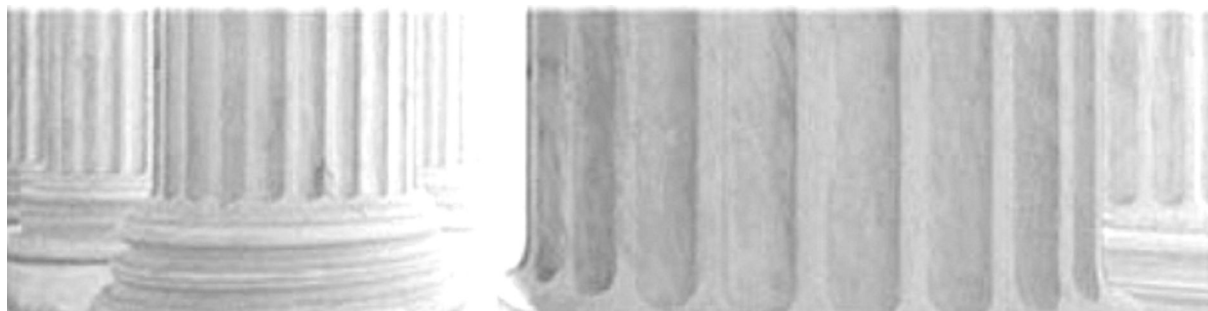




REPUBLIC OF BULGARIA



CHAMBER OF THE PRIVATE ENFORCEMENT AGENTS



A N N U A L R E P O R T

2 0 0 9



Allocation and number of Private Enforcement Agents /163/ on the territory of the Republic of Bulgaria according to judicial regions of activity

Blagoevgrad	2	6	Kyustendil	4	Silistra	
Burgas		14	Montana	2	Sliven	4
Varna		11	Pazardzhik	1	Targovishte	2
Vratsa		3	Pernik	4	Haskovo	3
Vidin		1	Pleven	6	Shumen	4
Veliko Tarnovo		7	Plovdiv	16	Yambol	1
Gabrovo		4	Ruse	4	Sofia city	39
Kardzhali	4	2	Stara Zagora	10	Sofia district	

Chamber Council	Disciplinary Committee	Control Committee
Georgi Dichev-Chairman	Polya Ruycheva-Chairwoman	Valentina Ivanova-Chairwoman
Totko Kolev-Deputy Chairman	Georgi Georgiev	Georgi Mihalev
Elitsa Hristova-Deputy Chairman	Reneta Milcheva	Militsa Veleva
Ivan Hadzhiivanov	Aneliya Vasileva	Rositsa Stoyanova
Nikola Popov	Nikolay Zhelev	Vasil Nedyalkov
Stefan Gorchev	Silvi Chernev	Georgi Tsekleov - reserve member
Rosen Sirakov	Kostadinka Arsova	
Krastyo Angelov	Petya Radomirova	
Delyan Nikolov	Lilyana Shopova	
Zvezdelina Vasileva	Grigor Todorov	
Galin Nikolov	Mariana Obretenova-reserve member	
Viktor Georgiev-reserve member	Milkana Makedonska-reserve member	
Marian Petkov-reserve member		

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CHAIRMAN'S OPENING REMARKS



Dear Colleagues, Madams and Sirs,

I hereby present to your attention the Annual Report of the Bulgarian Chamber of Private Enforcement Agents for 2009.

This is the year in which we report over 80 000 successfully completed cases since the beginning in 2006 until present and collected funds exceeding 1 billion BGN.

There is no other structure in the Republic of Bulgaria that can compare its effectiveness to the private enforcement agents, who, owing to their professionalism, efforts and results, won the trust of the creditors. For comparison, the State Receivables Collection Agency, despite its broad powers and strong governmental support, reports collectivity of 86 million BGN, which is much less than the funds collected by the private enforcement agents.

At the beginning of 2009, at the elective General Assembly, all bodies of the Chamber were considerably modified as regards to their members, but that did not change our policy and objectives - ratification of an efficient and high-quality system of private enforcement execution in the Republic of Bulgaria, in the interest of the citizens, the public and the state, a system of high professionalism, moral and lawfulness.

As in any preceding year, this year the Chamber has made considerable efforts for preservation and improvement of the efficiency of the enforcement agents. The novelty is that in the past we aimed at improvement only, but now we already have to prevent outright attempts for sabotage of the private enforcement proceedings. There is no other way to define the motions of the members of parliament for modification of the Civil Procedure Code whereby introduction of appeal against the immovable property evaluation and the initial price at public sale at the amount of "market prices" was required. Practically such texts would block the execution against real estates at times of world economic crisis, when fast cashing down of the debtors' property is even more important not only for the creditors but also for the entire economy. Due to the adequate reaction of the management of the Chamber the National Assembly did not ratify the motions.

Oral and written proposals for urgent legislative changes in the Civil Procedure Code were put to the attention of the new team of the Ministry of Justice, as regards to the assistance due on behalf of the state authorities and especially of the Ministry of Interior, as well as in the Cadastre and Property Register Act, with a view to the problem with restraints imposed in the regions with approved cadastral map. Appointment of a competition for assistant enforcement agents was requested. Unfortunately these issues were not resolved and remain our main priority for 2010. The Chamber declared once again the readiness of its members before the Minister of Finance to support the state on collection of public receivables and for electronic connection with the National Revenue Agency for the certificates of public liabilities under the Tax-Insurance Procedure Code and the references for company bank accounts. Although electronic communication was promised to us even in 2007, it has not been provided yet, but we hope that 2010 will be the year in which we shall gain access to electronic information provided by all authorities and registers. As regards to the activities of the state authorities in cases of violations against private enforcement agents, the management of the Chamber conducted two meetings with representatives of the Supreme Cassation Prosecution, the Ministry of Interior and the Ministry of Justice where the relevant joint measures were outlined not only for disclosure and

punishment of the perpetrators but also with reference to the prevention against such crimes.

There were two most important events for the Chamber in the past year - the introduction of the electronic register of public sales and the adoption of the Code of Ethics. The register of sales achieved some very important objectives. Transparency of tenders was ensured. The information about the offered properties reaches a maximum number of persons which leads to increase in the number of participants and to even higher sale price, which is in the interest of both creditors and debtors.

Since its foundation, the main priority of the Chamber has been increase in the quality of its activity and of the professional ethics. The Code of Ethics adopted in January 2009 by the General Assembly placed things at an entirely different level; a number of unsettled issues found its regulation and the specialized body - the Commission on Professional Ethics immediately started working for its high objectives. As a result of the strenuous work of the Commission in 2009 checks of all PEA's offices was performed and in 2010 new ones shall be carried out to all private enforcement agents. The results of this activity are very important not only because of the increased control but also because of the outlining of the omissions and violations on behalf of the enforcement agents, in order to adopt measures for their elimination.

During this year the Chamber continued its efforts to increase the qualification of the enforcement agents and their employees by conducting several trainings and seminars, including under the European regulations, for the purpose of reaching uniformity of the practice through the collection "Enforcement Execution" and the subsequent round table with the judges from the district and appellate courts. In this respect the two national conferences of the Chamber in Tryavna and Hisarya are also important.

We preserved the tradition, and as in 2009 we organized a round table with the Bulgarian banks in order to hear their opinion on our activity and the problems faced during execution. At the same time we continued the policy of openness and transparency by summoning a press conference about the electronic register of sales and a seminar for the Bulgarian media in Pchelina banya, where we presented the results of our activity, as well as the problems we face. Throughout the year a large number of materials were published in the printing and electronic editions about the enforcement agents - in their large part objective and positive but unfortunately the negative and subjective ones make stronger impression and are remembered for a longer time.

Our partner in a number of our activities throughout the year was MATRA Project for which we express our special thanks to our colleagues from Holland and to the government of the Kingdom of the Netherlands.

In an international aspect we met several delegations from different countries interested in the Bulgarian experience - from Kyrgyzstan, Kazakhstan and we also participated in the work of the Congress of the International Union of Enforcement Agents in Marseille, where a new management of the world organization was elected.

We can add to the above priorities for the development of the Chamber in the following year improvement of legislation, the full-value functioning of the register of debtors, increase in the efficiency, quality of the activity and the professionalism of the enforcement agents, optimization of the control for observation of the law and the Code of Ethics and increased cooperation with the institutions and the media.

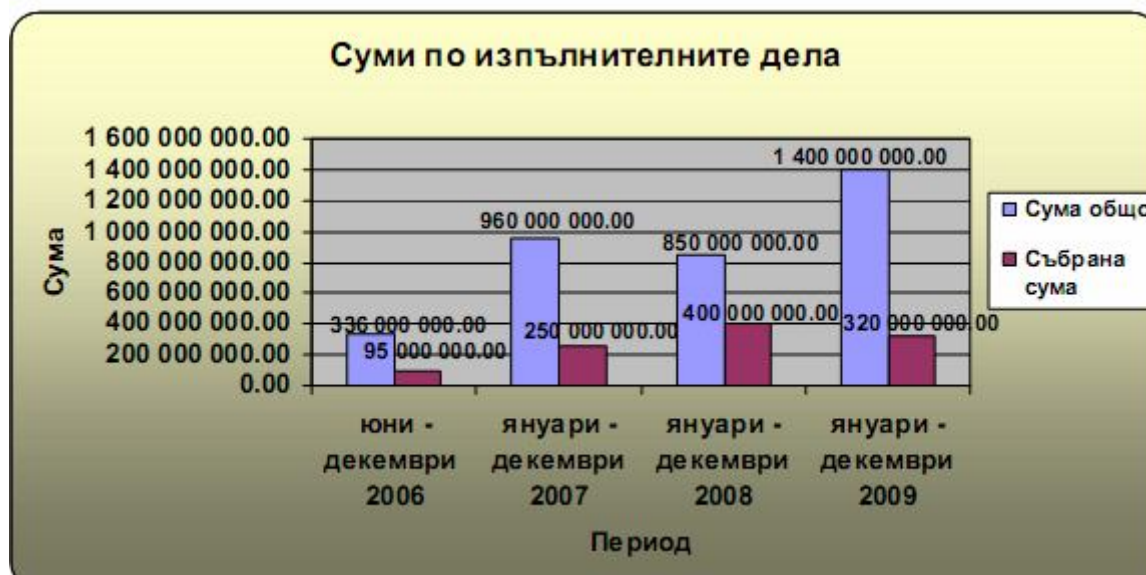
Georgi Dichev,

Chairman/Sgd. Ill./

1. GENERAL REVIEW OF THE SYSTEM OF PRIVATE ENFORCEMENT

A little more than four years have passed since the introduction of the private enforcement in the Republic of Bulgaria. The results are eloquent – initiated cases in 2006 – 37 000; in 2007 – 64 000; in 2008 – 70 000; in 2009 – around 110 000. Completed cases in 2006 – 5 500; in 2007 – 17 200; in 2008 – 30 000; in 2009 – around 27 000. The collected funds are as follows: for 2006 – 95 million BGN; for 2007 – 250 million BGN; for 2008 – 400 million BGN; for 2009 – around 320 million BGN. (Note: the data for 2009 are approximate, on the basis of the reports on a 6-month and the preliminary data for the whole year submitted by the PEA).

Number of enforcement cases



Amounts on the enforcement cases

Since the establishment of the private enforcement until present, for four years the PEA have completed 80 000 cases and the collected funds amount at 1 050 000 000 BGN. In 2009 the complaints submitted through PEA to the district courts are 1 500, 180 of which were respected by the court.

The system works and develops in an upward trend, the number of employees in the offices increases. At the same time the offices use contemporary technologies in their book-keeping activities and for access to information about debtors, a large part of which is already received through electronic means which ensures expedience of the process.

Clients of the PEA are not only companies, banks and the business in general, but also the Bulgarian citizens with receivables under civil relations, employment remuneration, alimonies and determination of guardianship of children. Having in mind that the fees for the last receivables are not deposited by the claimants but must be paid by the budget of the relevant court, which does not happen, practically the PEA in our country finance with their own funds such type of cases which are not small in number.

With the new Civil Procedure Code the PEA started delivering court papers, which in the following years shall become more and more popular and this will contribute to elimination of one of the causes for the delay of the cases in court.

In the past year more and more public creditors, including a number of municipalities started assigning to PEA the collection of their public receivables which is not only a sign of trust and recognition of efficiency but also a significant benefit to the state budget.

The banks are the target group, which occupies the first place of satisfaction with the PEA's services. They provide data for average collectivity 50-60% and the public creditors - up to 80%. Banks, as well as lawyers share that their work has been considerably facilitated with the introduction of the PEA.

Private enforcement in our country meets all European criteria for a modern, lawful and efficient activity.

2. INFORMATION ABOUT THE CHAMBER

Since its establishment on 26 November 2005, until present, the Bulgarian Chamber of Private Enforcement Agents has gained reputation as a reliable partner of the Bulgarian and international institutions, trying to impose high standards of professionalism and ethical conduct among the enforcement agents, to maintain efficient working relationships with the authorities and institutions and to offer a wide range of services to the benefit of its members. Purposefully efforts are made to maintain active connection with the society and the media, directed towards ratification and recognition of the image of the profession of PEA.

The active PEA covers almost all judicial regions in Bulgaria, with exception of the regions of Smolyan Regional Court and Lovech Regional Court. In these regions only state enforcement agents perform enforcement execution.

At present the Chamber members are 162, 82 of which are men and 80 women. One private enforcement agent has been deprived of his qualification in accordance with Art. 31, Par. 1, Subpar. 7 of the Private Enforcement Agents Act, with effective judgment of the Supreme Cassation Court No: 634/2 July 2009, by virtue of which a punishment under Art. 68, Par. 1, Subpar. 4 of PEAA has been imposed - deprivation of qualification for a term of 8 (eight) months as of 2 July 2009.

Each member of the organization has his own case record kept in the administrative office of the Chamber. The case records are filed in an ascending order of the registration numbers of the enforcement agents and are regularly updated, and the data from the notifications of change in the circumstances under the PEAA are entered into the Register of the PEA.

A Council manages the Chamber; it has administrative personnel consisting of four employees. It is financially independent and is not subsidized by the state.

3. ACTIVITY REVIEW

For the purpose of obtaining an objective picture and striking a balance for the reported period and this year traditionally a questionnaire was conducted among the private enforcement agents pertaining to the main aspects of our activity. The evaluation form included questions about the services rendered by the Chamber to its members, their quality, and activity of the management and organizational skills of the employees.

We truly thank all colleagues who took part in the questionnaire and were very objective and critical in their personal assessment as members of this organization.

After summarizing the collected opinions from the questionnaires, the results were the following:

Please evaluate the activity of the Chamber according to its contribution to your work and its efficiency in response to your needs and expectations	Below the expectations (1-3)	
	Above the expectations (4-6)	
	Average assessment	Percentage of satisfied expectations
Are you satisfied with the activity of the Chamber of PEA as your professional organization?	5.11	85.14%
How do you evaluate the services rendered by the Chamber?	5.13	85.56%
Administrative services	5.33	88.89%
Trainings	4.52	75.40%
How do you evaluate the management of the Chamber of PEA?	5.00	83.33%
Activity	4.98	82.95%
Readiness to communicate with the members	4.89	81.44%
Communication with the media	4.70	78.29%
How do you evaluate the administrative personnel of the Chamber?	5.51	91.85%
Activity	5.51	91.85%
Communication with members	5.49	91.48%

timely	5.58	92.96%
exhaustive	5.47	91.11%
overall attitude	5.58	92.96%
What is the quality of the materials drawn up by the Chamber?	5.13	85.56%
Webpage	5.13	85.56%
Collection "Judicial Practices"	4.89	81.48%
Other	4.86	81.01%
How do you evaluate the trainings organized by the Chamber?	5.05	84.15%
Lecturers	4.66	77.64%
Contents of the training resources	4.53	75.42%
Price	4.34	72.36%
Number	4.03	67.08%
How do you evaluate your personal participation and contribution to the work of the Chamber?	3.86	64.34%
Are the expectations for your professional conduct clear?		
On behalf of the Chamber	5.00	83.33%
On behalf of the Ministry of Justice	4.42	73.64%
On behalf of the society	4.35	72.48%

All PEA who have filled in and sent questionnaires /total number: 46/ are generally satisfied with the activity of the Chamber. The assessment given for its services and efficiency for the individual private enforcement agent is 5.11 according to the six-point scale, provided that the administrative services rendered to its members are most appreciated - 5.33. The issuing of the collection "Enforcement Execution" has received an average mark 4.89, which removes it from its first place for the preceding year. This comes as a result of the entry into force in 2008 of the new Civil Procedure Code and the lack of sufficient gained practice in accordance with the new regulations in the courts, which does not give enough good material for comments on behalf of our authors in the collection.

All participants in the questionnaire, with exception of a couple, have defined its work as generally positive. With respect to the question whether in 2009 there was progress in the overall work of the Chamber, compared to 2008, the responses are contradictory. Half of the respondents believe there is progress. Nine colleagues think that there is not any progress. The rest of them have mixed opinions, i.e., admit progress in some areas /such as timely information and overall attitude, progress in a

technical aspect, more transparency in the work of the Disciplinary Committee, etc./ and none in others /for example in the relationship with the Ministry of Justice, signs of non-consideration of the law on behalf of some colleagues, lack of straightforwardness and consistency in the activities of the Chamber Council and the Disciplinary Committee, etc./.

The summary reveals good results of the work of the management and of the administrative personnel of the Chamber. The average mark for the activity of the management for 2009 is 5.00 (for comparison, the mark for 2008 is 5.32, in 2007 - 5.36 and in 2006 - 5.05) and the team of administrative employees is evaluated at 5.51 (5.40 for 2006, 5.63 for 2007 and 5.66 for 2008).

The largest number of participants indicate as most useful activities in the service and interest of the members for 2009 the following: the achieved agreements for remote electronic access to the databases of the Register of Population, the National Social Security Institute, the property register, BULSTAT register, the Cadastre Agency; the monitoring of the offices; the adoption of the Code of Ethics; the functioning of the Register of Public Sales; the timely and exhaustive information on enforcement issues and the conducted seminars. In second place the communication has very positive evaluation: on the one part, of the separate members and the administrative personnel of the Chamber, and on the other - of the organized national conferences of PEA.

As regards to the adequacy of the amount of the membership fee towards the activity of the CPEA, the opinions differ. Some colleagues believe that the ratio membership fee towards the activity of the Chamber is good and balanced. Others think that it is slightly or significantly higher. Third, that the membership fee must be doubled. Recently the opinion of representatives of this branch that the amount of the mandatory annual fee must be differentiated and formed in proportion to the income of the offices of the individual PEA /provided that there is an upper and down limit/ has become very popular. Not in the last place, a lot of colleagues indicate that the financial independence of the Chamber would enable enhancement of the reputation of the organization.

A considerable part of the criteria in the questionnaires refers to the expectations towards the professional conduct of the PEA. The opinions of the colleagues in this direction can be grouped in three main categories. In the first place, the attitude of the state institutions towards the PEA must be clarified - mark 4.42 /for comparison 4.34 in 2008/. In the second place, the Chamber, in its capacity of branch organization of the PEA must ensure timely and exhaustive feedback to its members about the running processes and activities, summarizing of the good practices in the country and formulation of common statements before the institutions on important issues referring to the enforcement - mark 5.00 /for comparison - 4.51 in 2008/. In the third place, the attitude of the society towards this profession must be formed through a more expanded media and explanatory campaign as regards to the functions and obligations of the PEA - mark 4.35 /for comparison 4.08 in 2008/. Generally, the responses in this category report more satisfaction and clarity regarding the expectations towards their professional conduct, in comparison to the preceding year.

Naturally, there is also criticism. According to the questioned participants in 2010 the activities in the following directions must be improved: the interests of the organization before the state institutions must be defended more firmly; an active media campaign for improvement of the image of the profession must be organized; more work should be done for the establishment of the Register of debtors; the access of the private enforcement agents to information about the activity of the Chamber must be improved - a more active Council and more transparent Disciplinary Committee; regional trainings must be organized for the assistants and employees in the offices; a systematic and better organized process of

exchange of practices on the problems of enforcement proceedings; communication between members through a closed internal forum must be improved; the communication with the Inspectorate of the Ministry of Justice must be increased; the control must be increased and in case of violations in the work of our colleagues the reactions must be fast, clear and through.

Despite the constructive criticism and recommendations, the PEA themselves give an average assessment 3.86 of their personal participation and contribution to the work of the Chamber, which is not sufficient testimonial of their personal motivation and engagement towards the common cause.

3.1. National Conferences and Work Meetings

After the annual meeting, a seminar in strategic planning was organized for the newly-elected managing bodies of the Chamber of Private Enforcement Agents - the Council, the Disciplinary Committee, the Control Committee and the Commission on Professional Ethics. The operating forum was held on 13, 14 and 15 March 2009 in Velingrad. The main accents of the discussion were: outlining the vision of each body as regards to its work in the following 3-year mandate, laying down the strategic trends, priorities, objectives and the specific activities. Presentation of rules for the operation of the Disciplinary Committee, the Control Committee and the Commission on Professional Ethics was necessary. After preliminary meetings of the commissions on the first day, on the following day their representatives presented their concepts for work of their bodies and areas of expertise. As a result, at the end of the third day all constructive proposals were summarized and the strategic trends and priorities in the activity of the Chamber for the following three years were outlined.

In 2009 the Chamber Council, in the course of performing its policy for maximum commitment to the problems of each PEA, organized two national conferences where current issues and problems arousing in the practice of the PEA were discussed. All forums were held in the spirit of open dialogue and positive discussion of the common problems important for the colleagues in the specific regions and in the whole country.

The First National Conference of the PEA was held on 30 May 2009 at Sezoni Hotel, town of Tryavna. The agenda included many important issues pertaining to the activity of the members of the Chamber. The chairpersons of the Council, DC and CPE presented before their colleagues the operating concepts of their teams for the coming year and the persons in charge of the different spheres of work for each specific activity of the managing bodies. A real-time presentation of the operation of the Register of Public Sales was made which started operating only a week later. The training strategy and the syllabus of the courses and seminars for 2009 were clarified. A review of the resolutions adopted by the Council after the annual meeting was made as well as a review of the progress of the disciplinary proceedings and the most common infringements on behalf of the PEA. The chairman of the CPE presented the organizational framework of the work of the new auxiliary body at the Chamber Council. A number of specific procedural issues and problems of enforcement proceedings were also discussed. Unfortunately, the presence in the hall on behalf of the private enforcement agents at this conference was vague. This explains to some extent the lack of sufficient information about the processes and activities within the Chamber, which some PEA point out as weakness in their questionnaires.

On 31 October 2009 the town of Hisar hosted the Second National Conference of the PEA, which was definitely more fruitful and efficient for the

members of the Chamber. During the forum most of the time was dedicated to discussions and comments on the unification of the practices of the PEA in connection with the application of the Civil Procedure Code. Many disputable cases were discussed as well as the problems ensuing from them in the activity of the enforcement agents.

The accents of the discussion in Hisar were focused on: the summarized report presented by the Council on the proposals submitted by the PEA for amendment and supplement of the legislation pertaining to enforcement proceedings; the degree of readiness for initiation of the Register of debtors in the Republic of Bulgaria and main instructions for filling in and working with the register database; a report of the Chairman of the CPE for the process of monitoring of the offices of the PEA conducted in the whole country; official presentation of the results from the 'Research on the opinion of the clients of the private enforcement in Bulgaria' carried out under MATRA Project - the conclusions and recommendations made in the analysis as well as the subsequent measures on behalf of the Council of the CPEA. This conference achieved its objectives by giving the opportunity to the PEA to raise current and important questions from their everyday activity and to discuss with the members of the Council the most painful problems of the reform and of the profession in particular.

During the accounted period regular regional meetings of the PEA from the biggest regions - Sofia, Plovdiv, Burgas, etc., were also held. On 20 March 2009 at Rodina Hotel the colleagues from Sofia-city and Sofia-district discussed the modifications of the Civil Procedure Code pertaining to public sales and the serious problems occurring in the process of interaction with the Registry Agency and the Geodesy, Cartography and Cadastre Agency; the exigent modification of the registry regulations through which better coordination must be provided between the Geodesy, Cartography and Cadastre Agency and the registry offices in the country, for ensuring expedience of entry of distraints imposed upon immovable properties. The problems with the work with banks and more specifically - upon imposition of distraints were discussed in details. The PEA expressed their opinion that in the future operating forums with bank representatives, the issue of introducing electronic distraints /signed by an electronic signature of the relevant PEA/ must be brought to the front. In this way the problem of certifying the date and hour of imposition of the relevant distraint would be resolved. The forthcoming modifications of Art. 191 of the Tax-Insurance Procedure Code were also discussed, as well as the resolutions adopted by the Chamber Council of PEA for the period after the General Assembly.

By conducting the National Conferences and working meetings of the PEA, the Chamber Council of PEA intends to keep a consistent policy for increase in the information for the purpose of keeping the members of the Chamber informed about all activities of the professional organization.

3.2. Interaction with the Institutions

At the beginning of January 2009, the Chamber of PEA sent a letter to Mr. Rumen Ovcharov - head of the Budget and Finance Committee at the National Assembly with a substantiated motion the envisaged amendment of Art. 191 (4) of the Tax-Insurance Procedure Code pertaining to prohibition of the enforcement agents to execute within 30 days as of sending the notification to the National Revenue Agency to be cancelled and the old version of the text to be preserved in which the term was 14 days. In connection with the restructuring of the State Receivables Collection Agency and the National Revenue Agency, the Chamber of PEA also proposed amendment of the Tax-Insurance Procedure Code for assignment of the collection of public receivables to PEA on proceedings initiated by public enforcement agents,

as well as performance of the collection by PEA under the Civil Procedure Code, in cases when measures of security of public receivables are imposed or enforcement for collection of public receivables is initiated upon authorization of the Executive Director of the National Revenue Agency or of a person authorized by the latter. The proposals were not taken into consideration on taking the vote on the amendments of the Tax-Insurance Procedure Code.

On 10 January 2009 the CPEA signed a contract with the Geodesy, Cartography and Cadastre Agency on provision of remote access to the information system of the cadastre to the members of the Chamber.

At the end of January 2009 the management of the Chamber conducted a meeting with representatives of Sofia Municipality - Local Taxes and Fees Directorate and proposed a draft agreement on collection of municipal public and private receivables of Sofia Municipality by assigning them to PEA commissioned for Sofia City Court. We are still waiting for their official statement on this issue.

On 3 February 2009 the Minister of Justice issued an order for conducting a competition for PEA. On the grounds of Art. 9 (1) of the PEAA, within 14 days, as specified by law, the Chamber Council drew up a detailed statement with motives for inexpediency and untimeliness of the competition as well as with legal substantiation for violation of the PEAA on calculating the total number of places for PEA for each separate region. An application was also filed at the Supreme Cassation Court against the Minister's order issued in violation of the legally established form, in controversy of the material and legal regulations and considerable violation of the administrative and procedural rules. As a result of that the order was cancelled and the appeal - withdrawn.

In the middle of February 2009 the CPEA, through its representatives in a working group at the Ministry of Justice, filed a motion for amendment of Decree 1/6 February 2006 on the terms and conditions for conducting a competition for PEA, which was taken into consideration by the Ministry of Justice. The Decree was amended in accordance with the motions filed (Promulgated SG No: 56/21 July 2009).

At the end of February 2009 the Chamber sent a letter to the Ministry of Interior, the Chief Prosecutor of the Republic of Bulgaria, the Ministry of Justice and the Supreme Judicial Council on the occasion of one of the many attacks against a private enforcement agent. An official meeting was requested for the purpose of finding fast and efficient solutions for coping with these brutal crimes. Representatives of the Ministry of Justice, the Ministry of Interior and the Chief Prosecutor's Office attended the meeting. A principal agreement was reached with the representatives of the Prosecution and the Ministry of Interior on cooperation for exposure of the perpetrators and assignors of the criminal acts against PEA as well as intention for amendment of the Instruction for cooperation by the authorities and the Ministry of Justice and initiation of legal amendments of the Criminal Code, but no particular measures were adopted in these directions by the two departments. Moreover, in the middle of the year, just before the end of the mandate of the previous government, the Ministry of Interior and the Ministry of Justice signed an instruction for revocation of Instruction I3-849/14 May 2007 on the terms and conditions under which the Ministry of Interior cooperates the private and state enforcement agents on performing their powers, which the Chairman of the Chamber Council of PEA refused to sign. This marked the beginning of the mass refusals of the bodies of the Ministry of Interior in the whole country to cooperate the private enforcement agents.

At the end of March 2009 the CPEA drew up and sent an official statement to the Chairman of the Committee on legal issues at the National Assembly with substantiated arguments against the amendments of the Civil Procedure Code,

which were in a process of elaboration. Our proposals caused serious discussions and the adopted amendments of the Code may be evaluated as successful for the branch, as a result of the efforts made.

The Ministry of Justice does not have a sector deputy-minister who is directly engaged in the problems of private enforcement. Probably due to that reason the communication of the CPEA with the Ministry is so difficult. On 2 October 2009 the Chairman of the Chamber of PEA met with the new management of the Ministry of Justice represented by Deputy-Minister Masheva. At the meeting a number of problems of considerable importance for the enforcement proceedings were discussed, such as: urgent amendments in the Civil Procedure Code, pertaining to withholding motor vehicles from motion, cooperation, collaboration with the Registry Agency and the Cadastral Agency, appointment of a competition for PEA, etc.

On 6 October 2009 the CPEA requested in an official letter to the Minister of Justice appointment of an examination for assistant-private enforcement agents. The request was prompted by the increased volume of work in the offices and a large number of requests in this regard submitted to the CPEA. In response to our request, there is already an examination date set for April 2010.

On 12 October 2009 an official statement was sent to the Ministry of Justice and on the occasion of the amended text of Art. 431 of the Civil Procedure Code, which in its new version requests addressing of a substantiated request on behalf of PEA to the police authorities for assistance, in cases of illegal obstruction of their work. This norm seriously impedes the activity of the PEA, moreover, the Judicial Authority Act contains a provision according to which state authorities are obliged to assist the state enforcement agents and in the Administrative - Procedure Code an analogical regulation also prescribes cooperation on behalf of the state authorities if required by the body of execution or by persons authorized by the latter. In the letter to the statement the CPEA requested assistance from the Ministry of Justice and urgent interference for initiation of legal modification of Art. 431 of the Civil Procedure Code and proposed restoration of the repealed Art. 15 of PEAA. A positive answer from the Ministry of Justice has not been received yet.

On 19 October 2009 with a new letter to the Ministry of Justice, the CPEA made a motion for addressing recommendations to the registry judges in the country, that for entry/deletion of restraints submission of a sketch-copy of the cadastral map is not necessary, or if it is assessed that such is necessary, then the copy of the sketch obtained through electronic access to the Geodesy, Cartography and Cadastre Agency must be sufficient for entry/deletion of restraints upon immovable property. We also proposed an alternative solution to the problem - the Cadastre and Property Register Act must be amended and supplemented, so that the requirement for a sketch-copy must not refer to the cases of entry of restraint under Art. 26 of the Regulation. An answer from the Ministry of Justice has not been received so far.

In November 2009 the Chamber addressed the Minister of Finance with the proposal for adopting measures for increase in the efficiency and expedience of collection of public receivables by increasing the number of such assignments to PEA, including in cases of pending proceedings before the State Receivables Collection Agency; regulation of this possibility in the Tax-Insurance Procedure Code; sending and receipt by electronic means of the information for availability of public receivables and for the bank accounts declared by the debtors. An answer from the Ministry of Finance has not been received yet.

In connection with an appeal of 2007 by which the CPEA refers to the European Commission on the occasion of the taxation of the PEA by VAT, at the end of November 2009 we received a letter from the Commission

requesting indication of specific data evidencing considerable violation of the competition between the enforcement agents in Bulgaria. The Chamber sent an extended answer which familiarized in details the European institution with a number of facts: The financial relief of the debtors under cases filed with state enforcement agents by their release from payment of the proportional fee, in the cases of payment within the time limit for voluntary execution in which case the state renounced proceeds in the budget; the lack of cooperation on behalf of the Ministry of Interior with respect to the activity of the PEA, the considerably higher number filed with PEA and high collectivity of the liabilities, the economic and financial inequality between public and private enforcement agents due to the difference in the end price of the service. We expect a statement on the appeal by the representative of Taxation and Customs Union Directorate, the Department of Monitoring the application of the Community law and state aid at the European Commission.

At the end of December 2009 the CPEA asked the Registry Agency, the Register of special pledges at the Ministry of Justice and Central Depository JSC, for the opportunity to provide free remote electronic access to the registers of these institutions for the performance of references and issuing certificates. We were granted access to the Register of property relations of spouses, which is maintained by the Registry Agency. As of the time of elaboration of the report the technical procedure of procuring access to the registers of Central Depository JSC was already in progress.

During the reported period representatives of the Chamber Council participated in several working groups at the Ministry of Justice and the National Assembly - on preparation of amendments of the Decree on payment of adjudged alimony by the state (Promulgated SG No: 77/29 September 2009), conducted monitoring on the application of the Civil Procedure Code and on discussion of the modifications of the Bulgarian Identity Documents Act /already Bulgarian Personal Documents Act/, where Art. 70 already envisages possibility the data from the information funds for the Bulgarian personal documents, with exception of the biometrical data taken in accordance with the law, to be provided to the Notary Publics and PEA (Promulgated SG No: 82/16 October 2009).

On 23 April 2009 in Burgas, at the initiative of the PEA commissioned for Burgas District Court, a meeting was held between them and representatives of municipalities, Labor Inspectorate, National Revenue Agency, enterprises and other institutions in the region which are potential public creditors. During the meeting the opportunities for collection of public receivables by PEA was discussed. Since the middle of 2008 the district labor inspectorate in the coastal city has assigned collection of a large number of effective penal decrees to private enforcement agents. Such practice for collection of public receivables of municipal and state authorities is already established in Plovdiv, Ruse, Silistra, Haskovo, Gabrovo, etc. We believe that after the efficiency of the PEA has been proven, this practice shall be permanently established in the whole country.

The CPEA is constantly trying to conduct a consistent policy of responsibility, transparency and concern for the opinion of its clients and partners, the institutions and the society and to work for the establishment of professionalism and prestige of the PEA and improvement of the execution process in Bulgaria. As a natural confirmation of this objective, on 29 April 2009 at Sofia Grand Hotel, Sofia, the second round table was held between the management of the CPEA and representatives of the banks engaged in the field of enforcement. The working forum was held with the active cooperation of the Association of the banks and the topic was: "Improvement of the interaction between the commercial banks and the PEA". The organization of the event was also supported by MATRA program of the government of Kingdom of the Netherlands, within the project

"Strengthening of the system of private enforcement", jointly managed by the Centre for international legal cooperation and the CPEA. The purpose of the meeting was to improve the communication between the PEA and the commercial banks and improvement of the procedural practice of collecting receivables of the commercial banks under the new Civil Procedure Code and in the conditions of financial crises. At the meeting a number of practical issues in the individual enforcement execution were discussed. Some issues were outlined as the most important ones at the meeting, namely: 1) consequences for a creditor who has not effected earnest payment in accordance with Art. 489 (3) of the Civil Procedure Code, the creditor is announced as buyer but has renounced or has not paid the proportionate part of the allocation under Art. 495 of the CPC; 2) practical issues pertaining to determination of evaluations upon inventory of movable and immovable property, as well as hypotheses in a large number of bidding procedures; 3) participation of the creditor as bidder and assignment of movable/immovable property to the creditor identified as buyer; 4) tax aspects of assignment of chattels in case of public sale to a creditor; 5) imposition of distraint of receivables of the debtor from bank accounts on security and executive actions of the PEA; 6) practical issues in execution of chattels subject of special pledge; 7) execution of imposed distraints on receivables under bank accounts of debtors, et. The association of banks outlined its support for the PEAA and the reform in general. The representatives of the banking sector expressed their satisfaction with the work of the PEA indicating that the results are impressive. The participants in the meeting consolidated around the concept that communication between the banks and the PEA should be continued in a constructive manner for the purpose of resolving problems connected with collection of the receivables of the banks in the conditions of financial crisis. These joint forums shall continue in the future with a view to discussion and suggestion of solutions under practical problems as regards to debt collection.

On 5 November 2009 in Sofia a conference was held on topic: "The practical aspects of the enforcement process in Bulgaria", organized by the CPEA, with the cooperation of Project "Strengthening of the private enforcement in Bulgaria" under MATRA program of the Ministry of Foreign Affairs of the Kingdom of the Netherlands. The meeting was attended by the Deputy Ambassador of Kingdom of the Netherlands in Bulgaria, an enforcement agent - expert at the Commission of the EU and the European Council, representatives of the Chamber Council of PEA, district judges and Appellate courts in the country. The first joint conference between the district judges and the PEA was held in the middle of 2007. The Chamber is trying to turn the organization of such meetings into a tradition, with a view to establishment of efficient working relationship ensuring expedience and efficiency of execution of the judicial acts.

The main results from the work of the CPEA were presented to the participants in the forum, as well as the most significant problems which enforcement face and issues pertaining to the joint work of the magistrates and the PEA. Among the topics discussed were: appeal against activities of a PEA, suspension of the enforcement, activities pertaining to administration of appeals, execution upon movable and immovable property, revocation of actions of PEA, claims for damages. The judges and the PEA discussed the judicial practice in the matter of enforcement, shared their opinions and united around important statements for improvement of the enforcement process and unification of the practice upon application of the law in the enforcement.

3.3. Public Relations

Currently we can already talk about successfully established constructive relationship with the media, which are a good partner of the Chamber in its

objective to inform the public and to protect the public interest. Journalists from various national and regional media /television, press and radio/ attended forums organized by the Chamber - working meetings, press conferences, seminars, trips, etc. The team of the CPEA regularly sent press notices and invitations on the occasion of all important events and developments in the field of enforcement due to which a large number of articles and reports appeared in the national and regional print and electronic media. This activity is a proof of the willingness of the CPEA to maintain an open and active dialogue with the media, which are the main factor of informing the public and forming the public opinion.

On 15 April 2009 in Plovdiv a meeting-conversation of the private enforcement agents commissioned for Plovdiv District Court and the media was held, celebrating two anniversaries - 130 years of adoption of the First Bulgarian constitution (the Tarnovo constitution) and three years of the activity of the PEA in Bulgaria. Along with this, the purpose of the meeting was related to improvement of the communication between the PEA and the media and avoidance of spreading incorrect information in connection with pending or finalized enforcement. The PEA presented the reform in the enforcement and the activity of the PEA in Bulgaria and particularly in the region of Plovdiv. The social importance of the enforcement in Bulgaria was presented in a popular language. The results from their activity, proving their efficiency for collection of private and public receivables was also presented. The attending representatives of the media were provided with written materials in connection with the discussed topics and contact information for communication with the PEA. The meeting consolidated the permanent line of positive and objective presentation of the PEA in the region of Plovdiv and Bulgaria as a counterpoint of the regular concept that only the negative information is news for them.

An example in this respect was the traditional seminar held on 9 and 10 October 2009 in Pchelina banya with representatives of the media on topic: "Current status of the private enforcement in the Republic of Bulgaria. Problems and results in the conditions of world economic crisis". The event was organized by the CPEA, in cooperation with Project "Strengthening of the system of PE in Bulgaria" /with the financial support of MATRA program/. Participants in the seminar were members of the Council of the Chamber of PEA and more than 20 Bulgarian top-journalists who, after the end of the meeting reported the results in over 50 publications, interviews and television broadcasts.

At the beginning of November 2009 the management of the CPEA suggested, and the editors of "Banker" newspaper accepted the newspaper /which is a weekly issue for finance, economics and politics/ to print a specialized page with information about the property offered for public sale in the Register. On the grounds of the agreement concluded between the parties, apart from information on sales, the print media shall also publish other information, statistics and analyses provided by the Chamber in connection with the current status and the problems of the enforcement in Bulgaria.

An important role for the general provision of information and communication with the public, of course played the parties to the execution process, as direct or indirect participants therein - banking institutions, representatives of the business, lawyers, insurers and last but not least, citizens.

3.4. Monitoring of the Activity of the PEA

According to the PEAA and its Statute, the Chamber maintains principles in protection of the public interest. The Chamber and its members value the supremacy of the law and work conscientiously, transparently and

professionally. One of the most important obligations of the Council of the Chamber of PEA is to exercise efficient control of the observation of the law and the statute on the part of the members. This activity is of great importance for the success of the profession, by virtue of which the Council pays special attention to it, exerting efforts for improvement of the controlling activity from the point of view of better efficiency and transparency.

The Ministry and the CPEA conduct independently from one another policy of monitoring and supervision over the activity of the PEA and observe for the application of the law, the Statute and the Code of Ethics. Checks are performed on specific claims but also upon the overall activity of the offices of the PEA. The control over the branch carried out through the Ministry of Justice /court and financial inspectors/ and self-control exercised by means of checks in the offices and review of claims on behalf of the Council of the Chamber, is strong and precise which is proven by the number of initiated disciplinary proceedings. For 2006 they are five, for 2007 - four, for 2008 - fifteen and for 2009 - twenty-one. The punishments imposed vary from censure and fine, including to its full amount - 10 000 BGN, to deprivation of the qualification of a private enforcement agent. After an appeal against the punishment, the Supreme Cassation Court adjudged deprivation of the qualification of a private enforcement agent for a term of 8 months.

After the adoption of the Code of Ethics of the PEA in January 2009, the Council of the Chamber of PEA appointed a nine-member Commission on Professional Ethics /CPE/ and approved an organizational framework and rules for its activity. The main priorities in the activity of the CPE during the reported period till the end of 2009 were: current monitoring and subsequent control over the activity in the offices of the PEA; monitoring and control of the offices; gathering, systematization and analysis of the information obtained after the monitoring; checks on signals and claims against PEA; use of mediation as means of resolution of disputes between colleagues and between PEA and parties to the cases. According to a schedule of checks duly elaborated and adopted by the CPE and the Council of the Chamber of PEA, in the period 19 October - 31 December 2009 all offices of PEA in the country were checked. All inspectors under Art. 10, Subpar. 11 of the Statute of the CPEA also took an active part in the process of monitoring. The results and the conclusions from the checks were summarized at the beginning of 2010 and shall be used as outgoing data for taking action on behalf of the Chamber Council of PEA for standardization of the practices of work in the different offices, as well as for restriction of practices which do not comply with the standards adopted by the Chamber.

3.5. International Cooperation

The CPEA is a full-value member of the International Union of Judicial Officers (UIHJ). At present 73 states are members of UIHJ. In the near future some other states currently having the status of observers and associated members will join the international professional organization. Bulgaria has been a full-value member since 2005 and regularly pays its membership fee.

In April 2009 the Chairman of the CPEA took part in the conference of the presidents from the European area of UIHJ, which was held at the head office of the world organization in Paris. Due to multiple engagements the Bulgarian delegation was not able to attend the meeting of the Permanent World Council in November 2009 in France.

However, our representatives took part in the international congress of the enforcement agents, which was held from 7 to 11 September 2009 in Marseille, France. This is the biggest and most impressive forum of the member-states of UIHJ from the whole world. There the old management provides a moral report on its activity during the past four years and a new board of managers is elected. Apart from its participation in the various sessions and working groups during the congress, our delegation, represented by its Chairman, gave its vote for election of new management of the International Union. According to the Statute of the world organization, states which within the period between two congresses have become associated members or observers, during the congress are elected through voting for full members. In 2009 in Marseille the big family of UIHJ increased by five more member-states: Macedonia, Russia, Belarus, Chile and Mauritania.

It must be pointed out that the UIHJ, represented by its new management declares once again its support for our country and its readiness to render any assistance in the further conduct of the reform, until its completion.

In 2009 the CPEA hosted two visits of foreign delegations.

A large group of colleagues - lawyers from Kyrgyzstan visited us in February and in the middle of December we welcomed a Kazakhstan delegation. The interest of the foreign experts towards the model of enforcement in the Republic of Bulgaria is prompted by the serious debate in their countries as regards to reform in their judicial systems and the enforcement in particular. The common thing between these countries is that currently execution of judicial acts is slow, inefficient and does not keep up with the needs of the market economy. The main purpose of their visits was familiarization with the system of private enforcement, introduced in Bulgaria not long ago and subsequently, research on the feasibility and applicability of such a system in their countries. During the visits it was very important for our guests to share our experience with them and the lessons, which the Bulgarian PEA and their professional organization have learned during the transitional period from state-governed to a liberal model of the profession. Topics of considerable interest were: the course of the legislative process, the adoption and implementation of the PEAA; the advantages and disadvantages of the "mixed" model; the role of the Ministry of Justice; the role and activity of the CPEA; the functioning of the offices of PEA; the structure of the Tariff for fees and costs to the PEAA; responsibility and insurance of the PEA; disciplinary process; monitoring and control over the activity of the enforcement agents; interaction with the court; the public opinion on the new model and many others. During those visits some PEA offices in Sofia and the country were also visited, where our foreign colleagues had the opportunity to become familiar with the organization and the working processes in the office, with the automation and computerization of these processes, with the book-keeping and archive procedures, with the electronic access to information about debtors and with the servicing of parties to enforcement lawsuits in real time.

3.6. Services Rendered to Members of the Chamber

3.6.1. Register of Public Sales

On 16 June in Sofia, at Sofia Press national press club, a press conference was held organized by the CPEA on the occasion of the official start of the unified electronic Register of public sales carried out by the PEA in the Republic of Bulgaria. Representatives of more than 20 national media showed interest in and reflected it.

As it was expected, the Register of public sales caused immense interest in the citizens and most Bulgarian media reflected its initiation. This contributed to the good proclamation and therefore to the multiple visits of the website. The reasons for establishment of a unified electronic Register of public sales of the PEA are two. First - transparency, accuracy and clarity of auctions. Bids are submitted to the relevant court and no private enforcement agent can manipulate or influence in any manner the auction. Second - better proclamation of the information on public sales and attraction of more potential buyers. It is to the benefit both of the creditor and debtor as many people as possible to learn that a specific property is offered for sale in order to sell it as fast as possible at the best price. In this connection, at the beginning of November 2009 an agreement for cooperation between the CPEA and "Banker" newspaper was concluded, under which both parties shall cooperate for the publication in the print media of information on public sales. In this way the Chamber received one more serious communication channel for announcement of this information that seriously affects their activity.

The register has various functionalities. All announcements for property offered for sale by the PEA, either movable or immovable, are published there, as well as any instructions, legal acts and other useful information for the interested parties. There are search filters according to the territory of the relevant district court, according to cities, type and price of the property. A reference regarding prices and time limits within which bids must be submitted, can also be made.

Until present /for about 7 months/ the PEA have announced in the website of the Register of public sales over 3000 /three thousand/ sales of immovable property and over 600 /six hundred/ sales of movables. Since the initiation of the Register of public sales in June 2009, the website has been visited by over 150 000 unique Internet addresses, mainly from the territory of Bulgaria, but also from abroad. The total number of reviews of the website exceeds 9 000 000 /nine million/ reloads, having in mind that during each visit of the site people spend around 10 minutes on average on review of the announcements. Daily the site has about 2500 /two thousand five hundred/ visits on average, one third of which are new.

The implementation of the Register of public sales turned to be an extremely positive fact and contributed to the rejection of the accusations that the PEA deliberately do not announce sales carried out by them in order to ensure property benefit for their own or for third parties. In a middle term plan, the CPEA intends to renew the interface of the Register of public sales for the purpose of improving its function and as a result of the needs on behalf of the enforcement agents and of third parties - consumers.

3.6.2. Register of Debtors

In 2009 a lot of work was done under the project for establishment of on-line Central register of debtors /CRD/ - a platform which shall contribute to immediate exchange of information between all enforcement agents on enforcement cases initiated in their offices against one and the same debtors. As a result to the access to such information, the enforcement agents shall be able to conduct enforcement against debtors in a much more efficient manner; this will enable creditors to join under other cases initiated against the same debtor which will increase the chance of fast collection of the receivables and will save excess costs on it. The second main functionality of CRD envisages issuing through the register of certificates of availability or unavailability of entry into the register, or availability or unavailability of enforcement cases against citizens and legal entities upon their request. After filling of the Register by all PEA, the so issued certificates will have much more influence before third parties - creditors or state and municipal institutions, since they will cover the activity of all private enforcement agents in Bulgaria.

Currently an interface for automatic filling of CRD by any computer information system has been developed which must be implemented in the office of all enforcement agents for the purpose of optimizing their work and avoidance of double entry of the same data.

As of the time of elaboration of this report, the Central Register of Debtors was at the stage of testing and compiling information by some of the enforcement agents in the country. By decision of the General Assembly of the CPEA a time limit shall be specified after its official initiation, within which all enforcement agents must file the information requested by the Register.

3.6.3. Information System of the Enforcement /ISE/

Despite the delay in the initiation of the information system since November 2008 it has been functioning normally and has real users who take advantage of the convenience of the electronic book-keeping. Unfortunately their number is insignificant since the private enforcement agents have the option to choose among several competitive software products.

For the ISE users - the private enforcement agents, there are two functional options: use of its full functionality or keeping of the Register of initiated cases only. The first option provides more advantages - comprehensive electronic book-keeping, fast and easy search for information about parties on cases, saving a lot of technological time, good possibility for efficient management and control of the operating processes and increased working capacity of the office; facilitated calculation of fees pertaining to the execution, fast and accurate drawing up of the six-month and annual reports, easy references about the amounts due and collected under each case, etc.

ISE is administered by the Chamber on the grounds of a license provided by the USAID. From technical point of view ISE is a WEB-based application and database allocated on two servers. The security of ISE is guaranteed by the technology used (encrypted connection and restricted access for registered users only) and by the 24-hour observation and control on behalf of the administrators from the Data Centre. The uninterruptedness of the work of ISE is guaranteed by the Data Centre where the servers are located.

3.6.4. Training

After the annual general meeting at the beginning of 2009, the newly elected managing bodies of the Chamber gathered together in March, in Velingrad on a strategic planning seminar, where the Chamber Council of PEA adopted a decision at its meeting to establish a training committee consisting of three members as an auxiliary body in the "Professional Training" sector. The colleagues from the training committee were assigned the task by the end of April to develop a Strategy for training of CPEA for the period 2009-2011. The document was drawn up and adopted by the Council in due time, after which the members of the Chamber were familiarized with it at the national conference held in May in Tryavna. As a natural continuation of the work under the training strategy /vision, priorities and objectives/, a plan for conducting of the courses was drawn up - a list of the basic and specialized course /new and already existing ones/, which the Chamber could conduct for its members as well as for any interested external parties.

On 7 and 8 February in Veliko Tarnovo, as continuation of the sequence of similar seminars from 2008, a training of private enforcement agents and their employees was held as regards to operation of the Information System of the Enforcement /ISE/. The event was planned for the colleagues from Northern Bulgaria and 12 persons took part therein. The next course of such kind was held on 21 and 22 March in Sofia and was attended by 12 trainees.

On 26 and 27 June 2009 in Sofia we conducted the long-awaited course in "Training of Trainers". It was attended by 14 colleagues who have

previously expressed their willingness, capacity and responsibility to act as trainers of the CPEA on topics connected with the enforcement execution. The assessment of the result from the training is positive. During the conclusive discussion the participants outlined the following elements as most useful from the course: compilation of training plans, elaboration of training materials, practical aspects of the preparation for the training, psychological methods of work with groups, practical exercises for presentation and clarification of the expectations towards the lecturers.

On 3 and 4 July, in Sofia again, a seminar was held on topic: "Monitoring and Control", planned for the members of the Commission on Professional Ethics and the examiners under Art. 10, Subpar. 11 of the Statute of CPEA. The main accents of the training and the subsequent discussion were: review of the system for monitoring and control of CPEA - principles, mechanisms and conclusions; instruments of the financial supervision; collection of information from the monitoring - questionnaires, reports, analysis of the collected information - indicators, coefficients, findings and corrective actions, etc. Undoubtedly, the benefits for the trainees were significant. The most useful result of their common and serious additional work after that seminar was the formulation of a detailed Questionnaire on the activity of the offices of PEA - general organization of the office and management, compliance with the law, book-keeping and cash flow management, ethical and professional conduct, etc. Subsequently the template of the Questionnaire was submitted and approved by decision of the Council of CPEA. A schedule of the monitoring checks was also elaborated for the whole country and which was fulfilled by the end of 2009. The results from the summarized report on the monitoring will be used as basic data for improvement of the activity, for unification of the practices in the different offices and for revision and update of the Quality Management Manual for the purpose of standardization of the rules and procedures contained therein with the actual positive practice.

On 6 and 7 November the sequence of courses planned under MATRA project continued with the organization and conduct of seminar "European legislation in the sphere of the enforcement" - Part I. The lecturers were enforcement agents from the Netherlands and Bulgaria, as well as one lecturer from the National Institute of Justice. The idea for this course was the 20 participants to obtain general knowledge of this so important for their activity topic, as well as to additionally train teams of the Chamber which after the project to be able to conduct these trainings for members of the CPEA and for external interested parties. The seminar was successful and special attention was paid to the following elements of the European judicial practice in enforcement: the European enforcement grounds; European order for payment procedure - Regulation EC No: 1896/2006; delivery of papers; practical work with the European judicial atlas, etc. The second part of this course will be held in March 2010.

During the reported period seminars and courses pertaining to accomplishment of the strategy of the Chamber for long-term development of the profession of private enforcement agent in Bulgaria were conducted and most of the projects initiated in the preceding report period were continued.

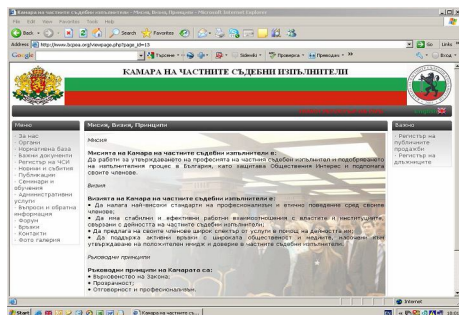
On 14 November 2009 a long-awaited training was finally held. The topic was "Organization of the activity of the PEA. Delivery of papers and notices. Responsibility of the PEA and the Assistant-PEA", but the program and the method of presentation of the matter were entirely adapted to the office employees - book-keepers, subpoena servers, judicial secretaries, legal and technical assistants. Seventy persons from the whole country showed interest in the seminar and took part in it. The results from the analysis of the feedback from all of them after the end of the training were very positive as regards to the usefulness of such working and practical sessions. The only criticism on behalf of some colleagues was that it would

be more useful the duration of the course to be increased to two days and to be held more frequently and regularly throughout the year. We obtained very useful suggestions for inclusion of new topics into the schedule that we shall take into consideration for the next seminar of this kind.

In general, there is more to be achieved as regards to the trainings organized by CPEA /as seen from the opinions of the colleagues who have filled in the questionnaires/, but the type and frequency of the training courses conducted by the Chamber is determined by the interest of the members of this branch as well as of external users. This is why we appeal to our colleagues to be active and more concerned and to address suggestions to the training committee about new and interesting ideas for their professional training.

3.6.5. Information and Administrative Services

As a result of the analysis of the results from the preceding year, we report a positive evaluation of the manner of utilization of the communication instruments for the provision to the members of information about the activities of CPEA and gaining feedback. An important role in this process played the national meetings held throughout the year. Each member of the Chamber is responsible for the creation of the image of the profession. As they have the right to request updated information and high-quality services, they also have the obligation to observe the rules and policies adopted by the management bodies of the Chamber.



With the help of our partners from MATRA Project, the webpage of CPEA was thoroughly restructured. Its official start was on 3 June, together with the Register of Public Sales. We are trying to update it on a regular basis. There is more to be done, of course, as regards to the utilization of the means of communication between the members and the administrative personnel on the one part, and between the CPEA and the public, on the other part.

For the purpose of ensuring maximum information to the members of the CPEA on the occasion of publications in the media reflecting the activity of the private enforcement agents, on 1 October 2009 the Chamber entered into an agreement with a distinguished information agency. The subject of the agreement is a web-based daily media monitoring on the following topic: "The Enforcement". The front page of "focus info" contains links to all bulletins for which we have been subscribed and their relevant subtopics. After inserting a username and a password, every member of the CPEA is able to become familiar with the contents of all publications on this topic for the preceding three months. In this way the colleagues can be informed daily and to a maximum extent in a summarized manner about the national and regional media materials pertaining to the activity of the PEA. The management of the Chamber truly believes we have been useful to our members with this new service.

During the reported period the Chamber continued to perform the standard administrative services for its members - entry and deletion from the Register, changes in circumstances under the Register, issuing of certificates and other documents, issuing of official cards, cases and signs, distribution of the editions of CPEA, subscriptions for legal editions and software /the magazine "Legal World", "APIS" - products/, document turnover, organization of national and regional forums, etc.

3.6.6. Other services

3.6.6.1. Collection "Judicial Practices in the Enforcement"



Collection, summary and harmonization of the practice in the enforcement are very important for the Chamber, the main method of which is the issuing of the collection "Enforcement". The need from such an issue is dictated in the first place from the necessity to precise and harmonize the practice of the private enforcement agents in the separate judicial regions, and in more remote perspective the purpose is the issue to reach a wider range of interested persons (judges, lawyers, legal advisers, students, etc.).

With the coming into force of the new Civil Procedure Code many of the hitherto prevailing judgments became pointless and the new ones are not sufficient in number, which impeded and slowed down the work pertaining to the elaboration of the book for 2009, but the only issue published in 2009 contains quite important and useful for the colleagues - lawyers materials connected with the execution upon a mortgaged property and the public sale as a specific method of acquiring real rights.

3.6.6.2. Project under MATRA program of the Dutch government



The "Project for strengthening of the system of private enforcement in Bulgaria" started on 1 September 2008, with duration two and a half years. The project is funded by the government of the Kingdom of the Netherlands under the MATRA Program and is managed by the Centre for International Legal Cooperation (CILC) - a non-governmental organization that comprises the whole legal community of the Netherlands and ensures wide and consistent expert assistance. The main beneficiary and partner under the project in Bulgaria is the CPEA. MATRA Project is directed towards the Chamber, the individual private enforcement agents and their personnel, the legal professions and the public.

The purposes of the project are harmonization of the legal frame; increase in the professional competence of the private enforcement agents and their officials and improvement of the knowledge and understanding of the system of private enforcement among the other legal professions and the public.

During 2009 the partners performed the planned activities under the project in accordance with the initially adopted and updated for the year plan. A lot of work was successfully completed and with very good results.

At the beginning of the year two of the series of training courses for private enforcement agents and officials for work with ISE were conducted - in February in Veliko Tarnovo and in March in Sofia. Fourteen private enforcement agents participated in the seminar "Training of Trainers" in June. In July the members of the CPE and the checkers under Art. 10, Subpar. 11 of the Statute of the CPEA participated in a seminar on monitoring and control with Dutch lecturers. On 2 July Mr. Jos Uitdehaag conducted a meeting and discussion with the members of the Disciplinary Committee of the CPEA on problems and issues pertaining to their work under

disciplinary proceedings. The training in the European regulations in the sphere of the enforcement in November complemented the sequence of seminars organized with the kind cooperation of our partners under MATRA Project.

In April the round table between the management of the CPEA and representatives of the Association of the Banks announced very positive results and in November the next in sequence round table was held with judges from the district courts. The traditional annual seminar for media representatives was very successful and the results from it were eloquent enough - more than 50 emitted and published in the media positive clarifying for the public materials about the Chamber and its members.

We should not omit the financial aid of the project for the start of our renovated website and the contribution for purchasing of the licenses of Microsoft for the ISE servers. A lot in volume and serious work was done by representatives of the project for preparation of Analysis of the results from the survey of the opinion of the customers of the private enforcement, which was completed and submitted to the colleagues at the National conference in Hisar at the end of October.

The project works for the popularization of the system of private enforcement among the other legal professions, for education and information of the public. The centre for international legal cooperation - Holland provides consulting assistance by engaging leading legal experts in the harmonization of the legislation.

The partners in the project are decided to improve the system of private enforcement in Bulgaria as an instrument for ensuring of efficient application of the law, its stability and sustainability by means of popularization of the results from the project and increase in the public trust in the benefits from the liberal model of the profession.

3.6.6.3. Annual Ball of the Private Enforcement Agents

In September 2007 the Chamber Council at its regular session shall officially declare 26 November as "The Day of the PEA". In November the same year the first annual ball of the private enforcement agents took place, which laid the foundations of a wonderful tradition for the following years.

In 2009 the CPEA celebrated in a manner suitable to the occasion its professional holiday. On this pleasant occasion and as a logical and deserved end of one year full of strenuous work, victories and defeats, disappointments and success, we have the pleasure and the honor of organizing the traditional annual ball of the private enforcement agents. The official event was held on 28 November in Sofia, the Hilton Hotel. During the ball the private enforcement agents showed once again concern for the cause for the children of perished policemen. The collected charity sum amounting at 11 130 BGN was subsequently donated to the orphans fund at the Ministry of Interior.

3.6.6.4. Trips Organized for the Private Enforcement Agents

During 2009 we tried to also take care of the pleasant spending of the insufficient free time of the colleagues during their annual leaves. The trips organized to near and further destinations in the company of colleagues and friends have almost turned into a tradition for some members of the branch. The foundations of this pleasant initiative were laid after the annual ball in 2008, when several private enforcement agents won excursions - awards from the charity lottery during the ball. At that time the idea for the winners of the lottery to travel with their colleagues - PEA from the whole country willing to join the groups, occurred. From 12 to 16 February the first group of 32 persons left for the annual mask carnival in Venice. In April an excursion of 22 colleagues to Rome followed in order to attend the most important event in the Catholic world - the Resurrection. Most of them had the pleasure to be present at the salutatory

speech of the Pope to the whole Christian world. We should also mention the trip of the largest group of 43 private enforcement agents and their relatives and friends on the occasion of the congress of IUEE in Marseille.

These trips brought to the participants a lot of emotions - extremely pleasant, also not so pleasant ones, but in both cases - emotions to remember. We hope we have been useful in this initiative and it should not be left on paper only as an activity reported for the past 2009.

3.7. Services in a Process of Development

Provision of information by the private enforcement agents to the Central Register of Debtors is among the main priorities of the Chamber in 2010. The Register is a unified centralized computer database, in compliance with the requirements of Decree No: 4. Practically, the whole information necessary for the creation of the Register is contained in the registers of initiated cases. In practice, our colleagues will only have to harmonize the book-keeping software programs used in their offices with the required volume of information for the Register.

The Chamber shall exercise permanent control on the strict and timely update of the CRD on behalf of all users. This is the only way to ensure the accuracy and update of the data in the Register in order for the latter to become a valuable source of information for all interested parties in the process of execution.

In the current year 2010 the Collection "The Enforcement" it is envisaged to be published in circulation of at least two booklets per calendar year, with a view to gaining experience and occurrence of problems in the execution in connection with the implementation of the regulations of the new Civil Procedure Code. The issue shall be distributed exclusively by the CPEA. The topics and authors for the next issue are already selected and the editorial team is determined - judges and lecturers, distinguished representatives of the jurisdiction in the country.

A lot of joint activities are envisaged with our partners under MATRA Project, such as: drawing up of an expanded evaluation report of the Bulgarian legislation in the sphere of the enforcement, including also motions for legislative modifications; organization of a conference for presentation of the results from the report; organization of a seminar on the work with the media for the managing bodies of the CPEA; organization of the traditional annual seminar for the representatives of the media; round tables with the banks and the judges from the district courts; revision and update of the Manual for Quality Management of the offices of PEA on the basis of the observations and the results from the monitoring of the CPE; conduct of training for implementation of quality standards in the offices of PEA; conduct of a second customer research on the opinion of the different parties to the enforcement process on the quality of the services and the strengthening of the system for private enforcement; conduct of the second stage of the training under the European regulations in the sphere of the enforcement; meetings between the management of the Dutch and Bulgarian Chambers for exchange of experience and good practices, internal control mechanisms, cooperation with the institutions, etc.

At its regular session conducted in January 2010 the Council of CPEA resolved to resume issuing of the information bulletin of the Chamber. The members of the Council approved the project and the budget for the issue. The editorial team was also selected. For the coming year we plan issuing of two booklets. We believe all colleagues from the country shall respond to this initiative positively feeling an integral part of the whole and to contribute to the extent of their willingness and abilities by providing us with interesting and useful materials for publication in the information bulletin.

The project "Closed Forum for Private Enforcement Agents" is under development on our renewed website, which was also approved and adopted by decision of the Council at its latest session. The main purpose of the closed forum is establishment of a database and ability for real-time communication and information exchange between members of the CPEA on issues and topics from their activity. All PEA are entitled to participate in the activity of the Chamber, to be informed on the development of the issues pertaining to the enforcement proceedings. The functioning of the forum is expected to materialize the obligation of every member of the Chamber to take active part in its activity by giving opinions, statements and making proposals for discussion of issues related to the activities and processes within our organization.

R E P O R T

On the activity of the Disciplinary Committee At the Chamber of Private Enforcement Agents for 2009



Dear Colleagues,

Since the beginning of the mandate of the new Disciplinary Committee /DC/, 21 disciplinary cases have been initiated till the end of 2009. The statistics of the reported period shows considerable increase in the number of disciplinary proceedings /DP/ compared to the preceding three years (five for 2006, four for 2007, fifteen for 2008), diversity of the type of infringements and establishment of practice by the Supreme Cassation Court under this special type of proceedings after four years of effectiveness of the PEAA.

Of all 21 disciplinary cases, 15 have been initiated at the request of the Chamber Council and 6 at the initiative of the Minister of Justice.

Sessions were conducted on 20 cases. The effective judgments as of the present moment are 7 (seven), 6 (six) disciplinary cases are pending before the Supreme Cassation Court. 5 (five) cases are waiting for judgment, for 2 (two) of the cases the time limit for appeal has expired, an appeal to the Supreme Cassation Court has not been submitted to the Chamber but it cannot be concluded from this fact that the judgments have become effective, since the vicious practice PEA to submit their appeals directly to the Supreme Cassation Court and not through the DC at the CPEA, as required by law, is observed.

6 (six) judgments of DC were appealed before SCC by PEA and one by the Ministry of Justice, due to refusal a punishment to be imposed. There is an issued judgment of SCC on one of the appeals submitted under disciplinary proceedings, initiated during the previous year, which invalidates the judgment of the disciplinary committee and the proceedings are terminated.

The punishments imposed by the disciplinary committees are as follows: 9 fines at the amount from 100 to 10000 BGN, one punishment under Art. 68, Par. 1, Subpar. 4 - deprivation of qualification for a term of 3 (three) years, punishment is not imposed on 3 cases by the disciplinary committee and censure is imposed on 2 cases. (In 2009 the judgment of DC for imposition of punishment - censure - under Disciplinary case No: 6/2008 was confirmed by SCC. Under Disciplinary case No: 10/2008, the DC did not impose punishment but SCC modified the judgment as regards to the type of punishment and imposed censure).

1 (one) disciplinary case is pending for hearing which must be fixed by the Chairperson of the disciplinary committee - the request is initiated by the Chamber Council with suggested punishment - fine at the amount of 5 000 BGN; 5 (five) disciplinary cases are waiting for judgments. All of them have been initiated at the request of the Chamber Council and the proposed punishments are as follows: one under Art. 68, Par. 1, Subpar. 4 - deprivation of qualification for a term of 5 years, three - deprivation of qualification for a term of 3 years and one under Art. 68, Par. 1, Subpar. 2 - a fine at the amount of 3 000 BGN. It is an alarming fact that with some PEA it is observed on the one hand systematic infringements of one and the same type and on the other hand - multiple infringements. Another conclusion is that against one and the same PEA the Chamber Council has been alarmed by a number of reasonable claims and the circumstances therein

are sufficient to provoke their disciplinary liability that determines the fact of the several proceedings initiated against them.

During the reported period 1 (one) of the imposed fines, at the amount of 100 BGN has been paid under an unappealed judgment, the rest 7 (seven) fines are appealed before SCC and 1 (one) has not been paid despite the fact that the judgment has become effective and the PEA has not appealed against it before the cassation instance.

In 2009 282 appeals were submitted to the CPEA (for comparison in the preceding year their number was 205). The large number of appeals is a fact, having in mind the limited possibilities for appeal against the activities of the enforcement agents under the Civil Procedure Code. The Chamber Council has decided that 14 of the submitted claims are grounded and the ascertained infringements require disciplinary punishment.

The infringements are different in kind and it is very difficult to classify them, which is even more difficult within the present report. The most typical infringements on behalf of the private enforcement agents for which claims are filed and disciplinary penalties are imposed, are:

- Non-compliance with the judgments of a District Court (putting in possession on the grounds of ineffective decree on assignment and revocation of public sale);
- The announcement for sale of immovable properties does not indicate whether there are burdens upon them and to what amount;
- The State Receivables Collection Agency and the National Revenue Agency are not notified, which violates Art. 191 of the Tax-Insurance Procedure Code;
- Actions without authorization under Art. 18 of PEAA (frequent infringement);
- Violation of the provisions of Art. 500, Par. 1 and Par. 2 of the Civil Procedure Code, not observing the procedure for sale of jointly owned property for extinguishing a debt of only one of the owners;
- Enforcement and sale of debtor's property, which is not subject to sequestration under Art. 444, Subpar. 7 of the Civil Procedure Code;
- Violation of the provisions of Art. 465 and Art. 483 of the Civil Procedure Code - upon inventory and imposition of distraint, it is not clarified whose property the chattels are;
- Violation of Art. 484, Par. 2 of the Civil Procedure Code. Lack of adequacy of enforcement towards the amount of the liability under the enforcement case;
- Failure to notify mortgage creditors and the spouse-non-debtor, administration of claims in an irregular manner;
- A new violation is available under which for the first time the Ministry of Justice forms disciplinary proceedings - the PEA does not render the necessary assistance in respect of a check assigned and ensuing from the provisions of Art. 76 of PEAA, in connection with Art. 372, Par. 1, Subpar. 3 and Subpar. 4 and Art. 373 of the Judicial Authority Act and impeding from carrying out the monitoring of the activity of the private enforcement agents under Art. 75 and subsequent of PEAA - already two disciplinary proceedings initiated on these grounds. Judgment No: 38 (Protocol No: 53/29 May 2009) of the Chamber Council reads that in cases where the Council of the CPEA has been approached by a claim and the PEA is requested only to provide a reference of the initiation and the progress of the particular enforcement case, as well as a copy of the latter, if it is not received in the office of the administration of the Chamber within 7 days specified in the regulations for activities of CPE, then the Council adopts

a resolution for initiation of disciplinary proceedings on the grounds of Art. 59, Par. 1, Subpar. 5 of CPEA requesting imposition of a penalty under Art. 68, Par. 1 and 2 of PEAA - a fine at the amount of 1 000 (one thousand) BGN.

- Violation of the provisions of Art. 429 of the Civil Procedure Code, where without a writ of execution being available against a third liable party, a lien is imposed on the third party's bank accounts;
- Art. 507 and 508, Par. 3 of the Civil Procedure Code is applied in a wrongful manner by imposing liabilities and obligations to third persons that do not have the capacity of third liable persons;
- Failure to reflect the effected payments on the writs of execution, in violation of the provisions of Art. 455, Par. 2 of the Civil Procedure Code;
- Initiation of enforcement in case of incompliance with the amendment of Art. 35 of the Special Pledges Act, amended by Art. 41 of the provisions of the Civil Procedure Code for delivery of pledged property under Art. 521 of CPC, which is serious infringement of Art. 4040 of CPC, wherein the acts subject to enforcement execution are listed in details;
- Infringement of the provisions of Art. 432 of CPC - enforcement execution despite the termination of the enforcement;
- Infringement of Art. 487, Par. 1 of CPC - the announcement doesn't contain the necessary by the law requisites;
- Simultaneous incurring inventory fees under Subpar. 20 and Subpar. 26 on collection of funds under the PEAA without the necessary deduction being made;
- Failure to prepare accounts for the fees incurred which is infringement of the provision of Art. 79 of PEAA as well as unlawful and illegal incurrence of fees under enforcement cases;
- Violation of Art. 80 of PEAA and non-incurrence of fees payable in advance for the executed enforcement acts.

In 2009 the Supreme Cassation Court issued judgments on disciplinary cases initiated in previous years. The first one is under Disciplinary Case No: 1/2006 under the register of the Disciplinary Committee at CPEA. The decision of the DC, which imposed a fine, was left effective. Under disciplinary case No: 4/2006 the Supreme Cassation Court amended and reduced the amount of the fine imposed. Under Disciplinary case No: 5/2006 SCC left effective the judgment of the DC for payment of a fine. The same judgment was issued under DC No: 3/2007 and DC No: 7/2008 which did not impose penalty on the PEA. All these fines imposed under disciplinary cases from previous years and effective, have been paid by our colleagues.

By decision of SCC of 2 July 2009 for the first time the penalty "deprivation of qualification of a PEA" was imposed. However, the cassation instance reduced the term of the penalty - from three years imposed by DC to eight months.

SCC established the practice of applying the disputable Art. 69 of PEAA and the interpretation of the period of prescription of disciplinary proceedings. Two of the disciplinary cases (No: 1/2008 and No: 3/2008) were terminated due to expiration of the prescription period since disclosure of the infringement. In another judgment under DC No: 8/2008, SCC again made an interpretation of the disputable Art. 69 and refused termination of the case due to expired period of prescription.

DS No: 2/2009 was finalized with the issuing of a resolution of the Supreme Cassation Court for leaving the appeal of the Minister of Justice without

being reviewed due to an appeal on behalf of the CPEA for procedural inadmissibility.

Polya Ruycheva,

Chairwoman of the Disciplinary Committee

REPORT

On the activity of the Control Council Of the Chamber of Private Enforcement Agents for 2009



Dear Colleagues,

In the reported 2009 the Control Council of the Chamber of private enforcement agents tried to observe, control and support the activity of the Chamber in compliance with its powers under Art. 64 of PEAA. The Chairwoman of the Control Council participated in all meetings of the Chamber Council, as well as in the working meetings of the management of the Chamber during national conferences.

The general conclusion is that the Chamber has continued the tendency - straightforward and consistent work for the improvement of the profession, for support of the activity of the PEA and the timely provision of the necessary current information to the PEA. During that year the national and regional forums and meetings of the private enforcement agents, the common seminars in current issues and the courses for qualification of technical personnel, which have become a tradition, were continued.

The Control Council considers the activity of the newly elected Chamber Council is lawful, efficient and in the spirit of continuity. Thirteen meetings were held and 358 decisions were adopted, 64 of which pertaining to operating current and economic issues and 294 under submitted claims. The meetings are regularly held and with the necessary quorum, the decisions are adopted in full compliance with the Statute and the by-laws of the Chamber. The members of the Chamber are allocated and are in charge of the relevant sphere of activity. At every meeting they obtain information about the previously adopted decisions, observing the time limits for their execution.

In 2009 the interaction of the Chamber with the Ministry of Justice was impeded. One of the reasons for that was change in the management of the Ministry and the lack of a Deputy Minister in charge of the relevant sector, directly responsible for the enforcement. The good relationships with the Registry Agency, the Ministry of Interior, the National Revenue Agency, the Cadastre Agency and other institutions having direct connection with our activity, were preserved.

During that period the Chamber continued functioning as an independent and financially capable organization. In 2009 the General assembly adopted a decision the annual fee to be increased to 1200 BGN. Currently the financial funds are planned on the basis of 162 PEA. These activities create conditions for security of the financial stability of the Chamber. A decision was adopted for an additional fee of 500 BGN, which as of the time of elaboration of the report has not been paid by 8 colleagues.

Once again, the Control Council draws the attention of the members of the Chamber to the fact, that by decision of the General assembly of 2006 payment of the membership fee must be effected by the time of conducting the annual general meeting at the latest, i.e., January of each calendar year. As of the time of elaboration of the annual report 52% of our colleagues have paid their annual fee /84 persons/.

Dear Colleagues, once again we remind you that the annual fee is mandatory for all members of the Chamber. It is true that there are colleagues experiencing serious financial difficulties in paying that amount. In such cases the private enforcement agent must notify the management of the Chamber in writing, which may extend payment in installments but is not

authorized to remit the annual fee. Otherwise functioning of the Chamber may be seriously impeded, since the annual fees are the main source of funding of the Chamber.

The proceeds of the Chamber for 2009 are at the amount of 381 628.86 BGN in total. The positive fact is that we already have proceeds from economic activity (seminars and trainings, collections and issuing of official cards), fines, interest and reserves.

The analysis of the costs showed that they are reasonable and appropriate in accordance with the adopted and voted budget and in compliance with the decisions of the Chamber Council. All costs amount at 251 699.50, and the main expenses are for remuneration of the administrative employees of the Chamber, the office of the Chamber, consumables, the General assembly, business trips, website maintenance, subscriptions under contracts, etc. The rest of the amount (129 929.36 BGN) is a reserve for the new financial period.

The accounting and financial documentation is kept in compliance with the requirements of the national accountancy. In 2009 nine contracts were concluded, one annex to an existing contract and a cooperation agreement. Prior to conclusion of each contract, at least two bids are taken into consideration for the selection of the ratio "price-quantity".

Dear Colleagues, the entire activity of the Chamber, from the beginning until present, has been directed towards establishment of the image of the profession - a process which would not be successful if all of us have not felt an integral part of the Chamber and have not worked to the best of their abilities for the establishment of its image.

Valentina Ivanova,

Chairwoman of the Control Council

PROFIT AND LOSS STATEMENT

of the Chamber of Private Enforcement Agents
as of 31.12.2009

BULSTAT: 131568913

SECTIONS, GROUPS, ITEMS	Sum (thousand BGN)	
	Current Year	Previous Year
1. Decrease in stocks from production and production in progress		
2. Expenditures for raw materials, materials and hired services, inclusive of	125	134
a) raw materials and materials	54	70
b) hired services	71	64
3. Employees expenditures, inclusive of:	84	60
a) expenditures for remunerations	72	51
b) expenditures for social security, inclusive of: -social securities, related to pensions	12	9
4. Expenditures for depreciations and impairment	2	2
a) expenditures for depreciation of long-term tangible, inclusive of:	2	2
- expenditures for depreciation	2	2
- expenditures from impairment		
b) expenditures from impairment of current (short-term) assets		
5. Other expenditures, inclusive of:	40	25
a) balance value of assets sold		
b) provisions		
c) others	40	25
Total expenditures for operating activity	251	221
(1+2+3+4+5)		
6. Expenditures from depreciation of financial assets		
- negative value adjustments resulting from exchange rate fluctuations		
- others		

7. Expenditures for interest rates and other financial expenditures	1	
a) expenditures related to enterprises from a group		
b) negative value adjustments resulting from operations with financial assets		
c) expenditures for interests		
d) others	1	
8. Profit from usual activity	129	
9. Extra expenditures		
<i>Total expenditures</i>	252	221
<i>(1+2+3+4+5+6+7+9)</i>		
10. Accountancy profit (total income - total expenditures)	129	-
11. Expenditures for taxes on profit		
12. Other taxes, alternative of the Corporate tax		
13. Profit (balance)	129	
<i>(row 10 - row 11- row 12)</i>		
Total (Total expenditures+11+12+13)	381	221

SECTIONS, GROUPS, ITEMS	Sum (thousand BGN)	
	Current year	Previous year
1. Net income from sales, inclusive of:	252	205
a) production		
b) goods		
c) services	252	205
2. Increase in stocks from production and production in progress		
3. Expenditures for acquisition of assets in an economic manner		
4. Other income, inclusive of:	117	

- income from financings, donation, sponsorship, penalties, add. installments	117	
<i>Total income from operating activity</i> <i>(1+2+3+4)</i>	369	205
5. Income from participation enterprises, incl. of:		
- income from participation in enterprises from a group		
-others		
6. Income from other investments and loans		
- income from enterprises from a group		
- others		
7. Other interest rates and financial income, incl. of:	12	11
a) income from enterprises from a group		
b) positive value adjustments resulting from operations with financial assets		
c) positive value adjustments resulting from exchange rate fluctuations		
- others	12	11
<i>Total financial income (5+6+7)</i>	12	11
8. Loss from usual activity		(5)
9. Extra income		
Total income <i>(1+2+3+4+5+6+7+9)</i>	381	216
10. Accountancy loss (total income - total expenditures)		(5)
11. Loss (balance) (row 10 + row 11 and 12 from section A)		(5)
Total (Total income+11)	381	221

Date: 15.01.2010
/Sgd.ill./, Seal

Drawn up by: /Sgd.ill./

Manager:

BALANCE

of the Chamber of Private Enforcement Agents
as of 31.12.2009

BULSTAT: 131568913

ASSETS

Sections, groups, items	Sum (thousand BGN)	
	Current Year	Previous Year
A. Registered but not deposited capital		
B. Non-current (long-term) assets		
<i>I. Intangible assets</i>		
1. Development activity products		
2. Concessions, patents, licenses, and other similar rights and assets		
3. Commercial reputation		
4. Advance payments granted and intangible assets in process of building up		
Total for Group I		
<i>II. Fixed tangible assets</i>		
1. Lands and buildings, inclusive of:		
- lands		
- buildings		
2. Machines, production equipment and apparatuses	3	5
3. Facilities and other FTA		
4. Advance payments granted and FA in process of building up		
Total for Group II:	3	5
<i>III. Long-term financial assets</i>		
1. Shares and stocks in enterprises from group		
2. Loans granted to enterprises from group		

3 Shares and stocks in associated and joint ventures		
4. Loans granted related to associated and joint ventures		
5. Long-term investments		
6. Other loans		
7. Repurchased own share Face value thousand BGN		
Total for Group III		
IV. Deferred taxes		
Total for Section B:	3	5
C. Current (short-term) assets		
I. Inventory		
1. Raw materials and materials		
2. Production in progress		
3. Production in goods, inclusive of:		
- production		
- goods		
4. Advance payments granted		
Total for group I		
II. Receivables		
1. Receivables from clients and suppliers, inclusive of:		
-over 1 year		
2. Receivables from enterprises from a group, incl. of:		
- over 1 year		
3. Receivables related to associated and joint ventures, inclusive of:		
- over 1 year		
4. Other receivables, inclusive of:		
- over 1 year		
Total for Group II:		

III. Investments		
1. Shares and stocks in enterprises from group		
2. Repurchased own shares Face value thousand BGN		
3. Other investments		
Total for Group III:		
IV. Monetary funds		
- Cash monetary fund	2	4
- Monetary funds in demand accounts (deposit)	311	259
Total for Group IV:	313	263
Total for Section C:	313	263
D. Deferred expenditures		
AMOUNT OF THE ASSET (section A+B+C+D) Conditional assets	316	268

LIABILITIES

Sections, groups, items	Sum (thousand BGN)	
	Current Year	Previous Year
A. Equity		
<i>I. Registered capital</i>		
<i>II. Issue premiums</i>		
<i>III. Reserves from subsequent evaluations</i>		
<i>IV. Reserves</i>		
1. Legal reserves		

2. Reserve related to repurchased own shares		
3. Reserve in conformity with a constituent act		
4. Other reserves (account 125 add. reserves)	237	197
Total for group IV	237	197
V. Accumulated profit (loss) from past years, incl. of:		(5)
- undistributed profit		
- uncovered loss		(5)
Total for group V:		(5)
VI. Current profit (loss)		
Total for section A	237	192
B. Provisions and similar liabilities		
1. Provisions for pensions and other similar liabilities		
2. Provisions for taxes, inclusive of:		
- Deferred taxes		
3. Other provisions and similar liabilities		
Total for Section B:	0	0
C. Liabilities:		
1. Debenture loans with individual indication of the convertibles, inclusive of:		
- up to 1 year		
- over 1 year		
2. Liabilities to financial enterprises, inclusive of		
- up to 1 year		
- over 1 year		
3. Advance payments received, inclusive of:		

- up to 1 year		
- over 1 year		
4. Liabilities to suppliers, inclusive of:		
- up to 1 year		
- over 1 year		
5. Liabilities under policies inclusive of:		
- up to 1 year		
- over 1 year		
6. Liabilities to enterprises from a group, inclusive of:		
- up to 1 year		
- over 1 year		
7. Liabilities related to associated and joint ventures, inclusive of:		
- up to 1 year		
- over 1 year		
8. Other liabilities, inclusive of:		
*** other liabilities, inclusive of:		
- up to 1 year		
- over 1 year		
*** to the personnel, inclusive of:		
- up to 1 year		
- over 1 year		
*** social security liabilities, inclusive of:		
- up to 1 year		
- over 1 year		
*** tax liabilities, inclusive of:		
- up to 1 year		
- over 1 year		

Total for Section C, inclusive of:		
- up to 1 year		
- over 1 year		
<i>D. Financing and deferred revenues, inclusive of:</i>	79	76
- up to 1 year		
- over 1 year /add. annual installment/	79	76
AMOUNT OF THE LIABILITIES (sector A+B+C+D)	316	268
Conditional liabilities		

Date: 15.01.2010
/Sgd.ill./, Seal

Drawn up by: /Sgd.ill./

Manager: