and two alternate members, it also has administrative staff, which as of 31 December 2024 consisted of five employees under an employment contract and three employees under civil contracts. It is a financially independent organisation and does not receive funding from the state.

## **3. ACTIVITY OVERVIEW**

To obtain an objective picture and make a better account of the past very difficult year, at the beginning of 2025, the traditional

survey among private enforcement agents was conducted, concerning key aspects of our activities. The evaluation form included questions about the services provided by the Chamber for the members, their quality, the activity of the management and the organisational skills of the employees in BCPEA administration.

This year, 32% of BCPEA members responded to our request to give their opinion. That is nearly a third of our industry members. We sincerely thank all colleagues who, despite the difficult daily work in the offices, took their time and participated in the survey, expressing their opinion objectively and critically! It is important for the Chamber management and administration in order to improve the activity. After summarising the collected opinions from the survey cards, the results are as follows:

Please evaluate the activity of the Chamber, according to its contribution to your work and its usefulness in response to your needs and expectations	Below expectations (1-3) Besting expectations (4-6)	
	Average rating	Percentage of satisfied expectations
<b>Are you satisfied with the activity of BCPEA as your professional organisation?</b>	5.35	89.20%
How do you rate the services provided by the Chamber?	5.38	89.70%
Administrative services	5.55	92.56%
EAS trainings	4.98	83.04%
<b>How do you rate the BCPEA governance?</b>	5.40	89.94%
Activity	5.41	90.18%
Willingness to communicate with members	5.45	90.91%
Media communications	5,00	83.33%
<b>How do you rate the BCPEA administrative staff?</b>	5.75	95.76%
Activity	5.75	95.76%
Communication with members	5.71	95.24%
Timely	5.73	95.45%
Exhaustive	5.71	95.15%
overall attitude	5.73	95.54%
<b>Overall rating of the BCPEA activities according to the needs, expectations, and usefulness of its members</b>	5.22	86.97%
<b>What is the quality of materials prepared by BCPEA?</b>	5.20	86.61%
Internet site	5.30	88.39%
Register of debtors	5.43	90.48%
Register of public sales	5.36	89.39%
<b>How do you rate trainings organised by ESLE?</b>	5.02	83.65%
Teachers	5.09	84.88%
Content of the study material	5.04	83.95%
Quality of teaching materials	5.02	83.65%
Price	4.87	81.17%
Number	4.81	80.25%
<b>Public Relations</b>		
Overall work with the media	4.94	82.41%
Quantity of published materials for PEAs in the press	4.73	78.79%
Quality of the materials and their effect on the PEAs profession	4.84	80.61%
Interaction with institutions	4.87	81.21%
Digitization of enforcement procedures	4.89	81.52%
Improving the institutional environment for the work of PEAs	4.80	80.00%
<b>How do you rate your personal involvement and contribution to the BCPEA activity?</b>	4.38	73.00%

After processing and analysing the results, the general conclusion is that, with few exceptions, the overall assessments of the college for another extremely difficult year for the profession, 2024, clearly retain their acceptable levels compared to the previous year, 2023. We attribute this lasting trend to the fact that, albeit at a slow and painful pace, economic and political life in the country is recovering after the unprecedented crises of all kinds since 2020. The PEA score given for the administrative staff of the Chamber is traditionally quite high and in 2024 - **5.75** (for comparison 5.64 for 2023). All PEAs who have filled in and sent questionnaires are a total of 56 colleagues. The overall rating obtained for the services provided by the Chamber and its usefulness for the individual PEA is **5.22** (for comparison 5.30 for 2023) on a six-point scale, as the performance of administrative services for members this year was rated the highest - **5.55**.

54 respondents to the survey have defined the activity of BCPEA as generally positive, and 2 PEAs believe the opposite. Regarding the question of whether in 2024 there was progress in the overall work of the Chamber compared to 2023, opinions are conflicting. 2/3 of respondents believe that there is progress. They indicate that a lot of work is being done on all the pressing problems of the private enforcement agents or that there is clear progress in efforts to improve the image of the profession. The responses of these colleagues show the understanding that, given the lack of adequate partnership from state institutions, the active work of the Chamber's bodies is perfect. Some PEAs have noted that rather the levels and rates of development remain unchanged compared to the previous year or that there has been some progress, but more can always be desired. Another part of our colleagues believes that in view of the unstable political and economic situation in the country, there should be no expectations for significant progress in protecting the interests of the profession. A certain number of PEAs have no opinion because they admit that they themselves are distanced from the organization and activities of the Chamber. 7% of all 56 PEAs surveyed believe that there is no progress for the good of the profession.

The summary presents very good results in the work of BCPEA governance and excellent certificates for the Chamber administrative staff. The average rating for the management's performance in 2024 is **5.40** - for comparison, the rating received in 2023 is 5.36, 2022 is 5.38, in 2021 is 5.54, 2020 is 5.46, 2019 is 5.46), and the team of employees in the administration is rated with **5.75** (for comparison: 5.64 for 2023, 5.60 for 2022, 5.67 for 2021, 5.65 for 2020, 5.66 for 2019). Considering all the difficult trials that our country has faced over the past four years, and in particular the Chamber and the profession, the assessment given by the Private Enforcement Agents for the BCPEA governance and administration shows once again that the trust in us is high, that you support us and show understanding and resilience even in the most critical moments accompanying our professional path.

As the most useful activities in the service and interest of the members during the reporting period, the largest number of respondents indicate:

- There is always a readiness to assist; professional attitude, good, fast, and correct communication with employees and management of the Chamber of Private Enforcement Agents. Despite the bad

circumstances, the management and administration of the Chamber are always available and provide assistance in a short time, to help with whatever they can when assistance is needed regarding the BCPEA activity;

- The provided electronic access to numerous national registers and improvement of the provision of electronic services, which led to facilitating the work of the PEA and reducing the costs for the parties in the enforcement proceedings. The introduction of electronic public sales. Assistance to facilitate the work of private enforcement agents with banks - imposing and lifting garnishments;

- Timely awareness of changes in laws. The notification by e-mail about the novelties in the legislation and the change in the normative acts;

- A clear improvement in the Chamber's efforts to improve the image of the profession - active and targeted work with the media, the organized and conducted National Campaign for Financial Literacy of Youth in Secondary Schools in the country;

- Increasing professional qualifications, the trainings conducted by the ESLE in 2024 were useful;

- Efforts of the management to update the fees under the Tariff and change the taxation regime for PEAs. Transparency and accountability to the Private Enforcement Agents regarding the activity in this direction, although there is no real result;

- A few of the surveyed colleagues cannot judge whether there have been useful activities in the service and interest of their offices or directly express the opinion that there are none.

Regarding the adequacy of the amount of the membership fee to the BCPEA activity, a very large part of the opinions this year are consolidated around the conclusion that despite the seriousness of the situation in the last two years with the emergency crisis due to a pandemic and wars in Europe and the world, the ratio of membership fee to the activity of the Chamber is fair and normal. According to this criterion in the survey, the conformity assessments range from adequate to fair, balanced, proportionate to the activity, objective, optimal, to acceptable and satisfactory. Several PEAs have indicated that the amount of the membership fee corresponds to the Chamber's activities. None of the 56 surveyed PEAs believe that the amount of the fee is high, and two believe that it is low compared to what the Chamber does for each of its members. Assuming that this is a representative sample of the opinion of the members of the entire industry, then we can summarise that the industry accepts the membership fee as fully proportional to the activity of the Chamber.

One of the criteria in the questionnaires refers to public relations, including work with the media and the interaction of BCPEA with the institutions of the Republic of Bulgaria. Judging by the outcome of the respondents' answers to these questions, they have a significantly improved opinion regarding relations with the media in the past 2024 (an average score of 4.94), compared to the previous 2023 (average score of 4.63). Most of the colleagues have appropriately assessed the targeted and organized efforts of the BCPEA during the reporting year for more information broadcast in the media about the activities and role of the private enforcement agent in protecting the public interest.

Regarding the criteria "Interaction with institutions", "Electronification of court enforcement procedures" and "Improvement of the institutional work environment", the assessments this year are more positive compared to previous years, when the opinion of the BCPEA on these indicators was traditionally sceptical and underestimated compared to other activities and initiatives of the BCPEA. The assessments of colleagues in this regard can be summarised as follows: a very good assessment of interaction with institutions - **4.87** (for comparison in 2023 - 4.81; in 2022 - 4.75; in 2021 - 4.77) and achievements in the field of electronic enforcement procedures - **4.89** (for comparison in 2023 - 4.91; in 2022 - 4.81; in 2021 - 4.78). In terms of improving the institutional environment for work, the level of satisfaction also indicates an increase, as for 2024. PEAs gave an overall rating of **4.80** (for comparison 4.73 in 2023; 4.61 in 2022; 4.59 in 2021), i.e. an improvement in the institutional working environment is already beginning to be reported - a fact that brings optimism after the chaos and stupor that have lasted too long and caused chaos and stupor in all political, social, health and economic spheres in the country since 2020.

To the question of what, according to the respondents, the Chamber should do in order to facilitate and support their work, the answers are varied pointing mainly to the need of:

- Implementing an urgent and intensive approach to amend the legislation as follows: 1. Update of the Tariff on Fees for law enforcement (it was adopted in the distant 2006 and if it has changed over the years, it was only in the downward direction). Elaboration and adoption of a reasonable option only in the part of the simple fees and sending it to the Ministry of Justice and the Ministry of Finance. As an alternative, an entirely new Tariff on Fees for law enforcement. The current charges are extremely inadequate to the reality and the current economic situation; 2. Personal Income Taxation Act, Private Enforcement Agents Act, etc. regarding the provisions concerning the determination of the basis of the annual tax of PEAs. An increase in statutory costs to 40%, similar to lawyers, which would lead to a minimum relief of the taxes paid by each PEA. PEAs should be able to opt for the method of taxation, as for larger offices, corporate offices in order to allow PEAs to be taxed under the Corporate Income Taxation Act (CITA), where all incurred expenses can be deducted;

- Organising public discussions on the initiation of legislative changes in the enforcement process in order to increase its effectiveness and to harmonise the existing legislation with latest European and global economic developments. Take action on a legislative initiative in relation to the assignment of new powers to PEA in accordance with best practices in the European Union. Make efforts to increasingly attract public creditors and proportionately distribute the cases assigned by them;

- Continuing and finalising the process of digitization of law enforcement, including to ensure communication and exchange of documents with institutions entirely electronically, as well as ensuring full electronic access to information about debtors. Fully electronic inquiries, seizures, distraints, and auctions. Fully electronic enforcement cases;



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

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

- BCPEA should develop and implement a common office management programme for the offices of Private Enforcement Agents;

- Harmonising of PEA practices and case law in enforcement proceedings;

The PEA knows the pressing problems and issues of the PEA and tries to improve the working environment. The Chamber makes sufficient efforts, but in the current situation everything the Chamber does or tries to do is ineffective. Unfortunately, the opportunities are minimal due to the complex working environment in the country.

We thank all colleagues who have openly and honestly expressed their opinion on the problems of the past difficult year for all of us - management, administration, and PEA offices! There are no critical comments on BCPEA activity in the past 2024. Several recommendations were also made in the following areas to improve the overall activities of the Chamber in 2025:

- To update the Tariff of Fees in law enforcement. Normal environment for PEA work and normal pay for their work (including the employees in their offices);

- To change the taxation regime of PEAs;

- To expand the electronic work environment and comprehensive introduction of electronic services. Full digitalization and implementation of a Common Office Management Programme for offices that are property of the BCPEA;

- To continue initiatives to assign additional powers to PEA. To firm the stance on matters concerning the profession and its exercise;

- More active media participation to protect the image of PEA;

- To rethink the image of the Chamber and to emphasize its contribution to society through more conferences, including international thematic workshops, articles, awareness campaigns;

- To introduce an administrative fee for handling complaints in the BCPEA;

- BCPEA achieves high results in carrying out its activities. To continue in the same direction. People directly involved in the activities of the Chamber work tirelessly to improve our common work and know how to do it. To continue in the same spirit. I have no recommendations.

The private enforcement agents themselves this year gave themselves a higher rating than in previous years for their personal participation and contribution to the work of the Chamber - **4.38** (for comparison 4.22 in 2023; 4.16 in 2022; 3.90 in 2021; 3.87 in 2020, 3.96 in 2019). The assessment of this indicator for us is a clear signal of the difficulties experienced by private enforcement agents in their daily work and the balance they probably assume that their

efforts and role to do their work in such an aggressive political, economic, and social environment are even greater.

BCPEA governance thanks all colleagues who are aware of the importance of their personal motivation and commitment and help in any way they can for the common cause. We express our faith and confidence that 2025 will bring us the long-awaited security and predictability of the political and economic environment in the country, as well as that we will remain consolidated and focused on achieving balance, prosperity of our institution and the affirmation of the core values in the profession.

**3.1. Conferences and workshops**

After the annual reporting and election meeting at the end of January 2024, a **strategic planning workshop** was organized for the



newly elected governing bodies of the Chamber of Private Enforcement Agents - Council, Disciplinary Committee, Control Council and Commission on Legal Affairs and Control of Activities. The working forum took place 15-17 March 2024 in the village of Bozhentsi.

After preliminary meetings by committees on the first day, their chairmen presented their concepts for the work of their entrusted bodies and departments at the joint meeting the next day. As a result, all constructive proposals were summarised and the strategic directions and priorities in the Chamber's activities for the next three years were identified.

A "Programme for BCPEA activities for the period March 2024 - January 2027" was adopted, including mainly (but not exclusively) the following areas and activities:



Expansion of the powers of PEAs; Amendments to the Tariff on Fees in law enforcement and related regulations; Changes in the taxation of PEAs; Optimization of work processes in the offices of PEAs;

Agreements with corporate and public creditors; Expansion of the circle of creditors at PEAs; Increasing the amount of remuneration and expenses for extrajudicial service, taking into account the specifics of the specific region; Communication, creation and maintenance of sustainable partnerships with



institutions; General communication with institutions for electronification of judicial enforcement; Communication and general policies with creditors; Electronic writ of execution and electronic enforcement case; Assistance to PEAs in the use of electronic systems; Communication policy and public relations; Preparation of opinions on documents in the BCPEAs; Systematization of case law; Financial efficiency in the activities of the BCPEAs; Maintenance and management of the financial reserves of the BCPEAs; Improvement of internal relations and professional ethics; Activities to prevent unfair competition practices; Organization and control of the administration of the Chamber of Private Enforcement Agents; Training; Complaints and control over the activities of Private Enforcement Agents.

Many practical issues and problems related to the work of private enforcement agents were also discussed. In the section on changes in the legislative framework related to the activities of PEAs, several areas for work were outlined regarding the regulatory and practical addition of powers and actions in the activities of PEAs: activity as a credit servicer in connection with the introduction of Directive (EU) 2021/2167 of the European Parliament and of the Council on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU; Insolvency manager of individuals under the Personal Income Tax Act; Establishment of factual circumstances; Voluntary sales; Extrajudicial collection of receivables; Powers of PEAs in relation to the Personal Income Tax Act; Powers of PEAs in EU management; Collection of taxes, excise duties, etc. public receivables currently under the competence of the NRA.

During the reporting year 2024, a **National Conference of Private Enforcement Agents** was held. Industry members gathered at Sveti Vlas resort on June 1 to discuss key issues related to the industry's

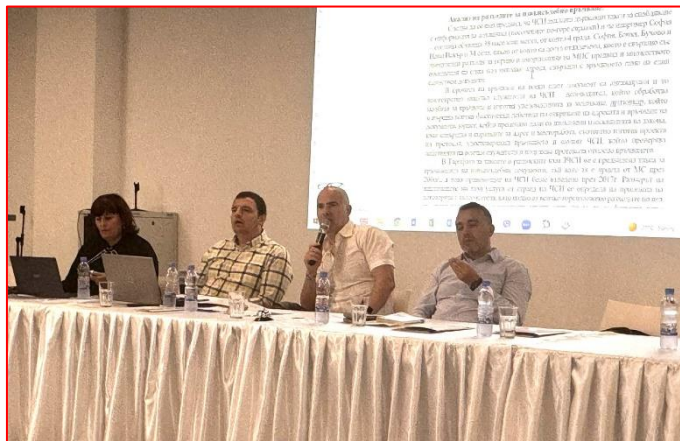


activities. Industry members gathered at Sveti Vlas resort on June 1 to discuss key issues related to the industry's activities. Colleagues were pleased to have the opportunity to see each other live in a pleasant and relaxing environment.

BCPEA National Conference was held constructively, and the practical focus and topicality of the topics contributed to an active and open dialogue.

A report on the interaction of the BCPEA Council with the institutions and working groups in the Ministry of Justice was presented to the members of the organization, and in particular the persistent efforts of the BCPEA governance to start real activity of the working group at the Ministry of Justice to expand the powers of Private Enforcement Agents and update the Tariff on Fees in law enforcement. The information was presented by the Chairperson of the Chamber of Private Enforcement Agents Georgi Dichev and Deputy Chairperson of the Chamber of Private Enforcement Agents Stoyan Yakimov.

The results of the meetings of private enforcement agents by region regarding the amount of remuneration for awards under Article 18, para. (5) of the Private Enforcement Agents Act were discussed and summarised. Proposals and measures to increase the amount of actually paid advance fees were considered. Following these decisions of our industry, immediately after the National Conference, the BCPEA sent letters to all corporate creditors in enforcement cases, as well as to the bar associations in Sofia and the country, informing them of the difficult situation of the law firms and of the efforts of the BCPEA governance to stabilize the system. The letters have been brought to the attention of all private enforcement agents in the country, with special attention being paid to them to immediately begin to align their actions with the decisions adopted generally for the profession.



Part of the agenda was also the discussion of issues concerning the inclusion of items on the agenda of the regular general meeting of the Council of Private Enforcement Agents in 2025 - amendments and supplements to the EC of Private Enforcement Agents, rulings of the General Assembly on decisions of the Supreme Administrative Court, etc.

The IT projects of BCPEA in development were presented by Dilyan Nikolov and Stefan Gorchev. The possibilities for legislative initiatives of BCPEA to improve the regulatory framework were also discussed. Our industry also strives to expand the range of PEA powers in accordance with the best practices in Europe. The prospects indicate at voluntary collection of receivables, voluntary sales, establishing the facts. It takes an urgent change in the tax regime of PEAs and for updating the Tariff of Fees and Taxes with the Private Enforcement Agents Act. BCPEA Council reported to the conference participants that it is also working to increase the number of public creditors to assign their receivables for collection from the PEAs. The electronic system developed and put into operation at the end of 2022 for random distribution of executive cases of public claimants is a useful tool in this direction. With considerable dissatisfaction, those present noted the fact that the current BCPEA governance is having great difficulty implementing its priorities under the 2024-2027 programme for changes in the current legislation in the field of judicial enforcement, since progress could be extremely difficult in the conditions of an extremely unstable political situation in our country, which has been so for the fourth consecutive year.

On 19 February 2024, a meeting was held between the governance of the BCPEA of the Association for Receivables Management (ARM). Georgi Dichev and Stoyan Yakimov were our representatives who met with their colleagues from the ARM. Issues of mutual interest to both parties were discussed at the meeting - unification of the practices of PEAs

in initiating enforcement cases under assignment contracts, issuing invoices to creditors, including PEA fees in the amount of the debt, etc. The BCPEA governance urgently demanded a solution to the problem of collecting private enforcement agents' fees after concluding agreements with debtors for payment of the debt to the collection company. We reached an understanding, as a result of which one of the largest companies in this industry revised its software in order to protect the rights of private enforcement agents to the maximum extent.

### **3.2. Interaction with Institutions**

In 2024, the work of the BCPEA Council with state institutions and public organizations was again greatly hampered. The domestic political crisis in the country, which has practically been going on for four years, undoubtedly delays the implementation of a large part of the tasks we set ourselves, especially regarding those aimed at improving the economic situation of the offices of Private Enforcement Agents. For significant periods in recent years, our country has been governed by caretaker governments, whose powers exclude the initiation and implementation of legislative changes. Ministers of Justice and heads of other institutions key to our profession are constantly changing. In four years, we have had to work with ministers of justice in eight governments and six national assemblies. The lack of a management horizon was a major obstacle we faced in our talks with the caretaker ministers of justice. This serious problem is evident in our interaction with members of parliament and does not allow the BCPEA to fulfil its goals, which are related to legislative changes. However, we actively participated in all working and advisory formats of the legislative and executive branches and continued to bring our urgent problems to their attention.

#### **LEGISLATION**

Every system needs to be improved and BCPEA has always sought a legislative framework for enforcement that ensures a balance between the parties and reduces enforcement costs. It is the balance that is the guiding principle, because every lawsuit has two sides. Especially in the enforcement process, one party even has a court-recognised right. The law must ensure the protection of the rights of both parties. Law enforcement in Bulgaria is of particular importance not only for the efficiency of the judiciary and the rule of law, but also for the financial and banking system, for civil turnover and business, as well as for the budget of municipalities and the state. Also, for foreign investors, for whom the efficiency of the judicial system and in particular law enforcement is of paramount importance, as a guarantee of protection from unfair counterparties. Therefore, any intervention in it must be very careful and well thought out, i.e. to rely on more expert assessment of the real effects of change than on PR and populism.

And in the already past 2024, the persistent attempts of the BCPEA governance to initiate legislative changes regarding the taxation of PEAs and updating the Tariff for Fees in law enforcement - both topics

of urgent importance for the very existence of the profession continued. The BCPEA Council focused all efforts to improve the situation of the offices. Numerous meetings were held, numerous letters were sent to the responsible institutions regarding the problems of the profession and proposals for their resolution. This continuous dynamics create great difficulties in interacting with the institutions in our attempts to present new policies and legislative changes.

BCPEA has always made efforts to improve the implementation process and the legal framework in which PEA operates. The several-year efforts of the Chamber of Private Enforcement Agents to solve the problem of electronic service have yielded results and the National Assembly adopted the necessary amendments to the Civil Procedure Code. Back in January 2023, amendments and additions to the Civil Procedure Code were finally adopted in Parliament, which introduced electronic warrant proceedings, as well as an electronic writ of execution.

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

In September 2024, BCPEA sent to the Budget and Finance Committee of the National Assembly a very serious, detailed proposal and opinion, accompanied by a full impact assessment, to the working group on the transposition of Directive (EU) 2021/2167 *OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EC*. To maximize the objectives of the Directive and in pursuance of Article 17 (4) thereof, we proposed to allow bank loan buyers to be able to entrust the collection of their receivables not only to loan servicers, but also to PEA. The working group consisted of representatives of the Ministry of Finance, the Bulgarian National Bank, the Bulgarian Commission on Protection of Competition, the Financial Supervision Commission, and other state bodies. The proposals of the BCPEA were accepted by the Council of Ministers. The bill was submitted to the National Assembly and even adopted on 1 reading. After which the National Assembly was dissolved for the next early elections. The new government again submitted the bill to the current National Assembly and we hope that it will be adopted soon.

#### **MINISTRY OF JUSTICE**

In the past consecutive difficult for constructive work on the legislation in 2024, in letters and meetings with the governance of the Ministry of Justice, the BCPEA governance has invariably continued to insist on its proposals for improving the status of our profession - legislative and economic.

Our work focused on how to improve and create new job opportunities for law firms. Our efforts were again focused on the urgent problems - the urgent need to update the Tariff of Fees in law enforcement in the part on simple fees and the elimination of unconstitutional

taxation of the activities of the PEA. We had conversations with representatives of the caretaker governments. At some point, a working group was created, but it did not last long, and the problem of updating simple fees again remained unresolved. We also worked hard on the topic of assigning more receivables from the state authorities and expanding the activities of PEAs with new powers.



On 16 January 2024, at the insistence of the Chamber of Private Enforcement Agents, a meeting of the Chamber's governance with officials of the Ministry of Justice was held. This was the first such meeting with Minister Atanas Slavov during his entire term. Ivan Hadjiivanov, Maria

Tsacheva and Georgi Dichev participated on behalf of the Chamber of Private Enforcement Agents, and from the Ministry of Justice: Minister Atanas Slavov, Deputy Minister Gueorgui Nikolov and Borislav Ganchev - Head of the Political Cabinet. Our governance firmly put on the table the main and already insurmountable problems for the profession without the active intervention of the state - 1. Economic difficulties in connection with the outdated Tariff of Fees in law enforcement; 2. Change in the taxation regime of PEA; 3. Assignment of new powers to PEAs. The ministry's governance does not guarantee one hundred percent commitment, but promised to make sufficient efforts, because it already realizes and understands the difficult situation of our profession. Three months later, the government was dissolved and once again the country entered the parliamentary election regime.

On 01 March 2024, we presented to the Ministry of Justice a Report on the financial condition of the law firms, which clearly shows the financial collapse in which the system is and the need to take adequate measures to update the current Tariff, change taxation, as well as ensure additional revenue for the maintenance of the law firms by assigning additional activities compatible with our role as private enforcement agents.

On 21 May 2024, at the request of the BCPEA, a meeting was also held with the new Minister of Justice, Maria Pavlova. Our representatives Georgi Dichev, Stoyan Yakimov and Nikola Popov had to inform another minister about the difficult situation of the offices of private enforcement agents, about what the Council of Private Enforcement Agents has done in recent years and months - letters, working groups, meetings, analyses, reports and proposals for urgent measures, and about the promises and their failure to be fulfilled by the Ministry of Justice. Once again, we explained our unequivocal position that only a complex of measures can not only get the profession out of the crisis, but also ensure its long-term

future. Neither a change in the tariff alone, nor in the tax regime alone, nor new powers alone can lead to such results. It is also necessary to urgently and simultaneously update the Tariff, change the tax regime and assign new activities to private enforcement agents. Regarding the new powers of the Private Enforcement Agents, our representatives proposed to establish a working group to assess which ones are most suitable for Bulgaria, respectively to develop them as normative texts ready for submission and adoption by the Council of Ministers, respectively subsequently by the National Assembly. Minister Pavlova expressed her sympathy and concern for the problems we raised and undertook to take the necessary actions to get the system out of the state it is in, including by forming a working group to discuss and develop the necessary legislative changes. The Private Enforcement Agents Chamber was asked to prepare and send an official letter to the Ministry of Justice, describing our proposals, so that the ministry could assess which and which experts from the doctrine, the court, etc. to include along with the representatives of the Ministry of Justice and the Chamber of Private Enforcement Agents. We quickly prepared the letter and submitted it to the Ministry of Justice on May 23. We presented to the Minister specific proposals for new activities of the Private Enforcement Office, developed in accordance with Article 34 of the Instruction of the European Commission on the Efficiency of Justice in Europe of 17 December 2009 for better implementation of the existing Council of Europe Recommendation on Judicial Enforcement and based on European experience and the needs of Bulgarian society and business.

Despite the above, by mid-August 2024, we were not aware that the Ministry of Justice had taken any actions related to resolving the problems raised by the management of the Private Enforcement Office. During this period, the negative trends continued to deepen, the situation in the offices became increasingly difficult. This necessitated sending a further letter to the Minister of Justice, insisting on the immediate formation of the requested working group, which would develop the legally extremely urgent measures to bring the private enforcement system out of a state of financial collapse and which would ensure an adequate and working system of compulsory enforcement in the Republic of Bulgaria. The BCPEA had to emphasize in the letter that the lack of any actions by the Ministry of Justice to save the private enforcement system in our country in recent years has generated enormous tension, which could lead to extreme actions by the private enforcement agents and the employees in the offices.

Our systematic efforts ultimately yielded results, and only on 17 October 2024 did we receive a letter from the Minister of Justice, Maria Pavlova, informing us that a broad interdepartmental working group was being created to prepare regulatory changes in the activities of private enforcement agents. Representatives of the Bulgarian Chamber of Private Enforcement Agents in the group will be Georgi Dichev, Stoyan Yakimov and Nedelcho Mitev. The hopes are that the working group will eventually work quickly and effectively from the beginning of 2025, in order to achieve the long-awaited result of its work.

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



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

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

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

The information system for a single-entry point for distraints in the Republic of Bulgaria provides an opportunity for the information on movable property with registration regime on which distraints have been imposed on enforcement cases to be centralized in one database. The system allows access for authorized authorities and all persons within the country or outside it. The long-awaited launch of electronic auctions can be described as a huge success for BCPEA. We have been working on this for nearly 10 years. In 2017, the Parliament adopted the texts in the Civil Procedure Code and a full 7 years later electronic auctions are already taking place. The above deadlines clearly show how difficult positive changes are in our country, even on issues where there is no strong resistance, such as electronic auctions. Of course, they eliminate any possibility of manipulation, and accordingly they also have an impact on bankruptcy procedures.

On 17 January 2024, a working group meeting was held at the Ministry of Justice, which was attended by representatives of the ministry, representatives of Kontrax AD (system developer), our representative in the working group Delyan Nikolov and five of the developers of business software for the office of a private enforcement agent. During the meeting, a technical procedure and protocol for automatic submission of data from the offices of private enforcement agents to the information system "National Register of Seizures" were specified. At the time of the meeting, the system was working with incomplete data, with about 130 private enforcement agents and 130 private enforcement agents submitting information to it.

- **"Improvement of the legal framework of state fees collected by courts"** - Already in 2022, BCPEA Council commissioned a team of four eminent economists to prepare an analysis of the actual amount of

fees in the PEAs system, considering all changes that have occurred since 2006. The report did not surprise us, it only objectively and scientifically showed the facts that are known to everyone, namely that the charges indicated as a hard amount in the tariff are many times lower than the actual values nowadays. Based on the conclusions of the economists' report, the BCPEA Council sent several letters to the ministers of justice over the past two years, urging an urgent update of the tariff. Several meetings were also held with the various governances of the Ministry of Justice, and eventually a working group was formed on the regulation of state fees in the judicial system. The working group started very well in 2022, but never resumed its work under the subsequent caretaker governments and throughout 2023 and 2024. It was she who had to discuss and solve the problem of updating the fees in court enforcement, which are the only ones in the country at their 2006 level. For this 19-year period, the minimal salary in the country increased not in percentages, but as much as 6.5 times - from BGN 160 to BGN 1,077. The lack of a management horizon was a major obstacle we faced in our discussions with the caretaker ministers of justice.

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

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

The working group was established by Minister of Justice Order of 22 February 2022. It also includes judges, state experts from the Legislation Council, representatives of the Agency for Child Protection, Social Assistance, the Ministry of Labour and Social Policy, state enforcement agents, the Ministry of Interior, representatives of some parent associations. Since its establishment, a total of 3 meetings of the working group took place, but none in the reporting year 2024. Written proposals for amending the legislation have also been prepared by BCPEA.

- **"Interdepartmental working group at the National Council for Child Protection to develop a plan and a new draft of the National Strategy for the Child and the Family 2024 - 2030"** - our representative in the working group is Siyka Anadolieva.

In early March 2024, the Chamber of Private Enforcement Agents submitted a request to the Minister of Justice to organize a new exam for assistant private enforcement agents. There is a constant shortage of such personnel. The latest competition was organised and held in 2022. In its letter, BCPEA requested from the Minister of Justice to establish a working group at the Ministry of Justice to draft amendments to Ordinance No.3 of 11 December 2007 on the procedure for conducting exams for assistant private enforcement

agents (promulgated, SG, issue 108 of 19 December 2007, as amended and supplemented, issue 25 of 26 March 2021), which shall regulate regular organisation of exams for assistant private enforcement agents every two years. Ordinance No.2 of 18 June 2003 on the terms and conditions for conducting an exam for assistant notaries by substitution does contain such a regulation.

Our efforts were crowned with a positive result, at least in the part about conducting a new exam.

By Order No. SD-04-9/22 August 2024, an exam for assistant private enforcement agents was scheduled. The candidates had one month to submit their documents for the exam. The acceptance of documents took place in the period 28 August 2024 - 30 September 2024. A total of 89 people applied. According to amended and supplemented in Ordinance No.3 of 11 December 2007 (SG, issue 25 of 26 March 2022), it was necessary to send the list to the Minister of Justice for a criminal record and legal capacity check of the candidates. The relevant official checks were carried out in the Ministry of Justice, which showed irregularities in the documents of four candidates. Three of them eliminated the irregularities within the deadline, and one lost the right to take the exam. The exam was held on three consecutive days, 4-6 November 2024. Out of a total of 88 candidates, 65 people passed the exam and acquired the legal capacity of an assistant - private enforcement agent. Some of them are already officially authorized and work in the PEA offices all over the country.

The Chamber also works closely with the inspectors of the Ministry, because this is the way to achieve full and effective control over the activities of law offices. It is not an objective by itself, but a means for all PEAs to strictly observe the law and the rules.

## **MINISTRY OF FINANCE**

The issue of eliminating the unfair and contrary to the Constitution of the Republic of Bulgaria taxation of PEA, where taxes are paid not on real income, but also on expenses, remains a top priority for the management of BCPEA. In this regard, with the assistance of the UIHJ, we received information from most countries in Europe on the taxation of PEAs, which shows that in Bulgaria the state treats our professions extremely wrong by not recognising the actual costs incurred for the activity. Unlike all other liberal professions, only private enforcement agents and notaries are legally prohibited from organizing their activities as an enterprise and, accordingly, being taxed under the Civil Procedure Code.

The issue of the unfair and even unconstitutional taxation of private enforcement agents was unfortunately not resolved again in the past 2024. The costs of the offices are much higher than the legally recognized 25% and private enforcement agents are the only ones in the country to pay "profit" tax not on their real income, but also on their expenses, which is unacceptable. Despite the meetings held with state representatives, as well as the opinion of the BCPEA on these urgent issues officially sent to the Ministry of Finance and the National Assembly on 7 October 2024, the problem remains unresolved as a while in the tax year 2025.

## MINISTRY OF EDUCATION AND SCIENCE

In the reporting year 2024, the Chamber of Private Enforcement Agents, in close partnership with the Ministry of Education and Science, has planned, developed, and launched an extremely positive and useful educational campaign in secondary schools across the country. The initiative aims to provide basic, useful knowledge on managing personal finances for young people between the age of 17 and 19 and was provoked by the alarming data on the number of debtors at an early age. Data reference in our information system indicates that 120,000 people aged up to 30 are debtors. The campaign covers both the capital and settlements throughout the country, with the goal being to conduct trainings in all over 150 schools that wish to do so during the school year. Special thanks go to both our colleagues from the BCPEA Council, who prepared the entire concept and materials for the campaign, and the dozens of private enforcement agents from across the country, who visit schools in their area free of charge to help students avoid financial and legal problems.



The National Campaign "Managing Personal Finances and Credits - Basic Rules and Informed Decisions" officially launched on 20 November 2024 in the city of Sofia.

"Managing personal finances and credits is of extremely important importance. It is one of the main elements of financial literacy and financial culture. All those teachings and competencies related to it," with these words, Deputy

Minister of Education and Science Emilia Lazarova addressed the twelfth graders at 127 Sofia Secondary School "Ivan Nikolaevich Denkoglu" at the National Campaign opening. Lazarova noted that the Ministry of Education and Science is actively working on the development of a National Strategy for Financial Literacy and reminded that knowledge on the topic is integrated into the teaching materials. "However, the BCPEA campaign provides a different view of financial management - the management of personal finances and credits. Ultimately, this is one of the basic literacy skills that young people should have," the deputy minister emphasized.

"I hope that with this campaign we will draw the attention of young people, parents and society as a whole to the need to work on the issue of financial literacy because wrong financial decisions can determine our entire lives," said the Chairperson of the Chamber of Private Enforcement Agents Georgi Dichev.

In turn, Headmaster of 127th Sofia Secondary School "Alexander Lazarov" emphasized in his speech that the main task of schools is to prepare their graduates for real-life challenges. Therefore, he believes that the BCPEA campaign has added value for adolescents, which will accompany them in the future.

The Chairperson of the Chamber of Private Enforcement Agents Georgi Dichev expressed concern that there is a tendency for more and more young people to become debtors. Dichev presented the Chamber of Private Enforcement Agents' data on debtors as of November 2024, which show that the number of those under 20 years of age is 4,000,

up to 25 is 36,000, and between 25 and 30 are 80,000 people (a total of 120,000 debtors aged up to 30 years).

"Our goal is that through this campaign young people can make the right financial decisions based on their own knowledge. As well as understand the responsibility they are taking on. We will do everything possible to cover all schools that have expressed their desire by the end of the school year," emphasized the Chairperson of the BCPEA.



The national campaign "Managing personal finances and loans - basic rules and informed decisions" will continue until the end of the 2024/2025 school year. Private enforcement agents enter the classrooms and, with examples from practice, give lectures containing guidelines for: taking care of personal finances, managing income and expenses,

planning loans and basic knowledge about them.

So far, over 150 schools from all over the country have expressed their desire to participate, and interest in the campaign continues.



Special thanks go to both our colleagues from the BCPEA Council, who prepared the entire concept and materials for the campaign, and the dozens of private enforcement agents from across the country, who visit schools in their area free of charge to help students avoid financial and legal problems. By the end of the reporting year 2024, about 1,500 secondary school students had already completed financial literacy training.

**AGREEMENTS WITH GOVERNMENT INSTITUTIONS FOR COLLECTION OF THEIR PUBLIC RECEIVABLES**

BCPEA, through signed bilateral agreements, officially cooperates with state institutions for the collection of their public receivables.

**SUPREME JUDICIAL COUNCIL**

For the first time the two parties agreed to cooperate in 2015, but the enforcement of collectibles started in 2016, and the first results were reported in 2017.

After the signing in 2018 of a new agreement with the Supreme Judicial Council (SJC), we can now boast of excellent working cooperation with the SJC and the courts. The cases started, despite many difficulties and ongoing attempts to tolerate state enforcement agents. We pay particular attention to this agreement, despite some difficulties that we encountered at the outset in terms of its

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

Nine years after the signing of the Agreement on Increasing the Collection of Public State Receivables in Favor of the Judiciary between the Supreme Judicial Council and the Council of Private Enforcement Agents, its effects are not only fiscal. As a result of the work of PEAs, a real implementation of sanctions and penalties under the Penal Code has been achieved. The preventive function of the enforcement is also activated - an increasing number of debtors are aware that the debts are collected, and this makes them pay voluntarily and without the intervention of the PEAs. There is another effect - government expenditures for collection of public receivables, which are financed by taxpayers, are eliminated. The debtors in cases for collection of public state and municipal receivables since 2017 are exempt from advance fees.

### **FINANCIAL SUPERVISION COMMISSION (FSC)**

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

Unfortunately, the agreement as it stands did not work and remained only a good intention for many years. The reason was that there were no clearly defined objective criteria for the selection of enforcement agents to be assigned to the FSC's cases. The Commission expressed its concerns in this regard. This obstacle was finally removed in 2023, when, at the initiative of the FSC, a series of meetings were held with our representatives to familiarize themselves with the capabilities of the electronic system for random distribution of enforcement cases of public creditors (ESRDECPC). As a result of the talks, an updated version of the Agreement was developed, which was agreed, approved and signed bilaterally by both institutions on 27 November 2023.

**COUNCIL OF ELECTRONIC MEDIA (CEM):** On 11 June 2015, an agreement was signed with the Council of Electronic Media (CEM) to assign the collection of its receivables for state fees due under the Tariff for fees for radio and television activities, as well as under issued penal decrees. Most BCPEA members agreed to initiate enforcement proceedings with the creditor CEM. The list of their names is deposited with the CEM partners. From the beginning of the agreement until the end of the reporting year 2024, we have 385 enforcement cases filed with the creditor Council for Electronic Media.

**EXECUTIVE FOREST AGENCY (EFA) AND STATE AGENCY FOR METROLOGY AND TECHNICAL SUPERVISION (SAMTS)**

Since 2014, BCPEA has signed agreements with the Executive Forest Agency and the State Agency for Metrology and Technical Supervision (948 enforcement cases initiated at the Private Enforcement Agents for the period of the agreement). The agreements increase the collection of fines and property sanctions imposed by penal decrees issued by the two agencies.

**MINISTRY OF INTERIOR AND TRAFFIC POLICE**

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

The idea of BCPEA to strengthen the prevention of road offenders is not new. The industry has repeatedly drawn the attention of both institutions and society that the law allows PEAs to collect public receivables from the state. Timely implementation will strengthen prevention. Over the years, former traffic police chief and road safety experts have repeatedly recommended that the state should engage private enforcement agents so that the NRA does not have to prosecute the numerous violators who are unwilling to pay for their offense charges. Back in 2017, NRA representatives reported a total of BGN 66.3 million in uncollected fines for traffic violations. Over 40% of the fines imposed are for amounts up to BGN 50. The forced collection of a sanction of BGN 50 costs the state about BGN 300 and takes 3 years if all stages of the procedure are followed. More than half of the fines imposed on guilty drivers result in forced collection - the most difficult, expensive, and lengthy procedure for the state administration. The Ministry of Finance then responded positively to our proposal, but unfortunately to this day (seven years later) the Ministry of Interior has not responded to the extended hand of assistance from the BCPEA.

At the end of 2023, we once again sent a letter to the Minister of Interior with a copy to the Prime Minister of the Republic of Bulgaria and the Minister of Finance, regarding the actions taken by the Bulgarian government against the war on the roads, as we consider it our responsibility to support the government's efforts to comply with the rules. In his letter, the BCPEA declares its readiness to provide free assistance to the Ministry of Interior and the NRA by taking over the collection of the most serious cases of unpaid fines from offenders who believe that the law and rules do not apply to them. Through the high collection rate of private enforcement agents, strong prevention against this type of violation will be achieved,

the rule of law will be enforced, and ultimately human lives will be saved. We reiterated that the partnership with the PEA will not cost the budget anything and that the costs will be covered only by the violators. On this principle, CSFI works very successfully with several state institutions. In the letter we also presented the possibilities provided by the Electronic System for Distribution of Enforcement Cases to Public Debtors " (ESDECPD). We also appealed for efforts by the Ministry of Interior to submit and adopt a Draft Amendment to Ordinance No I-45 of 2000 on registration, report, stop and start, temporary withdrawal, termination and restoration of the registration of motor vehicles and trailers towed by them, and the procedure for providing data on registered road vehicles, in its part, which regulates service stop, at the request of a enforcement agent under Article 431, para. (6) of the Civil Procedure Code for a vehicle on which enforcement is directed for a period of up to three months. We drew attention to the fact that if BCPEA has the opportunity to take over the collection of systemic offenders' fines free of charge, and if this amendment to the Ordinance becomes a fact, we believe that through their professionalism private enforcement agents will support the fight against the war on the roads to the extent that no other administrative authority has succeeded so far. Unfortunately, the response we received from the Ministry of Interior was purely formal, in-depth and without demonstrated insight into the proposals put forward by the PEA Chamber.

#### **BULGARIAN NATIONAL BANK**

Since the beginning of 2017, the Register of Bank Accounts and Safety Vaults (RBASV) at the Bulgarian National Bank has been operational. This register solved a number of problems of debtors, creditors and the PEAs system. It is no longer necessary to impose distraints blindly, respectively to accumulate unnecessary sometimes excessive in relation to the amount of debt costs.

In line with the electronification of the processes in the state administration over the past few years, and as an adequate response to the difficulties caused by the COVID 19 pandemic in the administration of the paper document flow between departments and citizens, in 2020 the two institutions agreed to use the services of the RBASV entirely electronically by the PEA.

In connection with the amendments to the BULSTAT Register Act effective from 04 January 2022 (promulgated in the State Gazette, issue 96 of 03 November 2020), which entered into force on 04 November 2022, concerning the official transformation of the UIC for natural persons under Article 3, para. (1), sec. (9) and sec. (11) of the 10-digit to 9-digit code, in January 2022. The CSIA collected and systematized all the necessary information regarding the new UIC of the PEA operating on the territory of the Republic of Bulgaria. It was officially sent to the BNB.

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



necessary, the BNB can compare information about records from the special registers of authorities and institutions for a certain period with the data in the RBASV.

As of 1 January 2024, new increased fees for the reports issued by the RBASV entered into force.

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

The cooperation between BCPEA and the Bulgarian National Bank could be defined as a standard for fruitful interaction and efficiency of work between the institutions. The teams of BCPEA and the BNB still work in exceptional synchrony and perfect working relations. The real results followed suit very soon. All PEAs in Bulgaria have electronic access to the register and actively use it in their daily activities. This is one of the services provided by BCPEA for our members, which they consider to be the most useful for the last two years.

### **SUPREME JUDICIAL COUNCIL**

In the reporting year 2024, the Stoyan Yakimov, Deputy Chairperson of the BCPEA, continued to actively participate with professionalism and empathy in the implementation of his commitments in the activities of the working group established in implementation of the decision of the Plenum of the Supreme Judicial Council under Protocol No.18 dated 15 June 2023. Thanks to his efforts and work, the implementation of the submodule "Electronic Batch of Writ of Execution" became possible.

According to the cited decision of the plenum, the task of the established working group was to prepare a technical and functional task for creating a module in the EICC for centralized distribution and fully electronic processing of warrant cases - a task to which Private Enforcement Agent Yakimov approached extremely seriously and responsibly, especially in the part of the technical task for developing Sub-activity 1.4 "Development and implementation of an electronic batch of writ of execution with portal functions". As a result, the technical task describes the possibility of implementing an alternative filling in of data in the submodule "Electronic batch of writ of execution" by private enforcement agents through integration with the Automated Information Systems of Judicial Enforcement used by Private Enforcement Agents and DUI, which in turn provides an opportunity to reflect the events that occurred within the scope of judicial enforcement.

### **REGISTRY AGENCY**

Three years have already passed since private enforcement agents have electronic access to the property register in the deeds section, requesting and receiving deeds electronically, requesting and receiving encumbrance certificates electronically, expanding the scope and search options by person and property in the UPREAS electronic portal. The implementation of the project BG05SFOP001 "Upgrading the Property Register for Integration with the Cadastral Register and Provision of Additional e-Services" crowned the

multiannual efforts of BCPEA to provide electronic access of PEAs to the arrays of the Registry Agency.

The long-standing difficulties and problems in the work of PEAs and notaries with the Registry Agency (the Registry Agency desk in Sofia in particular) were largely resolved in 2021 with the amendments to the Civil Procedure Code, Article 431, para. (4), by *adding as follows: "when the information has been received by the order of the Electronic Government Act"*. In this way, enforcement agents registered with the EPEUR can now receive free electronic information from the relevant registers maintained by the portal, including the documents necessary for the enforcement proceedings by the Registry Agency.

On 27 March 2024, at the initiative of the Chamber of Private Enforcement Agents, a meeting was held between the management of the Registry Agency and the Chamber. Georgi Dichev and Stoyan Yakimov were present on our side. The possibilities for upgrading the electronic communication of the Private Enforcement Agents with the Registry Agency were discussed, and the imposition of seizures electronically in particular. The Registry Agency undertook to send an official letter to the Chamber of Private Enforcement Agents with a request for a special joint meeting with the presence of IT specialists - suppliers of business software for the offices of Private Enforcement Agents, at which meeting the technical requirements will be specified so that Private Enforcement Agents can send seizures electronically. After the meeting, the agency will start work on building the electronic communication channel. Regarding burden certificates, this is impossible at this stage because registry judges work only on paper.

#### **STATE AGENCY FOR ELECTRONIC GOVERNMENT (SAEG)**

The activity of the State Agency for Electronic Governance (SAEG) under the Council of Ministers of the Republic of Bulgaria is largely related to the activities under the state strategy for electronic governance and electronic information exchange. The Agency has functions of issuing, enforcing, and controlling policies, rules and good practices in the field of electronic governance, strategic planning and initiatives, budget programming and control, coordination of sectoral policies. The Agency also maintains centralized registers for the needs of electronic governance, other centralized registers, a state private cloud and the communication network of the state administration.

The state should provide the bodies and persons entrusted with public law functions with the widest possible range of services and easier and faster access to information from national registers.

In implementation of the strategy for e-government and e-exchange, the state built **unified information exchange system RegiX**, the management of which was provided to the State Agency for E-Government (SAEG). The system provides an opportunity to implement an interface for automated submission and servicing of standardised requests for administrative services electronically. The developed components provide an opportunity for information users to automatically extract data from basic national registers and databases.

The activity of each PEAs and the overall development of the enforcement process is impossible without information, and often individual state or municipal institutions are also interested in timely feedback on the stage of a particular enforcement case and the security and enforcement actions. The PEA has obligations under the Civil Procedure Code related to a thorough examination of the debtor's property, an obligation to initiate a few reports in the relevant offices - in the registries, in the municipalities, the RDNCC, the DNCC, the Ministry of Interior, the Ministry of Health, the BNB, etc.

The cooperation of BCPEA with the State Agency for Electronic Governance lasted several years. Since 2019, Private Enforcement Agents have access to RegiX. In the beginning, the result was below our expectations because a significant part of the data controllers had not integrated their registers with the inter-register exchange environment. The inclusion of individual PEAs in RegiX also proved to be slow and cumbersome. In this regard, in 2020 we asked the Minister of Justice for assistance in the inclusion of all PEAs in the environment, as well as the immediate integration of the Traffic Police and the Registry Agency in the electronic environment. By the end of 2021, official data from the Registry Agency were already integrated into RegiX, unlike Traffic Police databases.

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

The State e-Government Agency has also built and maintains a Secure Electronic Delivery System (SEDS). The SEDS covers both the requirements for "electronic registered mail service" set out in the Regulation and part of the requirements for "qualified electronic registered mail service", ensuring the identification, authorship and integrity of the person who sends/receives documents. Thanks to the active actions of the Chamber of Private Enforcement Agents, some banks are already receiving garnishment notices through the SSEV - CCB, Investbank and Tokuda Bank. Another part receives electronically signed attachment messages by e-mail - Eurobank, BACB, DSK, Ziraat Bank. The other banks, however, still refuse to receive documents and papers electronically due to the lack of an ordinance. The several-year efforts of the BCPEA to solve the problem of electronic service yielded results and ultimately in 2023. Parliament adopted the necessary amendments to the Civil Procedure Code. With an amendment to Article 38, para. (2) of the Civil Procedure Code (State Gazette No.80/2023, effective from 19 September 2023), it is envisaged that the service will be carried out through the secure electronic service system under Article 26, para. (2) of the Electronic Governance Act.

#### **STATE AGENCY FOR NATIONAL SECURITY (SANS)**

A standard information and communication system with a secure Internet portal for electronic services to the state administration,

business, and citizens in the implementation of measures for the prevention of money laundering and terrorist financing is operational at the SANS. A database and an internet portal were created, through which 31 categories of persons obliged under the AMLA (including private enforcement agents) to submit signals for suspicious operations under Article 13, para. (2) of the Rules of Implementation of AMLA, notifications of payment under Article 11a of the AMLA, and for amended or newly adopted internal rules for control and prevention of money laundering under Article 16 of the Anti-Money Laundering Act (AMLA).

The cooperation of BCPEA with the SANS is very good. Two or three times a year, for the needs of the activities of working groups or projects of the State Agency for National Security, questionnaires are also sent to us to fill in on the work on prevention and prevention of money laundering and terrorist financing.

On an annual basis, BCPEA submits to SANS up-to-date information on the number of PEAs operating in the territory of the Republic of Bulgaria and an assistant PEAs.

#### **UNION OF LAWYERS IN BULGARIA**



The Chamber of Private Enforcement Agents is a member of the Union of Lawyers in Bulgaria and participates in all joint initiatives. On April 16, 2024, on the Day of the Constitution and the Lawyer, Private Enforcement Agent Siyka Anadolieva - a member of the BCPEA Council, received the award "Honorary Badge of the Union of Lawyers in Bulgaria for professional achievements". The prize was presented to her at a solemn

meeting, which was attended by the Vice President of the Republic of Bulgaria Iliana Yotova, the Minister of Justice Maria Pavlova, the Constitutional Judge Prof. Atanas Semov, the former acting Prime Minister Prof. Ognyan Gerdzhikov, representatives of the judiciary, university professors and many lawyers.

PEA Siyka Anadolieva is a member of the BCPEA Council for the second consecutive term. She is currently the Chairperson of the Commission on Legal Affairs of the BCPEA Council. She participated in the



creation of several legislative proposals for amending the current legislation in the field of judicial enforcement, as well as opinions on draft laws and interpretative decisions. In recent years, he has worked intensively on socially significant topics, such as improving



the legal framework related to the transfer of children, the personal relations of parents with children and the payment of alimony. He is a member of several working groups at the Ministry of Justice, and actively participates in the consultation process on the preparation of a new draft of the National Strategy for the Child and the Family.

"Thank you to SYU for this award! It is both a great honour and a great responsibility. Every lawyer has a mission - to defend the law and the law. " Let us not forget it. Let us, guided by the principles of professionalism and kindness, unite and defend the law not only on one day of the year, but all the time! ", addressed the attendees Ms. Anadolieva.

The award was presented to our colleague by the Chairperson of the Bulgarian Judges Association, Mr. Vladislav Slavov.

### **SOFIA MUNICIPALITY**

Sofia Municipality and the Council of Private Enforcement Agents work in cooperation through the Sofia Municipality Local Tax and Fee Information System. It was designed to reduce the administrative burden on citizens, as well as the financial burden on debtors. Our representatives in this process were Siyka Anadolieva and Stoyan Yakimov. The main subject of the Terms of Reference was the preparation and receipt of electronic reports on liabilities for local taxes and fees and for reports on declared property. All requested changes, requested by the representatives of the Chamber at the workshops held in the process of project implementation, were made and are currently available in a real environment for use by the users of the system.

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

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

### **3.3. Public Relations and Media**

The political crisis that began in 2021 acquired a cyclical nature, which prevented plans to push through several regulatory changes and shifted the focus of public attention to another discourse - away from topics related to judicial enforcement. The Chamber of Private Enforcement Agents used this environment of relative calm in relation to the sector to launch the implementation of its strategy to improve the public image of the profession itself as a whole and of the Chamber in particular. It should be borne in mind that most of the society is not familiar with the many activities that private enforcement agents perform, especially their social aspect.

Therefore, in 2024, the Chamber of Private Enforcement Agents undertook a series of public initiatives aimed at improving the public image of the profession and building new perceptions among society. The constant proactive media policy through meetings, seminars,

interviews, and press releases led to hundreds of coverages, publications and materials that objectively reflected the activities of the Private Enforcement Agents and the Chamber. For example, the Chamber took advantage of its participation in the working group at the Ministry of Justice, tasked with developing the new National Strategy for Children, by publicizing its proposals regarding an increase in state financial assistance for children of divorced parents and other measures protecting the interests of children. In this regard, representatives of the Chamber of Private Enforcement Agents had a series of media appearances dedicated to this issue.

At the end of September 2024, a meeting was held in Halkidiki, Greece between the governances of the Bulgarian and Greek chambers, at which cross-border enforcement and, above all, the new activity of Greek private enforcement agents in documenting factual circumstances was discussed. The Chamber of Private Enforcement Agents organized the presence of numerous Bulgarian journalists, for whom the topic was new, interesting and socially significant. The seminar-meeting received extensive media coverage with emphasis on the opportunities that Bulgarian enforcement can implement, with the aim of reducing bureaucratic procedures and better protecting the civil interest.



In November 2024, the BCPEA, with the assistance of the Ministry of Education and Science, launched an extremely serious and useful project for society - the National Campaign "Management of Personal Finances and Credits - Basic Rules and Informed Decisions". The interest from schools is great because it turned out that there is a deficit of knowledge and information among adolescents, as well as a lack of systematized teaching material on the topic. The initiative aims to provide basic, useful knowledge on managing personal finances for young people between the age of 17 and 19 and was provoked by the alarming data on the number of debtors at an early age. Data reference in our information system indicates that 120,000 people aged up to 30 are debtors. The campaign started in Sofia, but covers settlements throughout the country, with the goal being to conduct trainings in all 150 schools that wish to do so during the school year. The launch of the campaign received a good media response, which continues to multiply over time and at the regional level, because the Chamber of Private Enforcement Agents uses a non-standard approach, trying to reach regional journalists - Varna, Plovdiv, Sofia region, Blagoevgrad, etc. Through this campaign, the Chamber of Private Enforcement Agents achieves several goals: it gets the opportunity to build the image of the profession in the minds of adolescents, who at this stage are not burdened by incorrect media information; it introduces young people to their rights and obligations, thereby supporting efforts to educate responsible citizens in the future; through this campaign, a wider range of public groups is reached - parents, teachers, administration; it receives a positive media response, which supports efforts to improve the image of the profession; a network of contacts and traditions in the field of

secondary education is created, which will be useful for future initiatives.

The Chamber of Private Enforcement Agents continues to implement an open communication policy, which has been constant and unchanged since the establishment of the Chamber of Private Enforcement Agents. Every journalist, regardless of whether they represent a large or small media outlet, regional or national, who has shown interest in the activities of the Private Enforcement Agent, has received the necessary assistance.

In 2025, Chamber of Private Enforcement Agents plans to continue and expand its proactive media policy, which will follow the outlined steps regardless of the development of the political crisis. Good and constant communication with the relevant reporters, built over the years, requires continuous efforts that do not follow the political conjuncture, but require perseverance and correct assessment of the media environment. This communication is crucial for popularizing the ideas of the Chamber among the public on legislative changes and problems in enforcement proceedings.

### **3.4. Control over the activity of PEAs**

Private enforcement agents practice one of the most controlled professions. Permanent control over PEAs is applied by 8 institutions - BCPEA, the Ministry of Justice with two separate inspectorates, the Ministry of Interior, the court, the prosecutor's office, the National Revenue Agency, the State Agency for National Security, the Committee for Privacy protection.

The Ministry of Justice and BCPEA Council independently pursue a policy of control and supervision over the activities of the PEAs and monitor the implementation of the law, the Statutes, and the Code of Ethics. The inspections are carried out both on specific complaints and on the overall activity of the PEAs offices. The control over the industry, exercised through both bodies, is strong and strict. We realise that in our professional organisation, as in most professional industries, individual members do not always follow the rules.

**The Committee on Legal Affairs and Control of the Activity (CLACA)** is a subsidiary body at the BCPEA Council within the meaning of Article 30, sec. (5) of the Statutes of the Chamber, with a mandate of three years. The Committee consists of 25 members. It is chaired by a chair and two vice-chairmen. The BCPEA Council appoints the Chairperson from among its members and he participates by right in the meetings of the Council. It is the competence of the CLACA to perform: Methodological and organisational support of the activities for current monitoring and subsequent control over the work in PEAs offices (in view of the rules and regulations for work of PEAs set in the normative base); Inspections in PEAs offices - thematic or on complaints and signals against PEAs to the BCPEA Council, as well as implementation of subsequent control; Collection, systematization and analysis of information about the work in PEAs offices; Giving opinions to the BCPEA Council on general legal issues and those in the field of law enforcement.

**The Committee for Professional Ethics (CPE)** is a subsidiary body of the BCPEA Council within the meaning of Article 30, sec. (5) of the Statutes of the Chamber, engaged in the application,

interpretation, and improvement of the Code of Ethics, with a mandate of three years. The CPE operates within the CLACA. The Committee for Professional Ethics is appointed by the BCPEA Council and according to our Code of Ethics consists of 9 members, elected from among the representatives voted by the General Assembly under Article 10, sec. (11) of the Chamber's Statute. The competences of CPE are: To collect, systematize, analyse and summarise information on the activities and behaviour of private enforcement agents in order to update and improve the implementation of the Code of Ethics; To perform the functions of a mediator (conciliation proceedings) in case of ethical and interpersonal disputes between PEAs; To summarise existing professional practices through interviews; To make proposals for improving the Code of Ethics based on the identified practices of private enforcement agents and the changes in the legal, organisational and socio-economic framework of the profession.

For years, BCPEA has been working to establish a better mechanism for internal control and compliance with the rules of all offices. One of the key priorities in the CLACA work is the creation of a methodology and the performance of periodic inspections of all offices on various topics. Comprehensive and partial monitoring campaigns were conducted regularly by BCPEA, with the first ones starting in the distant 2010. Periodic inspections of the offices will follow in 2013, 2015, 2016, 2018, 2019 and 2023. The monitoring shall be comprehensive or thematic for each individual year. The purpose of the inspections was to establish the current situation, possible violations, and vicious practices in the profession. All offices with established violations received recommendations for the elimination of irregularities within a certain period. In 2019, a national online monitoring of the activity in the PEAs offices on the application of the new Civil Procedure Code from 2017 and a subsequent analysis of the legality of enforcement was conducted. From then until 2023, no large-scale monitoring of the activities of PEAs was carried out, as during the three pandemic years, normal activity was greatly hampered and the situation in the offices was extremely stressful - due to ongoing health, political and economic crises. By decision of the Council of PEAs of February 2023, the practice of conducting inspections of the offices of all PEAs in the country was restored. The inspections were carried out by the members of the CPEC according to a schedule set by the Chairperson of the CPEC. The topic of the monitoring was compliance with the rules on local jurisdiction and the correct charging and collection of implementation fees. All offices were checked remotely online - with full access of the inspectors to the official archive of the inspected, incl. and at the explicit request of the inspector to provide copies and/or printouts of the relevant documents or the entire enforcement cases.

For years, the Chamber of Private Enforcement Agents has been pursuing a consistent policy of increased control and uncompromising action against those who violate the law or undermine the prestige of the profession. We allocate significant human and material resources for inspections, and the results of the Chamber's disciplinary activities are impressive - out of 181 Private Enforcement Agents (as of 31 December 2024), in the last five years alone (2020-2024), 110 disciplinary sanctions have been imposed, of which 81 are fines, of which 27 are BGN 5,000 and more, 2 warnings for disqualification and 7 disqualifications. We are also the only legal



profession for which the penalty of deprivation of rights forever is provided, which happened again at our suggestion in 2017.

At its meetings held in 2024, the Council of the Bulgarian Chamber of Private Enforcement Agents made five decisions to initiate disciplinary proceedings. For its part, the Disciplinary Committee, although formally part of BCPEA, is in practice a fully independent body. Data from the past year suggest that the Supreme Court of Cassation confirms approximately 50% of the decisions issued by the disciplinary panels. The remaining one-half of the decisions of the DK are amended by the supervisory instance to lower or higher penalties. The arguments for imposing a disciplinary sanction on a private enforcement agent are also confirmed in the acts of the control instance. Behaviour of PEAs that violate the law and the rules is not tolerated.

In 2024, BCPEA received 267 complaints. The trend of decreasing the number of complaints received continues. Their number is 25 less than in 2023, when there were 292 (for comparison, in 2022 - 343, in 2021 - 398, in 2020 - 348, in 2019 - 548, in 2018 - 530, in 2017 - 654).

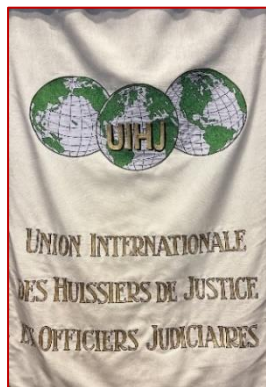
The Chamber takes its control activity extremely seriously, devoting significant resources to investigating each complaint. A large part of each meeting of the Council is dedicated to the consideration of the received signals and complaints. A significant part of the citizens is not aware not only of the rights and procedures, but also of the functions and powers of the PEA, unfairly blaming the PEAs for the actions of the other party in the process, for court decisions and injunctions, for accrued interest and court fees, lawyers, and legal advisers, for imposed restraints of social benefits, pensions, and salaries in bank accounts, etc. On the other hand, enforcement by its nature is a highly conflicting activity, in which one enters the personal and property sphere of one of the parties in the process by force and it is normal to have dissatisfied people. It should be noted that in the last few years, an average of about 200,000 enforcement cases have been filed annually in Bulgaria. Against the backdrop of this huge number of cases, only 0.03% of the cases handled by PEAs have received any complaints. This is the ratio of the number of complaints filed in BCPEA to the pending enforcement cases in the country.

Of course, for BCPEA every well-founded complaint is of great importance, every victim of some violation of the PEAs deserves our full attention and therefore, we devote so much resources and efforts to our control activities. It is already clear to every colleague that there can be no personal prosperity without general prosperity of the profession, that the way to them passes only through lawful and professional-ethical behaviour and if we break the law, we bear the corresponding responsibility for it.

The Chamber's record keeping system contains in synthesized electronic form information for statistics, monitoring, and control of the activity of the PEAs. It is a useful tool for the control bodies of the Chamber regarding the presentation of all available information about the activity of each private enforcement agent - cases, revoked actions by the court, complaints filed against him, disciplinary proceedings, violations, penalties, recommendations, etc. The system also contains the disciplinary practice, as well as

Case Law and is used by the control bodies, and its separate modules - by all private enforcement agents.

### **3.5. International Cooperation**



The Chamber of Private Enforcement Agents is a full member of the International Union of Judicial Enforcement Agents (UIHJ), an organization created in 1952 that currently unites 103 countries around the world.

#### **INTERNATIONAL UNION OF JUDICIAL OFFICERS (UIHJ)**

The UIHJ has the objective to represent its members before international organisations and to ensure good cooperation with national professional organisations. The Union works to improve national procedural law and international treaties and makes every effort to promote ideas, projects, and initiatives to support the progress and advancement of the independent status of enforcement agents. UIHJ is a member of the United Nations Economic and Social Council. The UIHJ participates in the work of the Hague Conference on Private International Law, in the planning of conventions relating to the service of enforcement orders and the enforcement procedure in particular. The UIHJ is a member with the status of permanent observer of the European Commission for the Efficiency of Justice (CEPEJ) of the Council of Europe. The UIHJ is also involved in criticisms and comments aimed at opening the European Judicial Network in civil and commercial law by the European Committee to the legal professions. In addition, UIHJ is currently involved in the work of the Justice Forum group set up by the European Committee, as well as in its e-Justice project. Over the last few years, UIHJ has been working on an ambitious project aimed at creating a Global Code of Enforcement Procedures, in collaboration with legal professionals and university professors from around the world. The Code is already a fact adopted and disseminated among the Member States. In a global market largely dominated by the economy, enforcement agents must fulfil their role by strengthening the rule of law. As regards law enforcement, the IACHR proposes to use its experience and influence to its advantage to ensure that, wherever possible, court decisions are implemented with maximum efficiency. The UIHJ also participates in fact-finding missions involving governments and international bodies.

The Bulgarian Chamber of Private Enforcement Agents has been a full member of the UIHJ since 2009 and regularly pays its annual membership fee to the world body.

#### **EUROPEAN ENFORCEMENT AGENT'S FONDATION (EUBF)**

The European Enforcement Agents Foundation (EUBF) was established at the end of 2016 as the legitimate organisation of European chambers within the international union, but also in response to the European Chamber of Enforcement Agents, which is not accepted by the majority of countries in the union. Currently, 26 countries are members of the EUBF. The organization is headquartered in Brussels and is chaired directly by the President of the ISI. Its aim is to carry out the following activities in close coordination and under the governance of the IJSE: development, promotion and presentation of the private enforcement agent profession in the different Member States of the

European Union; representation of the profession in the institutions of the European Union by expressing a common position; strengthening cooperation with the various legal professions; participation of representatives of the profession in relevant public consultations organised within the European Union; participation in projects financed by the European Union, particularly regarding cooperation in the field of enforcement; coordination of the private enforcement agent profession within the European Union, with the aim of promoting global standards and best practices in enforcement; organisation of relevant activities related to the training of private enforcement agents within the European Union; representation within the European Union, after consultation with other international organisations and institutions or third countries; all relevant activities and services for the benefit of its members, directly or indirectly linked to the objectives set.

Meetings of EUBF Member States shall normally precede meetings of the UIHJ Permanent Council and shall take place one day in advance. The 2024 General Assemblies of the European Union of Judicial Officers were held on 7 May (as part of the programme of the International Congress of the European Union of Judicial Officers in Rio de Janeiro) and on 27 November in Paris (one day before the annual Permanent Council of the European Union of Judicial Officers).

The highlights of this year's meetings were placed on: the activities of the European Union of Judicial Officers held since the last Permanent Council in 2023; currently active projects of the European Union of Judicial Officers and the European Union of Judicial Officers, as well as projects in development managed by our European organization in Brussels (e-FILIT enforcement project, BESP project, PACE project, DIGIJUST project, JODES project, ERA project , etc.); draft of a Global Code of Professional and Ethical Standards in Judicial Enforcement; Integration of e-Codex into EU Regulation 2020/1784; interaction of ESSI with European institutions, etc. To respond to the challenges on a European and global scale due to health and economic crises, the topic of EUBF trainings, conducted in the form of webinars through an online platform with multiple participants from all Member States, is also becoming an increasing number of popular.

During the meeting, the participating countries reported on the current issues of enforcement in their countries. Almost all European countries shared that there is an increasingly noticeable and lasting downward trend in the number of enforcement cases on an annual basis. In a few countries, a number of restrictions on the powers of PEAs are being introduced or are about to be introduced for the winter season as a social measure against the swirling health and economic crises worldwide. An increasing number of cases are being transferred onto collection agencies - both in Germany and in the Baltic states.

#### **XXV INTERNATIONAL CONGRESS OF JUDICIAL OFFICERS**

570 participants from nearly 50 countries and several international institutions and organizations took part in the 25th International Congress of Judicial Officers in Rio de Janeiro, Brazil, from 7 to 10 May 2024, on the topic: "*The Judicial Officer: The Trusted Third Party*".



The opening ceremony highlighted the importance of the private enforcement agent profession for the rule of law, which enables the strengthening of institutions and legal certainty, as well as the relevance of the congress theme in a changing world and to respond to the challenges of the digitalization of justice. A report was presented on the numerous activities of the UIHJ since the 24th International Congress of Private enforcement agents in Dubai in November 2021.

The scientific work of the congress was structured around three seminars, divided into round tables, discussions with congress delegates and conclusions. The first seminar was dedicated to the topic "*Strengthening professional standards as a condition for trust*". A workshop dedicated to the professional, ethical, and disciplinary standards of the judicial profession was proposed by the Innovation Team of the Judicial Officers' Association of Latvia. A round table on the topic "*Professional Standards, Guarantors of Legal Excellence*" was moderated by Guna Berlande, Director of Judicial Officers' Council of Latvia. A round table on the topic "*The necessary (r)evolution of initial and continuous training*" was moderated by Françoise Andrieu, Honorary President and Member of the Scientific Council of the Judicial Officers' Association of Latvia. The topic of Workshop 2 was "*The Consequences of Trust: Increased Activities*". Lectures were given on the topics "*The judicial officer, guarantor of legal certainty*", "*International cooperation - a necessary pillar of trust*", "*Multidisciplinarity at the heart of modernization*". The third seminar was dedicated to the topic "*Evolution of trust: The judicial officer - a reliable third party in the digital world*". It presented lectures on the topics "*Digitalization, a new impulse for the legal professions*", "*Digitalization, a new opportunity for the judicial officer*" and "*The judicial officer, the trusted third party*".

On the occasion of the congress, the UIHJ presented an announced competition intended for law students. President Marc Schmitz introduced the winner of this competition, a student at the University of Constanta (Romania), who then spoke about his work on the digitalization of the enforcement of court decisions. The third edition of the Global Code of Enforcement, including the ethical and professional standards of the profession of private enforcement agent and enforcement officer, was presented by Françoise Andriot, Nathalie Friquero and Jos Uitdehaag.



During the congress, 5 new member organizations of the IJSI were presented and ratified. Elections were also held for a new governance of the UIHJ and a new governance of the European Union of Judicial Officers. Mr. Marc

Schmitz was re-elected by an overwhelming majority as President of both organizations for a further three-year term.

The congress delegates received a copy of the congress proceedings, written by 80 authors, as well as a copy of the third edition of the Global Code of Enforcement, including a new section on ethics and professional standards of the profession of private enforcement agent and court officer, both published on this occasion.



In summary, the conclusions of the work of the XXIV Congress of the UIHJ can be presented in the following several main emphases/recommendations to the global professional community:

✓ **Training** - The initial training of private enforcement agents should be strictly defined to cover all aspects of their activities and responsibilities. Continuing training of private enforcement agents, which is essential for the proper performance and sustainability of the profession, should be mandatory and supervised in order to promote the development of the skills exercised by private enforcement agents;

✓ **Ethical and professional standards** - Private enforcement agents should comply with clearly defined professional standards such as those contained in the Global Code of Enforcement;

✓ **Multidisciplinary activities** - Private enforcement agents should be encouraged to exercise and develop secondary activities compatible with their functions, in particular those that can protect and ensure the recognition of the rights of the parties and aim to speed up the judicial process or reduce the workload of the courts;

✓ **Digitalisation** - Private enforcement agents should be key players in the development and use of the digital tools necessary for the optimal performance of their activities;

✓ **Trusted Third Party** - Private enforcement agents should be encouraged to position themselves as universal trusted third parties for legal certainty, especially in the area of fact-finding and evidence-gathering;

✓ **Global Code of Enforcement** - Private enforcement agents, enforcement agents and the International Union of Judicial Officers should ensure the dissemination of the Global Code of Enforcement to all relevant structures and include it in their training resources.

## UIHJ WORLD PERMANENT COUNCIL

On 28 and 29 November, the Permanent Council of the International Union of Judicial Officers (UIHJ) met in Paris, bringing together more than 160 delegates from over 50 countries to exchange ideas, plan and make progress on important projects. A day earlier, on 27 November, the EUBF held its General Assembly, discussing important topics for enforcement in European countries. The EUBF General Assembly addressed key European topics, including recent changes in the European Union's regulatory framework, EU-co-funded projects such as PACE, e-Filit and JODES, as well as updates to the European Enforcement Atlas. This exchange of views highlighted the progress made and the initiatives needed to strengthen cooperation and increase the efficiency of professional practices.



The Permanent Council meeting began on 28 November, where key issues related to governance and ongoing projects were discussed. During the forum, the parties reported on the current issues of enforcement in their countries. The Bulgarian Chamber of Private Enforcement Agents was represented by the Chairperson Georgi Dichev and the Administrative Director of the Chamber of Private Enforcement Agents Anelia Glavanova. Mr. Dichev took the floor, introducing the attending colleagues from Europe and the world to the activities of the Chamber of Private Enforcement Agents to improve the image of the profession (National Educational Campaign on Financial Literacy in Schools), as well as to our efforts to introduce additional powers for private enforcement agents in Bulgaria (results of the meeting between the Bulgarian and Greek Chambers in 2024).



The Jacques Isnard Gold Medal was awarded to Mathieu Chardon, Secretary General of the Chamber of Private Enforcement Agents, and Juraj Podkonický, Honorary Treasurer of the Chamber of Private Enforcement Agents, in recognition of their exceptional contribution to the organization. The afternoon was marked by two important events.

Firstly, the presentation of the winning project of the 2024 Biennale of the National Chamber of Justice Commissioners of France, entitled "Personalized Service". The aim of this project is to integrate QR codes into court documents, which will allow citizens to access clear and detailed explanations of the documents they receive - an exemplary initiative aimed at making justice more accessible and understandable. Secondly, the round table of the PACE project (Creating Privacy Awareness in Civil Enforcement), dedicated to studying the implementation of the GDPR within the European Union and beyond, allowed participants to discuss issues related to the protection of personal data. Speakers shared promising practices and challenges encountered, as well as prospects for international cooperation and increased awareness to ensure compliance with the legislation in this sensitive area.

On Friday, 29 November, the work concluded with a retrospective of the past year's achievements and priorities for 2025. Upcoming projects include training initiatives, enhanced cooperation with international organisations and the preparation of upcoming UIHJ events.

Furthermore, our international organisation continues to cooperate closely with international institutions such as the United Nations, the World Bank, the European Union, the Council of Europe (the CEPEJ in particular), the Hague Conference on Private International Law (HCCH), OHADA, as well as with regional organisations such as the Academy of European Law (ERA). These partnerships help develop projects to structure, harmonise practices and promote modern and efficient justice.

This Standing Council demonstrates the ability of the UIHJ to unite and mobilize its members around common goals. The rich exchange of views and the ambitious initiatives presented reflect the commitment of all to address the challenges facing the profession and to work for more accessible and transparent justice worldwide.

#### **INTERNATIONAL CONFERENCE "THE PRIVATE ENFORCEMENT AGENT AS A TRUSTED THIRD PARTY"**

From 12 to 14 June 2024, a study visit of private enforcement agents from the Balkan countries was held in Sofia.



The implementation of the procedure for establishing evidence in European countries significantly facilitates court cases. This became clear during the final international conference "The Law Enforcement Agent as a Trusted Third Party" held on the occasion of the International Day of Law Enforcement.

The forum aimed to present the European experience in this area and the progress of the countries of the Balkan region. Greece recently introduced the practice of documenting evidence by private enforcement agents, previously Kosovo and Albania, and Serbia and Montenegro have taken the first steps in this direction.

The conference, which was opened with a video address by the President of the International Union of Judicial Officers Marc Schmitz, was attended by enforcement agents from Bulgaria, Kosovo, Montenegro, Albania, and North Macedonia. Schmitz pointed out that in the era of digitalization, the social mission of the private enforcement agent is increasingly significant, because he is a guarantor of compliance with the law and the rights



of citizens. The Bulgarian Chamber of Private Enforcement Agents was represented by the Chairperson Georgi Dichev and the Administrative Director of the Chamber of Private Enforcement Agents Anelia Glavanova.

On the Bulgarian side, private enforcement agents and representatives of the Ministry of Justice participated. The procedure is the documentation by the private enforcement agent of established facts and circumstances when a given event occurs. The data from them are an integral part of the protocol and serve as evidence suitable before the court.

"The added value of having the procedure carried out by a private enforcement agent is that he is independent, equally distant from everyone, unlike the lawyer, who always represents one of the parties. Notaries are also independent, but their work does not require them to be in the field. While we, private enforcement agents, are out of the office 80% of the time," said Jos Uitdehaag, Vice President of the International Union of Judicial Officers, who is a leading expert on strengthening judicial enforcement in the Balkans. He reminded that back in 2009, in its opinion, the EC encouraged member states to require private enforcement agents to document evidence, because this would facilitate the work of the courts. Uitdehaag noted that this is a practice in many countries and often leads to the avoidance of lawsuits. It can have a huge impact on the outcome of a case, as it presents the factual situation, and the conclusions are drawn by the court.

The documentation of evidence has a wide scope, being applied upon court order or at the request of an interested party. It can be used in traffic accidents, disputes over poor-quality construction, noise pollution, establishing the refusal of visitation between a parent and a child, the condition of properties when renting them out, the condition of cars when buying and selling, measuring the supplied electrical voltage, in floods and other damage between neighbours, the condition of goods received in batches, recording copyrighted works before their patenting, recording data and circumstances on the Internet, etc.

With practical examples, Uitdehaag illustrated cases of documenting facts. Among the interesting cases he presented was one in which, at the request of a global IT company, he documented how a company illegally used software products.



The other important topic that was discussed was the voluntary collection of receivables by private enforcement agents, which is widely used in Europe, before the intervention of the court. "This is a three-way dialogue between the creditor, private enforcement agent and debtor. This prevents huge increases in costs and is particularly suitable for small receivables, instead of leading to a trial and subsequent forced execution," said Georgi Dichev, Chairperson of the Chamber of Private enforcement agents. He moderated the discussion, in which foreign participants shared their positive experience of introducing this practice. Debtors are not placed in a situation of blocked accounts, salaries and pensions, their household goods, cars, and properties are not described, but they can voluntarily cope with their financial difficulties according to their capabilities, which allows them to preserve their business and income. "This institute is also in the interest of creditors, since they can receive what is owed to them in full or in parts and immediately, and not after the end of the judicial and enforcement proceedings," Dichev summarised. The participants agreed that both procedures also lead to the acceleration of the judicial process and the relief of the court from unnecessary cases.

The conference was held within the framework of the project "Strengthening Judicial Enforcement in the Western Balkans" of the Centre for International Legal Cooperation, funded by the Ministry of Foreign Affairs of the Kingdom of the Netherlands.

**MEETING OF THE MANAGEMENT OF THE BCPEA WITH REPRESENTATIVES OF THE SERVICE FOR THE IMPLEMENTATION OF THE DECISIONS OF THE EUROPEAN COURT OF HUMAN RIGHTS OF THE COUNCIL OF EUROPE**

On 22 March 2024, a meeting of the Chamber's governance with representatives of the Ministry of Justice and Bulgarian colleagues from the Office for the Execution of Decisions of the European Court of Human Rights of the Council of Europe was held at the headquarters of the Chamber of Private Enforcement Agents. On our part, Siyka Anadolieva and Rositsa Apostolova were present. The purpose of the meeting was to jointly discuss various practical aspects of the implementation of the decisions of the European Court of Human Rights in the group of cases "Aneva and Others" against Bulgaria, which is under the supervision of the Committee of Ministers - the body of the Council of Europe that monitors the implementation of the decisions of the ECHR. The case "Aneva and Others against Bulgaria" and the other cases in this group (the cases "Pavlovi against Bulgaria" and "X and Y against Bulgaria") concern the failure of the Bulgarian authorities to take adequate and timely action to implement decisions on the exercise of parental rights and personal relations with children (violations of Article 8 of the European Convention on Human Rights). These cases have been under the supervision of the Committee of Ministers since 2017, and information on the measures adopted by the Bulgarian authorities to implement these judgments so far, as well as on the position of one non-governmental organization regarding the effectiveness of the enforcement mechanisms, can be found on the specialized page on the implementation of ECHR judgments "Hudoc Exec" (<https://hudoc.exec.coe.int/?i=004-47553>).

The meeting went extremely well in a spirit of goodwill and desire for cooperation. They asked questions about the opinion of the BCPEA Council on the Guidelines for the Transfer of Children, which the Ministry of Justice sent back in 2022. The proposals of the Chamber

for the development of legislation in this area were also discussed, with our representatives once again emphasizing the proposals already made by us on the National Strategy for Children. The guests present approved them and shared that these are one of the few meaningful proposals that they have become familiar with so far. The opinion of the Chamber of Private Enforcement Agents on the National Strategy for Children was also provided to them in writing, and in addition, the holding of a joint round table on these important and sensitive issues for the implementation of the decisions of the European Court of Human Rights concerning the exercise of parental rights and personal relations with children was also commented on.

### **10TH ANNIVERSARY OF ESTABLISHING THE CHAMBER OF PRIVATE ENFORCEMENT AGENTS OF THE REPUBLIC OF KOSOVO**



On 15 November 2024, the Chamber of Private Enforcement Agents of the Republic of Kosovo celebrated its 10th anniversary in Pristina. On the Bulgarian side, the event was honoured by the Chairperson of the Control Board of the Chamber of Private Enforcement Agents, Mr. Ivan Hadjiivanov. More than 70 participants from the Ministry of Justice, the Judicial Council, the Ombudsman, the Kosovo Bar Association, the Notary Chamber, international guests, representatives of other chambers, private enforcement agents from Kosovo participated. The Chamber of Private Enforcement Agents of the Republic of Kosovo and the Chamber of Private Enforcement Agents of the Republic of Kosovo were represented by the Secretary General Dovile Satkauskiene. A ceremony and discussion of the chairmen of the chambers in the region were held. The role of enforcement agents and their integrity and independence, the achievements of the profession over the last ten years and the challenges they still face in the Republic of Kosovo were discussed. The President of the UIHJ, Marc Schmitz, congratulated the Chamber of Kosovo on its anniversary, emphasizing in his speech: "It is a time to celebrate your achievements, but also an opportunity to look ahead. The future will bring new challenges and new opportunities. In an ever-changing world, the role of private enforcement agents remains extremely important. Whether by embracing digital transformation, adapting to changing legal frameworks, or strengthening international cooperation".

### **3.6. Services Provided to BCPEA members**

In 2024, the BCPEA continued to maintain and develop the range of electronic and other services it offers to its members.

#### **3.6.1. Electronic Environment and Technology Development**

The main priority in BCPEA activity since its establishment is the electronic access to the information about the debtors, as well as the execution of enforcement actions electronically. With our own efforts and funding, we have created and are constantly developing the Register of Debtors (Integrated Platform for Enforcement Cases, IPEC) and the Register of Public Sales, which have significantly

improved transparency and awareness in society. The Register of Debtors (IPEC) is an indispensable tool in the country's economic life. A huge number of citizens, financial and public institutions, courts, investigative bodies, and prosecutors' offices receive reliable and legitimate information about pending enforcement cases against legal entities and individuals. The register of public sales facilitates business and citizens in the search and implementation of transactions for the purchase of property. The sales site has millions of visits from users at home and abroad. To expand partnerships with public creditors in a secure and transparent way, in the reporting year 2024 we continued to promote among municipalities and other state institutions our system for random allocation of cases for public creditors - a maximally simplified platform that allocates their enforcement cases on a random and proportional basis.

As a confirmation of our will and support for the initiative of the Government of the Republic of Bulgaria to introduce e-justice, BCPEA holds regular meetings and talks with organisations and colleagues from the international community in whose countries these electronic systems operate successfully.

In the past 2024, The Chamber continued to participate in existing working groups at national institutions for the advancement of electronification in the enforcement process. Our proposals are in line with the processes of overall digitalisation in the judiciary, and we are driven by the ambition to save costs and time. We are pleased to note that electronic public auctions of property are already a fact and are conducted through the information system of the Ministry of Justice. Our huge disappointment is that, unfortunately, the imposition of true electronic restraints on debtors' bank accounts has not yet received its real practical application and meaning. There are also the necessary changes to the Civil Procedure Code, for which we have fought for a long time and which finally allow for the widest possible possibilities for notifying persons and serving papers electronically through the Secure Electronic Service System of the State e-Government Agency, as well as for enforcement agents' access to the Single e-Justice Portal.

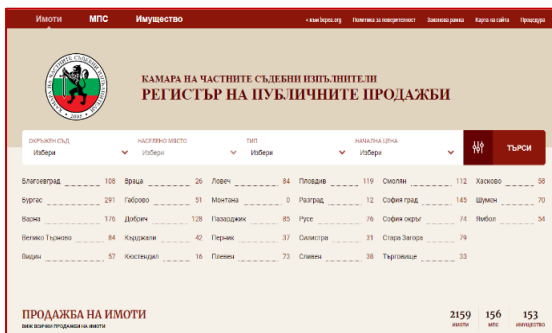
Unfortunately, the initiatives of the Chamber in 2024 received almost no development, mainly due to the unprecedented political crisis in the country that lasted for an infinitely long time. For most of the year, the country was governed by caretaker governments, in which our proposals and initiatives did not meet with any response and commitment from the executive and legislative authorities in the Republic of Bulgaria in the person of the Ministry of Justice, the Committee on Legal Affairs in the National Assembly and other responsible institutions.

The Chamber devotes significant human and financial resources to automate its processes, work, and information resources, including in terms of statistics, disciplinary and Case Law, the activities not only of the administration and bodies, but also of each individual member of the industry. The Chamber operates and successfully uses a centralized information system (CIS) for integrated procession of statistical information from the 6-month and annual reports of PEAs. The system is administered by the Ministry of Justice, and a functional option has been created for transferring data to a server

of the Chamber of Private Enforcement Agents. In 2020, a new version of the CIS was developed and entered into force - in accordance with the amendments to Ordinance No.3 of 2006 on the reports of private enforcement agents (Title amended, SG No.51/2019, effective since 28 June 2020). Currently, the system is well administered by the project implementers in the Ministry of Justice, and the Chamber of Private Enforcement Agents works in good cooperation with them. The electronic system for statistics of the activity of PEA's greatly facilitates the work in our organisation. For PEA's and the Chamber administration, the need for preparing, sending and respectively manual processing of PEA's reports on paper has been eliminated in full.

For the eighth year now, the Chamber's administration has been successfully using a unified electronic filing system. The huge archive of documents of BCPEA has been digitized and transferred as a database in the system, which database is successfully implemented and upgraded in our daily administrative activities.

### 3.6.1.1. Register of Public Sales (RPS)



The first website "Register of Public Sales" was launched in 2009. A new web-based register was implemented at the end of 2011. At the insistence of the BCPEA, the National Assembly in 2012, by amending Art.19, para.4 of the Act on Private Enforcement Agents, introduced the obligation to publish public sales notices on the

BCPEA website. An important success for the Chamber, which ensured its successful development, was achieved in late 2012 and early 2013. In connection with the changes to Article 487, para. (2) of the Civil Procedure Code for the announcement of public sales from 01.01.2013 on the sites of the respective district courts, the SJC decided to announce it through a link from the Register of BCPEA. Thus, the Public Sales Register has established itself as the main and mandatory electronic database of sales conducted under the Civil Procedure Code by private enforcement agents in the country. Since its establishment, the Chamber has been constantly monitoring the work of the RPS over the years. In 2020, the current, more modern and significantly enriched in terms of functionality, platform for public sales of PEA's, developed by "Information Services" AD, entered into operation.

However, daily work with the register shows the need to make some improvements to the software - primarily with a view to achieving greater convenience of work by PEA's, as well as collecting and summarising reliable statistics on announced and implemented public sales. Information is constantly collected by the Board of the BSRC, by the administration of the BSRC and by the developers of the registry software in the offices of the BSRC, regarding their proposals and recommendations for improving the work of the Public Sales Register.

In the past year 2024, the RPP website was visited by **581 thousand** users, who viewed a total of **34 million** pages. Visitors are predominantly from Bulgaria, but there are also visitors from

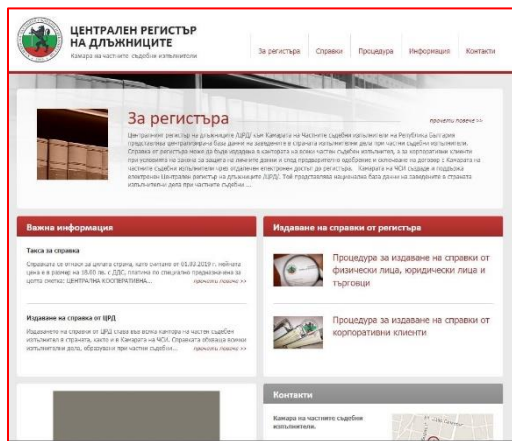
Germany, the United Kingdom, the United States, Austria, the Netherlands, Greece, etc. About 2/3 of all users access the site from mobile devices.

In 2024, **11,289** real estate sales announcements were published in the Register of Public Sales of the Chamber of Private Enforcement Agents /for comparison, 12,525 for 2023, 16,215 for 2022, 20,104 for 2021, 25,273 for 2020/; for vehicles - **860** advertisements /for comparison 1,193 for 2023, 980 for 2022, 1,431 for 2021, 2,002 for 2020/ and for movable property - **1,423** advertisements /for comparison 1,833 for 2023, 1,746 for 2022, 664 for 2021, 2,027 for 2020/. The number of published announcements does not mean that sales have been made, nor that so many properties are subject to execution; in many cases, several sales of the same properties are held due to a lack of bidding.

The announced sales of real estate for 2024 by district courts are distributed as follows:

Sofia City	Sofia District	Blagoevgrad	Burgas	Varna	Veliko Tarnovo	Vidin
658	563	305	1175	929	501	209
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovech	Montana
227	166	686	55	320	682	152
Pazardzhik	Pernik	Pleven	Plovdiv	Razgrad	Ruse	Silistra
502	50	281	874	196	375	122
Sliven	Smolyan	Stara Zagora	Targovishte	Haskovo	Shumen	Yambol
222	514	408	74	417	523	103

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



The Enforcement Cases Integration Platform was created as a centralized database in 2011. - Central Register of Debtors (CRD). The current software of the CDR has been operating since October 2014. The latest improvements were made in 2017. There is a need to completely update the register and transform it into a large-scale electronic platform with many more functionalities than the current ones. This is pending shortly.

At the time of compiling this report, according to data from the IPID, the number of pending cases in the country is 1,382,204, and the total number of terminated and completed cases is 1,684,698.

The platform is in constant daily operation by users - private enforcement agents, companies, citizens, and corporate clients. Corporate clients of the CDR are mainly credit and financial institutions, insurance and leasing companies, mobile operators, and commercial companies. The information is widely popular and is of great benefit to them, as they can check in advance the status of applicants for credit, when concluding contracts, preliminary verification of trading partners.

In 2024, a total of **37,755** reports were issued by the Central Registry Office, of which 11,922 were issued by various companies and citizens and 25,833 by our corporate clients /For comparison: 2023 - 30,250 reports; 2022 - 36,385 reports; 2021 - 29,425 reports; 2020 - 25,146 reports issued/. Apart from this, institutions such as the Police, Prosecutor's Office and Court regularly request from the BCPEA to provide information from the IPID on pending enforcement cases against persons - subjects of investigations in pre-trial proceedings or parties to civil and commercial court cases (2024 - 1,205 inquiries; 2023 - 1,187 inquiries; 2022 - 937 inquiries; 2021 - 1,047 inquiries). The platform is trusted by the institutions and sufficiently covers their needs for using this service.

BCPEA administration employs one employee with the relevant education and qualification on a permanent employment contract, who is responsible for the direct monitoring and non-technical support of the CRD (IPEC). This reduces our costs for external services and allows us to improve the communication of the Chamber's team with the members of the industry and the clients of the platform on issues and problems related to the register. The monitoring of the functionality of IPEC by the employee of the Chamber significantly improves and facilitates the daily work of the system.

For 2024, there is a higher level of income from the CRD compared to the one set in our annual budget. This is due to the fact that the General Assembly of BCPEA, held at the beginning of 2023, obliged the Council of the Chamber to increase the prices of the reports issued (for both individual and corporate clients) - in accordance with the economic processes in the country and as a compensatory instrument

to control the consequences of serious inflation. The costs incurred for maintaining the system and servicing its users are also relevant to the increased revenues, and the two indicators show good comparability for the reporting period.

#### **3.6.1.3. BCPEA Record-Keeping System**

The Chamber has implemented and successfully operates a unified record keeping system. The digitization of the work processes supports the productivity and the internal organisation of work in the Chamber administration, the functions of all its bodies are optimised. The digitization of the document flow in our organisation helps us to effectively manage the content of both paper and electronic documents. With the help of the system the work processes are automated, the tasks for the employees of the Chamber and for its bodies are defined and easily created. The system is designed to integrate successfully into the existing IT environment. The created digital archive facilitates the access to the archival documents without endangering their physical condition. The record keeping system provides an opportunity to work with electronic copies of disciplinary cases and files. Through the Module "Disciplinary and Case Law", including decisions of the Disciplinary Committee (DC), decisions of district courts and decisions of the SCC, you can sort and search for documents by different criteria - what disciplinary sanctions are imposed in disciplinary cases depending on a particular violation of a legal norm, of rules from the Code of Ethics or BCPEA Statutes. In this way, a kind of disciplinary archive is formed, which could be of help to the sanctioning bodies in their activity of establishing violations and issuing their acts, respectively to the private enforcement agents in their routine activities. Through the information available in the database on complaints, disciplinary proceedings, claims for damages, insurance, and other data for each private enforcement agent, the system allows data to be collected quickly electronically and systematized; to automatically notify the PEAs about non-fulfilment of its obligations in time, etc.

In 2024, the BCPEA's case management system was updated to the latest version of the DocuWare software product. In addition to the updated and modernized modules, the new version provides the opportunity for documents that enter the system and that concern the work and tasks of the BCPEA Council to be distributed by an administrator to a responsible SC employee. A new functionality has been built for the process of monitoring deadlines for assigned tasks and notification of an expiring deadline. It is possible to display statistics on the number of assigned tasks (including complaints) for each member of the BCPEA Council, the number of completed tasks, delays, and non-performance.

For complaints received by the BCPEA against actions of private enforcement agents, a process will be built for assigning tasks to responsible employees, monitoring set deadlines, and monitoring the status of the documents entered. The workload will also be distributed on an annual basis to the members of the auxiliary committees and members of the BCPEA Council.

It is planned that for the documents that enter DocuWare and that concern the work and tasks of the Disciplinary Committee, a process will be established for the distribution by the Chairperson of the Disciplinary Committee to the respective colleague from the

Disciplinary Committee, as well as to the legal advisors of the BCPEA. This process includes documents for scheduling meetings of disciplinary panels, writing minutes of meetings, writing decisions on disciplinary proceedings and other administrative activities with deadlines and responsible persons.

The BC delegate is provided with the opportunity to assign tasks to members of bodies or to employees from the administration on various Processes/Projects/Legislative Initiatives.

#### **3.6.1.4. Electronic System for Allocation of Enforcement Cases to Public Creditors (ESAECPC)**

Due to the increasing number of enforcement cases by public creditors, their volume is increasingly relevant to the work processes, revenues, and costs of private enforcement agencies. This creates prerequisites for public creditors to limit the competitiveness of some private enforcement agents for the benefit of others. To avoid this effect and to achieve effective market competition for private enforcement offices, it is necessary to distribute these cases evenly to willing private enforcement agents.

To implement an effective and independent allocation of enforcement cases, as well as to increase transparency in the allocation of cases for the collection of public receivables by private enforcement agents, it was necessary to create an automated software product that would work on a pre-created logic, the algorithm of which is not subject to manipulation. For this purpose, a web-based application "**Electronic System for Allocation of Enforcement Cases of Public Claimants**" (ESAECPC) was developed in 2022.

The platform is maximally simplified by allocating enforcement cases on a random and proportionate basis. For the convenience of public creditors, statistics are maintained for each creditor and there is an opportunity for automatic generation of forming applications to the respective private enforcement agent.

All private PEAs have a pre-created user profile, an email with access data and instructions for using the product is sent to them.

The web-based platform was launched in 2022, and then was widely presented for promotion by sending informational emails to all potentially interested institutions and organizations. This product can be used by all county and district courts, all appellate courts, all institutions with which we have formal cooperation agreements, municipal administrations, government agencies and commissions that potentially have public receivables to collect.

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

The BCPEA periodically receives inquiries from interested parties, to whom instructions are sent and the necessary assistance is provided for registration and work with the software product.



### **3.6.1.5. Information System for Single-Entry Point for Distraints and System for Electronic Public Auctions**

In issue 35 of the State Gazette of 18.04.2023 was published *"Ordinance No. H-3 of 6 April 2023 on the keeping, storage and access to the information system for a single-entry point for the attachments of movable property subject to registration by law and on the organization, rules and activities of the online platform for electronic public auctions"*. The Ordinance entered into force three months after its promulgation in the State Gazette, i.e. in July 2023.

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

The National Register of Preservation allows private enforcement agents, state enforcement agents and receivers to register imposed distraints, and through the services offered, inform the administrations of the registered distraints. The Single Preservation Entry Point Information System offers four electronic services that are provided to citizens and administrations:

- *"Electronic first notification of attachment";*
- *"Electronic notification in case of change of the status of the imposed attachment of an item";*
- *"Electronic report on the presence of attachment of property";*
- *"Electronic report on the presence of seized property of a person".*

The module for electronic public sale, part of the information system, realizes the opportunity given by the changes in the CPC made at the proposal of the BCPEA in 2017. It includes all possibilities for inclusion in the bidding procedure in an electronic public auction.

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

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

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

will lead to an increase in the final prices of the auctions, which is in the interest of both creditors and debtors.

The e-Public Sale module has not yet been widely used by PEA. As of the date of preparation of this report, 34 announcements for ongoing electronic auctions had been published. We hope that the system will be promoted quickly, because it allows more people to take part in the public auction, achieving the highest possible price, full transparency of the procedure, as well as the lack of any possibility of abuse.

#### **3.6.1.6. Judicial Enforcement Information System (JEIS)**

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

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

- Providing a reference for a document extracted and served from the outgoing register of the registry of a enforcement agent;

- Providing a reference for an incoming document with a reliable date from the incoming register of the registry of a enforcement agent;

- Providing a report on injunctions imposed by a enforcement agent;

- Provision of a reference for extracted letters for notification of the mortgage creditor from the registry to a enforcement agent;

- Providing a reference for protocols for disclosure of sales of movable and immovable property by the registry office to a enforcement agent for registration in court;

- Provision of a statement of accrued fees and expenses by a enforcement agent;

- Providing a report on the amounts received and transferred in an enforcement case.

The Ordinance on the establishment of the system entered into force on 01.09.2022, and by 31 July 2022 the judicial executors had to take the necessary actions to integrate the information systems they use with the ISSS. Currently, the companies supporting the information and record-keeping systems of private enforcement agents are working at different rates on connecting their systems to the ISSI. This is because the elaboration of the technical amendments and the creation of the additional modules that are necessary for the accession of the individual case management programs to the ESSI represents a serious additional cost for the offices. The very process of connecting the systems to the ISSI requires, in addition to financial, human and logistical resources, which are at the expense of each individual private enforcement agent. A large number of colleagues do not have one at this stage. In addition to paying for the technical improvements, which each private enforcement agent makes with their own personal funds, the introduction of the system requires additional qualification and training of the employees in the offices, as well as of the private enforcement agents themselves.

### **3.6.1.7. Electronic Dstraints**

The main priority from the very beginning of our profession is the maximum of the information about the debtors and the enforcement actions to be administered electronically. However, this priority depends almost entirely on another major digitization process that needs to take place in public administrations and, in particular in the justice sector. The example of our long-standing struggle for the introduction of electronic dstraints is indicative enough of how even "digitization" already regulated by law can only remain a good wish. Actively participating in the professional life of the international world organization of private enforcement agents, it is extremely important for us to be familiar with the latest trends in the development of the profession in Europe. With great disappointment, we must admit that some time ago our Chamber was among the leaders in this development with reforms, we even passed on our experience and good practices to colleagues from other countries, however, for years in Bulgaria everything in our field has been frozen, which is why we are significantly lagging behind other countries.

Article 450a (New - SG No.49/2012, effective since 01 January 2013, amended, SG No.86/2017) of the Civil Procedure Code as early as the end of 2017 regulates electronic dstraints on receivables under bank account. Unfortunately, this option is still not working for PEAs. Despite our efforts, we have completed and started another year without the possibility of actually applying the norm of the Civil Procedure Code on electronic dstraints. The Ministry of Justice should issue an ordinance on electronic seizures through a special environment for them, regulated in the Civil Procedure Code, but this has not happened for more than 11 years - facts that we leave without comment. Without this regulation, the issue of electronic attachments could not be practically solved. However, there has been some improvement in the situation.

The State e-Government Agency has also built and maintains a Secure Electronic Delivery System (SEDS). The SEDS covers both the requirements for "electronic registered mail service" set out in the Regulation and part of the requirements for "qualified electronic registered mail service", ensuring the identification, authorship, and integrity of the person who sends/receives documents. Thanks to the active actions of the BCPEA since 2022 and continuing in 2023, some of the banks are already receiving garnishment notices through SSEV - CCB, Investbank and Tokuda Bank. Another part receives electronically signed attachment messages by e-mail - Eurobank, BACB, DSK, Ziraat Bank. The other banks, however, still refuse to receive documents and papers electronically due to the lack of an ordinance.

### **3.6.1.8. Privacy Protection System - BCPEA and PEA Offices**

In accordance with the requirements of REGULATION (EU) 2016/679 of 27 April 2016 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons regarding the processing of personal data and on the free movement of such data - effective from 25 May 2018 - in BCPEA, a Privacy protection System has been developed and implemented. A Data Protection Officer has also been appointed.

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

### **3.6.2. Training. European School of Law Enforcement.**

The European School of Law Enforcement (ESLE) was established by a decision of the BCPEA Council dated 14.10.2016 and was registered as a foundation for public benefit by a decision of the Sofia City Court dated 17.11.2016 in company case No.734/2016.

The report covers the foundation activities for 2024, which is developing in the following areas:

#### **Educational and Training Activity**

During the reporting period ESE organised, directly, or jointly, several events along with BCPEA:

Webinar on the topic "Electronic public auctions in enforcement and their advantages" in June, in which 96 private enforcement agents and representatives of other legal professions participated;

Webinar on the topic "Aspects of European law with application in judicial enforcement" in November, in which 49 private enforcement agents and their employees participated;

Webinar on the topic "Current issues of division and its impact on the enforcement process. Objective complications in enforcement proceedings" in November, in which 44 private enforcement agents and their employees participated.

The planned for December webinar on "Current Issues of Implementation under the Public Health Act" was postponed to January 2025 due to the lecturer's health problems.

In October, the ESLE organized a preparatory course for the exam for assistant private enforcement agents, in which 27 candidates participated in person and online. The course can be described as successful, as 19 of the participants (70.37%) passed the exam.

It is necessary to note several issues related to the educational activity:

The webinar has proven to be a suitable form for conducting training and exchanging professional experience for PEAs from across the country, especially if the sessions are of shorter duration (up to three hours).

It is a matter of specific judgment which learning activities and on which topics to conduct in person, online or in a mixed format.

The Programme Council, established at the end of 2021, successfully continued its activities. The topics of the webinars were determined entirely on the proposal of the Programme Board.

#### **International Activities and Projects**

ESLE continued its participation in the implementation of the project "Creating Privacy Awareness in Civil Enforcement", implemented by the Centre for European Constitutional Law in Thessaloniki, Greece, and the European Union of Judicial Officers. The project envisages the preparation of a practical manual on the application of the GDPR in the enforcement proceedings and training of trainers in the field of personal data protection in the

enforcement proceedings in 26 EU countries and candidate countries. The training for Bulgaria, Greece and Cyprus was held on May 30-31, 2024 with 10 participants from Bulgaria. The final webinar will be held on March 14, 2025.

In June 2024, the Executive Director presented the activities of the ESLE and the problems of training of private enforcement agents to a delegation of private enforcement agents from the Balkan countries.

#### Technological renewal

In 2024, the ESLE website was completely renewed, which provides new technological opportunities for expanding online services.

The subscription to the ZOOM platform was renewed with the ability to conduct webinars with up to 100 participants.

Additional equipment for online meetings was also acquired.

#### **Financial Performance**

The two sources of funding of the foundation during the reporting period were participation fees in the trainings organized by it and a subsidy from the Chamber of Private Enforcement Agents. The financial result of the foundation's activities as of 31 December 2024 is BGN 2,991.54.

In 2024, measures to optimize fixed costs continued, especially those for personnel. Apart from the management contract of the executive director, the only permanent civil contracts of the school are for accounting services and administration of online services.

#### **3.6.3. Information and administrative services**

Each member of the Chamber has the responsibility to build the image of our profession. The professional activity and morale of each PEAs has a direct impact on the activity and authority of its colleagues. PEA has the right to request up-to-date information and quality services, but also has the obligation to comply with the rules and policies adopted by the governing bodies of the Chamber.

The analysis of the results of the past 2024 shows that despite the complexity of the situation with the constantly swirling political and economic crises, the lack of adequate to modern conditions TPRCSI and the tax regime of the PEA, respectively the resulting great difficulties for the normal operation of the offices, the CHAMBER MEMBERS are satisfied with the ways of communication with the management and administration of the PEA - PEA have reliable feedback with the administrative team and the Council of the Chamber and can receive advice and support on issues and problems concerning the daily work in the offices. They highly appreciate the correct, adequate, and professional service they receive during the year.



In 2020, a completely new website of the Chamber of Private Enforcement Agents went into operation, replacing the old one, which was already technically and morally outdated. The project implemented by Information Services AD also includes a new register of public sales, a register of existing PEAs and a

Web service interface for integration with other information systems. In addition to being developed using modern technology, the new site provides well-illustrated information, has clear references to the various registers maintained by the Chamber, and also supports a mobile version. In view of the rapidly developing processes in the field of IT technologies, more can undoubtedly be desired from the BCPEA website in terms of interface and functionalities.

In the section "Case Law" and especially in our office system we publish court decisions issued by the courts of the Republic of Bulgaria in connection with enforcement. After 19 years of effective work of private enforcement agents, solid Case Law has already been accumulated in the form of judicial acts on law enforcement - unfortunately some of which is contradictory and at times inadequate. We publish these decisions to the benefit of the parties in the enforcement process, as well as to unify the practice of the courts throughout the country. We have already collected and summarised the existing disciplinary and Case Law, which has been made available for use by the Chamber members in the current system of record keeping and process BCPEA governance.

The "Key Documents" section in the "EU Regulations" section contains all the main European directives, regulations, procedures and instructions concerning the cross-border enforcement of court decisions and the obligations of enforcement agents in the Republic of Bulgaria arising from Bulgaria's membership in the European Community. The "Questions and Answers" section of the website - contains additional information for citizens. The team of BCPEA has the practice to answer inquiries of citizens, companies, and Chamber members almost immediately on various issues concerning the activity of the Private Enforcement Agents.

We maintain active 24/7 hours a day both national registers - RPS and IPEC (CRD). The ratings of the PEAs who participated in the annual survey regarding these services are very good: **5.30** for the BCPEA website; **5.43** for the Register of Debtors and **5.36** for the Register of Sales. (compared to 2023 - 5.32 for the Chamber website; 5.54 for the CDR and 5.32 for the RPP). The quality of the materials produced by the Chamber for 2024 was rated **4.84** (in 2023 this rating was 5.21).

To maximize the awareness of its members of all media publications covering the activities of private enforcement agents, this year the Chamber also extended the contract with the PR agency for the "Electronic Press Clipping" service - tracking a given topic in the news broadcasts, online and print editions in the national and regional media. The BCPEA has a contract with the agency "PR Club" EOOD. Through the Chamber's subscription for this service, BCPEA receives in its official e-mail the most complete information

possible from the national and regional media on the topic of "law enforcement". Key publications for the activities of the PEAs are sent to all members of the industry. The Chamber's governing body believes that this initiative makes sense and hopes that we will be useful to members with this service in the future.

During the reporting period, the Chamber continued to perform the standard administrative services for its members - entries and deletions from the Register of Private Enforcement Agents, changes in the circumstances of the register, administration and issuance of reports from the CRC (IIC) and other registers maintained by the BCPEA, collection, summarisation and analysis of statistics and information on the activities of the BCPEA, issuance of certificates, official notes and other documents, issuance of official cards, cases and signs, distribution of BCPEA publications, document flow, administration of complaints, overall administration of the disciplinary process in disciplinary proceedings and support for the work of the BCPEA SC of the BCPEA, organization of international, national and regional conferences, and many others. To be maximally informed about the decisions taken by BCPEA Council during its meetings, as well as about the results of their implementation, all Chamber members regularly receive by e-mail the minutes of the meetings in full. The minutes shall be sent by the administrative secretary of BCPEA, after their signature by all members of the Council - on average one month after the holding of the respective meeting. It triggers a delay in sending them, but for the time being no other, more effective mechanism for informing colleagues has been adopted. Important management decisions are immediately brought to the attention of all private enforcement agents by e-mail.

Last but not least, we should also note our striving for adequate material resources, which is a natural prerequisite for improving the quality and quantity of services provided by the Chamber of Private Enforcement Agents to its members. The administrative office of the Chamber in the building of the Union of Lawyers in Bulgaria was thoroughly renovated with the Chamber of Private Enforcement Agents' own funds in early 2022, which enabled our employees to work in a cleaner and more pleasant working environment.

#### **3.6.4. Services under development**

The main goal of the current BCPEA Council is the financial stabilization of the offices of Private Enforcement Agents and the creation of a long-term horizon for the development and prosperity of our profession by assigning new powers.

The means to achieve these goals are many and in different directions, since for years we have been faced with a situation of unprecedented political crisis in which everything we have built in a few months collapses in an instant with the dissolution of the next parliament and the change of the Minister of Justice. The constant pre-election situation is extremely harmful to the achievement of our goals. Updating the Tariff and preparing and approving projects for new activities of Private Enforcement Agents requires the creation of a working group under the Minister of Justice, in which the various institutions will unite around the specific regulatory changes for the development of our profession. Our systematic efforts in different directions and with different means yielded results at the very beginning of 2025. The Minister of Justice finally issued an

order for the creation of a broad interdepartmental working group to prepare regulatory changes in the activities of PEAs. The first and most important step in our strategy to achieve our goals has already been taken. The no less important next step is to convince the participants in the working group to support our proposals.

The electronification of enforcement procedures has always been a top priority. This is also the direction in our activity, which the majority of the private enforcement agents in Bulgaria want to get tangible progress. Introduction of electronic enforcement actions such as distraints, foreclosures and tenders will be key to the progress of the profession in the coming years. We, who, at the dawn of private enforcement, passed on good experience to many other countries that were yet to legalise the introduction of the Private Enforcement Institute, are now light years behind them in terms of digitising enforcement procedures. This stagnation and regression can only be explained by the lack of political will in our country to make constructive and beneficial changes for society, businesses, and citizens. Nevertheless, the BCPEA governance will make maximum efforts and potential to continue with these projects in 2025, despite the difficulties and obstacles accompanying their implementation. Unfortunately, all of them are related to close cooperation and interaction with state bodies and institutions, which is why progress is happening more slowly than we would like.

In the field of information technology, software and information platforms are aging rapidly and need to make technical changes in line with the times we live in. Therefore, in the near future, we will update the existing Central Register of Debtors, turning it into a modern Information Platform of Enforcement Deeds (IIED) – multifunctional, easy to use for stakeholders and facilitated in the administrative and technical part of its maintenance by the Chamber.

An important direction in the activities of the management of the Chamber of Private Enforcement Agents in 2025 remains the work on the implementation of the decision of the General Assembly of the Chamber of Private Enforcement Agents in 2021 to build and implement its own case management programme for the needs of private enforcement agents' offices, which will be provided to the members of the Chamber under preferential financial conditions.

By decision of the Chamber of Private Enforcement Agents Council in March 2024, a team was selected to implement the project. After a tender procedure, a contractor was selected and a contract was concluded, with which the actual work began at an intensive pace. An external consultant – a company or expert in IT technologies – was also hired to assist the team in the entire process – from the selection of a contractor based on the offers received by the Chamber of Private Enforcement Agents to the commissioning of the software. Expectations are by the end of 2025. to have ready and implemented software that has passed the testing stages and is provided by the Chamber to its members on preferential terms and prices.

The created opportunity for realisation of internal electronic administrative services is a prerequisite for achieving one of the main goals of the electronic management – complex administrative service of the citizens and the business. We will continue to work hard in cooperation with the Ministry of Justice and the Supreme Judicial Council to ensure reliable and full access for use by private



enforcement agents to the electronic environment for inter-registry exchange (RegiX), the Secure Electronic Service System (SESS) and the e-Justice Portal (EPEP).

The assignment of the widest possible range of public receivables for collection by the PEAs should remain a key priority in the efforts of BCPEA governance in this 2025. We will continue to work responsibly to collect the public receivables of the state and municipalities, to optimise the control over the observance of the law and the Code of Ethics, including regarding unfair competition and intensified work with the institutions and the media. We will upgrade our proactive media policy and efforts to establish an adequate public image of the PEAs.

The assignment of new powers to private enforcement agents (extrajudicial debt recovery, voluntary sale of movable or immovable property at a public auction, establishment of facts, bankruptcy procedures, actions to service loans within the meaning of the Law on Persons Servicing Loans and Buyers of Loans, provision of legal advice, performance of tasks assigned to them by the court, representation of parties in court, preparation of private acts and documents, mediation, etc. ), in accordance with the best European practices, also continues to be an invariable part of the focus of priorities for the activity of the BCPEA governance within the framework of the already established broad interdepartmental working group at the Ministry of Justice. Here we should also add the continuation of the debate of the BCPEA with representatives of the legislative and executive branches regarding the change in the tax regime of private enforcement agents by increasing the percentage of legally recognized expenses and the right to choose with respect to the Personal Income Tax Act and the Corporate Income Tax Act.

During its term of office, the current management of the Chamber undertook to focus its efforts on conducting an analysis and preparing a complex proposal to eliminate the gaps and imperfections in the Tariff of Fees in law enforcement. These activities were finalized back in 2022, but even in the past reporting year 2024, we were unable to overcome the most difficult part - pushing the update of the Tariff of Fees in law enforcement through the legislative process for its adoption. We are firmly continuing with all our efforts and with the hope that in 2025 we will bring to a successful end the update of the Tariff of Fees in law enforcement in the part of ordinary fees with the accumulated inflation coefficient.

We have also set ourselves the ambitious goal of conducting an analysis and preparing complex proposals for the improvement of the Private Enforcement Agents Act (and the bylaws), the Civil Procedure Code and the Special Pledges Act.

We will continue with the policy of BCPEA Council for effective control over the activity of private enforcement agents and its improvement, which we believe should include:

- Use of electronic means for monitoring and control, including for conducting disciplinary meetings. We have good practice in place and should only enhance it with even more effective tools for electronic inspections. This will save costs and time for all colleagues from the inspection bodies of BCPEA. However, the issue of conducting online meetings of the BCPEA Council is much more

complicated because it depends on the joint efforts of BCPEA and the Ministry of Justice, and at this stage there is no clear will to do so.

- Close cooperation with the Inspectorate of the Ministry of Justice, in view of the effectiveness of control and unification of regulations in seeking disciplinary liability.

In 2025, ESLE's learning activities should be activated, upgraded, and expanded in terms of training programmes and workshops. Judging by the feedback in the annual poll among the wide public, the Chamber members expect this to happen. As part of these efforts, we expect the expansion of the highly desired by the Chamber members distance form of education (webinars), through which the system for improving the professional qualification of PEA and their employees will meet modern European standards. The ESLE should be an indispensable and easily accessible assistant to every working employee in PEA offices.

**REPORT**  
on  
**the activity of the Disciplinary Committee  
of BCPEA for 2024**



**DEAR COLLEAGUES,**

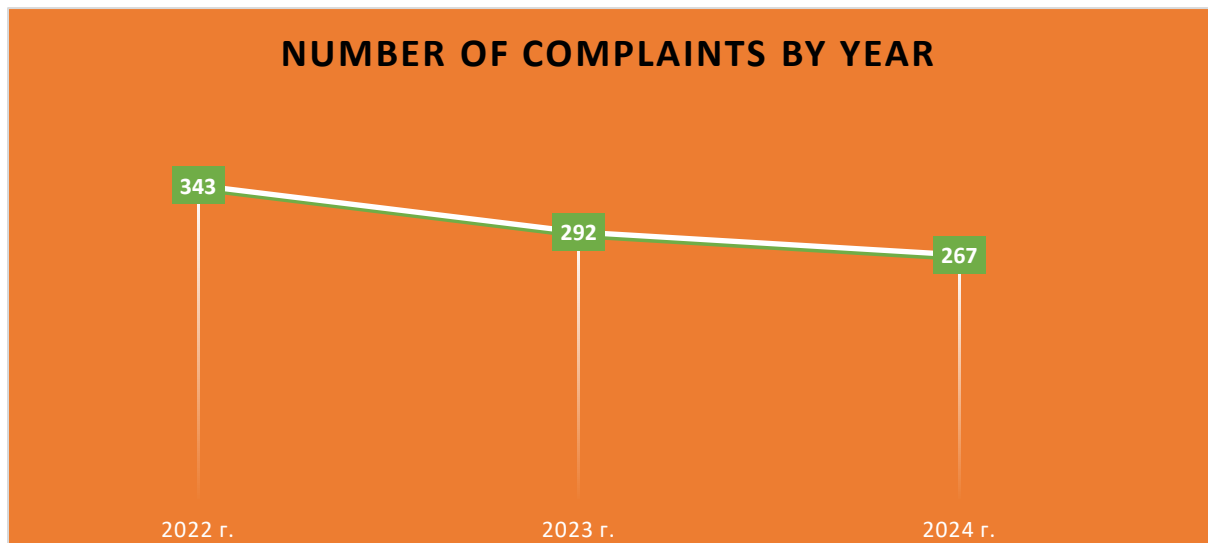
We submit to your attention a report on the activities of the Disciplinary Committee of BCPEA for 2024.

Traditionally, statistics on complaints received by BCPEA administration will be first presented, followed by a report on the activities of the Disciplinary Committee and disciplinary proceedings.

**I. Statistics on Complaints**

In 2024, 267 complaints were submitted to the Chamber of Private Enforcement Agents. In the previous 2023, their number was 292, and in 2022.

- 343 We also present a quantitative distribution of the received complaints over the past three years.

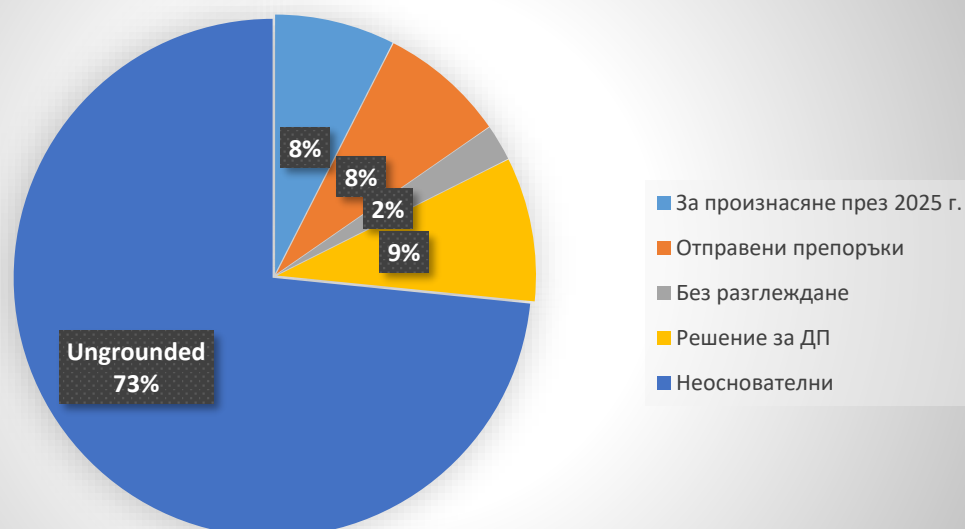


From the data presented and as can be seen from the graph, the trend of decreasing the number of complaints received continues. Compared to 2023, the number of complaints received in 2024 was 25 fewer, and compared to 2022, the decrease was by over 70 complaints, which is expressed in the following percentage:

- compared to 2023 - a decrease of 9%
- compared to 2022 - a 22% decrease.

Of the **267 complaints** received in 2024, **196** were unfounded (**73.41%**), recommendations were made on **21** (**7.86%**), **6** (**2.25%**) were left without consideration, and **20** are pending consideration in 2025. (**7.49%**). A decision was made to initiate disciplinary proceedings in **24** of the complaints received (**8.99%**).

## Distribution by outcome of complaints in 2024



During the past year, **four** complaints were withdrawn. Pursuant to the Decision of the Board of the Chamber of Private Enforcement Agents dated 02.10.2015, all received alerts/complaints about unlawful actions of Private Enforcement Agents shall be considered under the procedure of the Chamber for the administration of complaints, regardless of whether they have been withdrawn. All four withdrawn complaints are unfounded.

Compared to the previous years 2022 and 2023, the analysis shows that the trend of unfoundedness of complaints submitted to the Council of the BCPEA continues.

Result of decisions of the BCPEA on complaints	2022	2023	2024
Unfounded	73.47%	80.82%	73.41%
Recommendations	6.7%	7.19%	7.86%
Formed DPs	1.17%	0.00%	8.99%
No consideration	3.50%	1.37%	2.25%
Pending consideration	15.16%	10.62%	7.49%
	100%	100%	100%

Statistics show that on average there are 22 complaints per month and 5 per week. Last year, the most complaints were received in the months of October - 31, and the least in December - 11.

Over 44% of the private enforcement agents operating in 2024, no complaints were received by the Chamber against their actions. 24% of the private enforcement agents operating in 2024 had one complaint each in the past year. Nearly 27% had between 2 and five complaints; 1% had between six and nine complaints, and nearly 3% had over 10 complaints.

By areas of operation, traditionally the most complaints were received against private enforcement agents from the largest region

(SCC) - 41.57% of the complaints received in 2024; followed by the Shumen District Court - 13.11% and the Varna District Court - 7.12%. Over the past 2024 There are four areas of operation without a complaint, and for ten areas, less than 5 complaints were received in 2024 for the entire area.

A brief report on the activities of the Committee on Legal Affairs and Control (CLAC), should also be given in the section on the examination and adjudication of complaints received in the Chamber of Private Enforcement Agents. In 2024, the members of the newly elected CLAC on 27 January 2024 got assignments on 241 complaints for consideration (out of 267 complaints received in total). Here we make a necessary clarification that from the very beginning of the election of the Commission, the same has been working with 70% of its composition.

## **II. Activity statistics of the Disciplinary Committee**

Since the establishment of the Chamber of Private Enforcement Agents until the end of 2024, the Disciplinary Committee of the Chamber of Private Enforcement Agents has initiated a total of **531** disciplinary proceedings against private enforcement agents, with 181 proceedings initiated by decision of the Council of the Chamber (34.08%), 307 proceedings initiated by request of the Minister of Justice (57.82%) and 43 initiated jointly by both referring authorities (8.10%).

**The disciplinary proceedings initiated in 2024 are 16 - four** only by decision of the Council of the Chamber, **ten** only at the request of the Minister of Justice and two at the request of both authorities. A brief comparison for the past years is as follows:

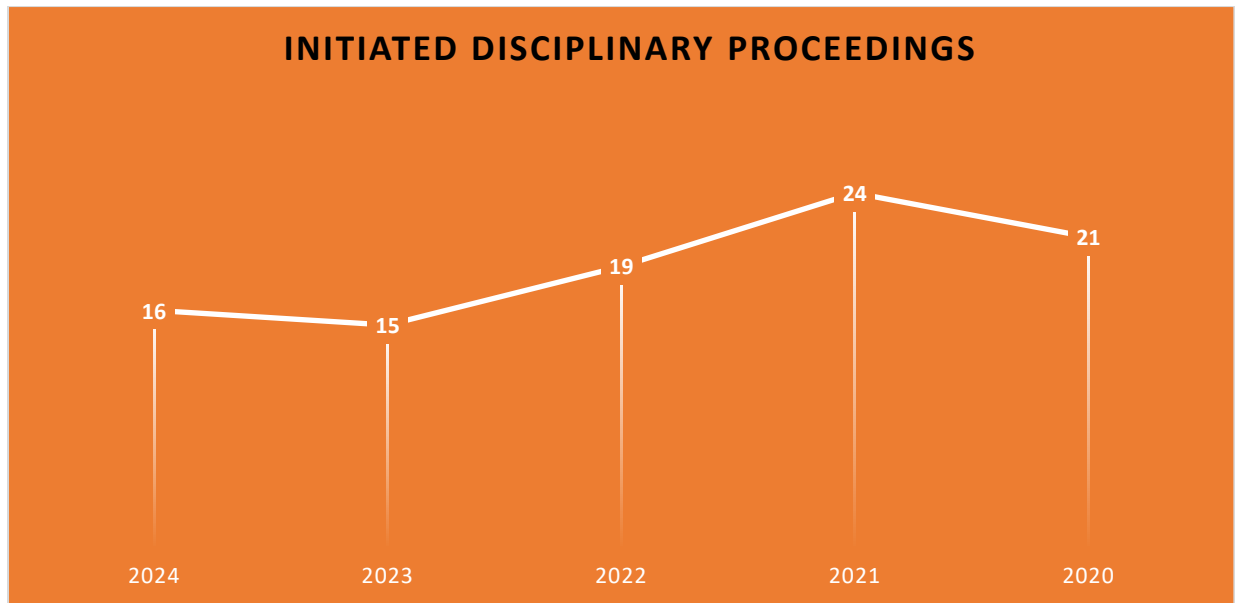
**2023 - 15 disciplinary cases - one** only by the Council of the Chamber, **fourteen** only at the request of the Minister of Justice.

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

**2021 - 24 disciplinary cases - two** by the BCPEA Council and **twenty-two** at the request of the Minister of Justice.

**2020 - 21 disciplinary cases - four** by the BCPEA Council, **sixteen** at the request of the Minister of Justice and **one** at the request of both bodies.

## INITIATED DISCIPLINARY PROCEEDINGS



	At the request of the Ministry of Justice	By decision of ICRC	By the two bodies	Total
2024	10	4	2	16
2023	14	1		15
2022	12	3	4	19
2021	22	2		24
2020	16	4	1	21
	74	14	7	95

Since 2006, the Disciplinary Committee has rendered a total of **530 decisions**. Over the last five years, 125 decisions have been made, as follows:

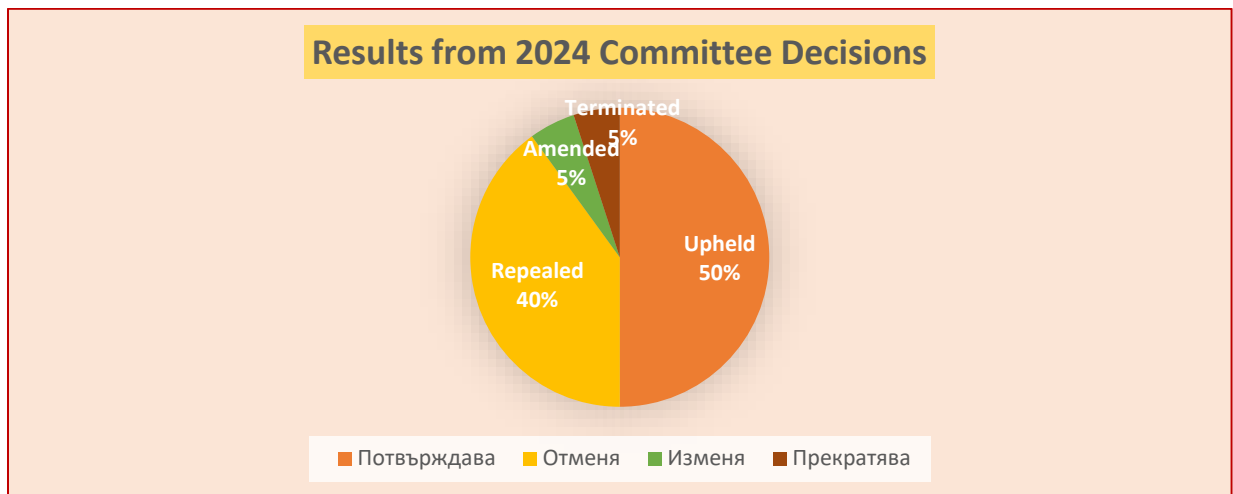
- 2020 - enacted **twenty-seven** decisions.
- 2021 - enacted **twenty-eight** decisions.
- 2022 - enacted **thirty** decisions.
- 2023 - enacted **twenty-eight** decisions.
- 2024 - enacted **twelve** decisions.

Of the 12 decisions rendered by the disciplinary panels in the past 2024, ten of them were on the merits and two for temporary removal from office. Of the ten decisions rendered on the merits, three of them imposed a disciplinary penalty of "fine", and for the remaining seven, the request of the referring body was rejected (all at the request of the Minister of Justice). Of these 7 rejected requests, two were not appealed to the Supreme Court of Cassation, in two cases the Supreme Court of Cassation confirmed the decision of the Judicial Council, in two cases the Supreme Court of Cassation overturned the decision of the Judicial Council and imposed a "fine", and one is in the appeal procedure.

In the past 2024, the Supreme Court of Cassation has ruled on 20 decisions, the results of which are as follows:

- leaving in force - 10;

- cancels - 8;
- amends - 1;
- terminates - 1.



The BCPEA Council at its meetings held in 2024 made five decisions to initiate disciplinary proceedings.

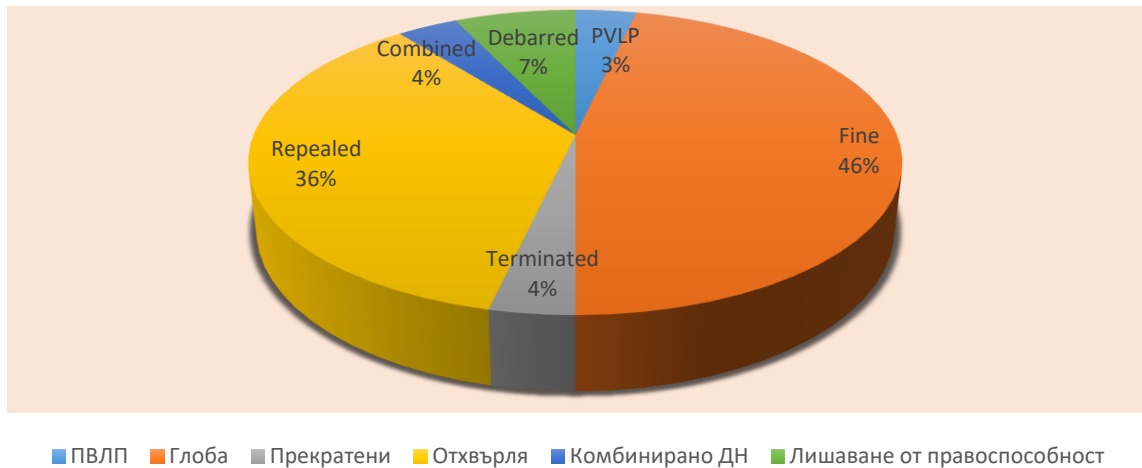
In 2024, the Minister of Justice received a total of **13** requests to initiate disciplinary proceedings, with disciplinary proceedings initiated for **10** of them in 2024 and disciplinary proceedings pending for **three** requests in 2025.

On the **only 16** disciplinary proceedings initiated in 2024, the Disciplinary Committee has issued six decisions, four of which are on the merits and two are for the temporary removal from office of the private enforcement agent.

A total of 28 decisions took effect in 2024, the result of which is as follows:

1. Fines - 13, including:
  - up to BGN 5,000.00 - **11**;
  - BGN 10,000.00 - 1;
  - over 10,000.00 - 1
2. Rejected requests for pre-trial proceedings - 10;
3. Terminated - 1.
4. Warning for temporary deprivation of legal capacity - 1.
5. Combined punishment - 1 (BGN 10,000 and deprivation of legal capacity for a period of two years).
6. Deprivation of legal capacity - 2 (one for a period of three years and one for a period of one year).

## Result from enacted decisions in 2024



In 2024, the newly elected Disciplinary Committee held 13 meetings, and the decisions of the disciplinary panels were essentially issued within a deadline, which is a good indicator of the effectiveness of the work of the disciplinary panels.

Both in the reporting year 2024 and in the past mandates, the persistent trend in all requests for the initiation of disciplinary proceedings (both by the BCPEA Council and by the Minister of Justice) is maintained, they are for multiple violations.

  
**Elitsa Hristova,**  
Chairperson of the Disciplinary Committee  
of the Chamber of Private Enforcement  
Agents



## REPORT

### on the activity of the Control Board of BCPEA for 2024



#### **ESTIMEED COLLEAGUES,**

The past 2024 was another extremely difficult year of trials for the private enforcement agencies in Bulgaria.

The extremely difficult economic situation of our profession continued, despite our hopes that this trend would change for the better. Most of PEA offices are struggling to survive, and some have even closed down, due to objective external and internal factors. 15 private enforcement agencies have voluntarily ceased their activities, half of them in the last few years alone.

Therefore, as in previous years, from the very beginning of the reporting period, the new team of the Council of the Private Enforcement Agencies has directed all efforts to improve the situation of the agencies. Numerous meetings were held with ministers, deputy ministers and members of parliament. Our profession is entirely dependent on the will and activities of the executive and legislative authorities. Many letters were also sent to the responsible institutions regarding the problems of the profession with specific proposals for their resolution.

First, we urgently need to update the Tariff for Fees to the Private Enforcement Act in the part on simple fees. The fees in it were determined on the basis of an economic analysis from the distant 2006 and currently do not cover the real costs of our activities. At the same time, Private Enforcement Agents finance the implementation with their own funds in a significant percentage of cases, such as the share of enforcement proceedings for alimony, labour disputes, the transfer of children and the collection of public state and municipal receivables. The creditors in these cases were exempted from advance fees as early as 2017.

Second, the Council of the Private Enforcement Agents is working to expand the activities of Private Enforcement Agents with new powers. The system of Private Enforcement Agents in our country has a much greater capacity, which the state and society do not fully use.

Third, there was an effort to eliminate the illegal and unfair taxation of Private Enforcement Agents, in which taxes are paid not on real income, but on expenses. We hope that the issue will be resolved in 2025.

The BCPEA Control Board, in addition to exercising its supervisory powers under Article 64 of the Private Enforcement Agents Act, sought to provide maximum assistance to the Council, given the difficult situation. The Chairperson and members of the Control Board participated in the meetings of the BCPEA Council, as well as in numerous meetings and working groups.

The Control Board believes that **the activities of the BCPEA Council in 2024 are lawful, effective and in a spirit of continuity.**

15 meetings were held, and a total of 403 decisions were made, of which 113 on institutional, economic, and current operational-organizational issues and 290 on received complaints.

During this period, **the Chamber continued to function as an independent and financially solvent organization.** The total revenues of the Chamber for 2024 are BGN 870,000. Revenues from business activities stand at BGN 478,000, and from non-profit activities - BGN 392,000.

In 2024, the Chamber of Private Enforcement Agents posts financial performance of net positive accounting result amounting to BGN 200,000, formed as a result of a positive accounting result from non-profit activities of BGN 45,000 and a positive accounting result from business activities of BGN 155,000, which funds after payment of taxes will increase the Chamber's reserve. The financial result for 2024 is more than satisfactory given the projected deficit under the adopted budget for 2024. The Chamber of Private Enforcement Agents ends financially with a net positive accounting result of BGN 200,000, formed as a result of a positive accounting result from non-profit activities of BGN 45,000 and a positive accounting result from business activities of BGN 155,000, which funds after payment of taxes will increase the Chamber's reserve. The financial result for 2024 is more than satisfactory given the projected deficit under the adopted budget for 2024.

It is imperative that the Chamber increases its revenues, as the Control Board's recommendations to the Council last year regarding the revenues from the Public Sales Register and that of the lawsuits have not yet been implemented to the maximum extent. The process of making the necessary improvements to the RPP, which will improve the operation of the sales register, after which its potential could be used in terms of revenue from both advertising and through access to statistical information, has not yet been completed.

In the analysis of the incurred expenses **the Control Board found they are reasonable and appropriate**, according to the adopted and voted budget and according to the decisions of the BCPEA Council. All expenses incurred amount to BGN 652,000, with the main expenses being for the salary fund of the Chamber's administration, maintenance of the Chamber's office, consumables, subscriptions under contracts, maintenance of the Chamber's websites, General Assembly, business trips, etc.

The reserves for 2024 stand at BGN 1,230,280.

**Accounting and financial documentation are kept in accordance with the requirements for national accounting, which was also confirmed by the inspection of the Chamber of Private Enforcement Agents by the National Revenue Agency carried out at the very beginning of 2024.**

The Chamber of Private Enforcement Agents is a financially stable organization and continues to develop, which contributes to its ability to better protect the rights and interests of the profession, citizens, businesses, and the society.

**IVAN HADJIIVANOV,**

Chairperson of the Control Board  
of the Chamber of Private Enforcement  
Agents