



REPUBLIC OF BULGARIA



*BULGARIAN CHAMBER OF
PRIVATE ENFORCEMENT AGENTS*

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

2 0 1 8



Distribution and number of private law enforcement agents /195/ within the territory of the Republic of Bulgaria as per legal areas of action as at 31 December 2018

Blagoevgrad	8	Lovech	3	Smolyan	4
Burgas	11	Montana	2	Sofia City	41
Varna	14	Pazardzhik	8	Sofia District	7
Vidin	2	Pernik	4	Stara Zagora	10
Veliko Tarnovo	8	Plevan	7	Targovishte	1
Vratsa	5	Plovdiv	19	Haskovo	4
Gabrovo	4	Razgrad	3	Shumen	5
Dobrich	6	Ruse	5	Yambol	2
Kardzhali	3	Silistra	2		
Kyustendil	4	Sliven	3		

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ADDRESS OF THE CHAIRPERSON



Dear Colleagues, Ladies and Gentlemen,

Thank you that despite all you continue to exercise with dignity this difficult, but extremely important profession for the judiciary, business, citizens, economy and the rule of law. The 14th General Assembly of the Bulgarian Chamber of Private Enforcement Agent is forthcoming, next year we will celebrate the 15th anniversary since its establishment. Each year is different, challenges are different too, but with a lot of struggle, work and professionalism we manage to cope with each of them.

In summary of the past year for me, I would say it was **a year of normalization for our profession**. After the enormous pressure and attacks upon us throughout 2017, we enjoyed some calmness in 2018, so much needed for the system. Negative publicity and legislative interventions in the previous year have caused lots of headaches and problems. We all spent enormous time, nerves and energy to fight the wave of negativism and populism that flooded us. Last year there was more balance, which allowed us to work more calmly both with the institutions and internally.

My conclusion - and I believe it is the same of my Board colleagues - is that when there are no attacks and hysteria against us, there are no inadequate legislative exercises, **we work normally, relations and dialogue with the institutions have also come back to normal**. Generally, the legislative "silence" was useful to us.

The example of the work done by the working groups in the Ministry of Justice is indicative of it. For a few months last year, the expert group on regulatory changes regarding the activities of private enforcement agents, ordinances which we have been signalled for years as having gaps and needed adjustments, has done much more work than it did since 2016. It includes insurance regulations, official records and annual reports. Interestingly, this workgroup started in 2016, the following year its activity was discontinued, and last year, on our insistence, their work was resumed, and the projects are now finalized and pending promulgation.

In addition to secondary legislation, in 2018 we also dealt with another priority of ours - the electronization of judicial enforcement. The Ministry of Justice has set up two working groups. One works on creating a national register of distraints on vehicles and the extremely important auction e-platform. For these projects, European funding has been provided. The second working group should draft the Ordinance on Unified Electronic Distraint Interchange Environment. Unfortunately, things do not happen at the pace we all wish, but we expect that in 2019 we will finally bring some joy to

debtors and creditors with electronic distraints on accounts and electronic sales.

We held intensive talks and meetings with the State Agency for E-Government, which resulted in the **PEAs already having access to a very useful system for electronic communication with the institutions' registers**, the reports of which were mostly done on paper or via complicated administration. This is our top priority since the beginning of the profession - all information about debtors should be obtained electronically and to done as much enforcement action as possible through it. It is clear to everyone that electronization benefits are not so much for the PEAs as for the stakeholders on cases who will pay less, while the speed and efficiency of enforcement, as well as the costs for state bodies have been decreased by several folds. **PEAs exercise delegated state authority and, in order to be able to perform the quality and legitimacy of their public functions, rapid and immediate communication with state bodies is necessary.** Broadly said, it can even be said that PEAs are state bodies because they do state work on their behalf but do not receive funds from the budget. This understanding should be the main principle when talking about the system, and it is no coincidence that the proposed large-scale amendments to the Administrative Procedure Code (APC) aim at reducing the administrative burden for citizens and business, PEAs and notaries are ranked among other administrative bodies.

In view of the foregoing, there is nothing more natural than BCPEA having excellent relationships with the institutions and maintaining a constant dialogue with them to improve the performance of PEAs and the administration respectively.

Last year, we updated the agreement with the Supreme Judicial Council to collect court claims. Changes referred mostly to accountability, which on the one hand is more comprehensive and on the other hand less labor intensive. In view of the public functions of PEAs, **collection of public receivables, and in particular those of courts, will always be a priority for the Chamber.** Few people are aware that private enforcement agents cover their own expenses. Upon our proposal, the National Assembly exempted these receivables from prepayments and they accounted for nearly 30 percent of enforcement cases. The situation is similar with claims of workers and employees on employment and social allowances. The majority of public receivables refer to small amounts which, if collected by the state, would cost it more than debts themselves. On the other hand, the "expenses" are not paid by the debtor in default, but by the conscientious taxpayer. These issues have been resolved when the PEA collects public claims and let me take this opportunity to thank my colleagues who work with all their heart in these cases by placing public interest over their personal.

We have worked hard with all institutions related to our activities, including the National Association of Municipalities in Republic of Bulgaria, as we are in a permanent dialogue with the Ministry of Justice. We are working together to improve the system, including its control, both on the part of the Chamber and on the side of the two Ministries' Inspectorates.

I wouldn't miss the work of the European School of Enforcement. The school has maintained the good pace that the Chamber has imposed in training over the years and has developed new training forms. **I think we have taken the strategically correct decision to separate this activity from the Chamber so that the School develops as an independent organization,** by gradually expanding its activity and influence in the legal community, creating its own partnership network and enforcement projects.

As a continuation of the "electronization" priority, we have prioritized the task of working on a new register of debtors, a new website of the Chamber, and above all, a new public sales register plus the online auction platform. The concept of a new public sales register includes not only a new vision and functionalities but its development as a platform containing data on the property market by region, price, and type of property. The idea is, besides growing to a popular sales tool, to have an analytical function by providing analyzes for the property market development, supply and demand in different regions, average price per region, trends in real estate sales. **Such a register would be useful for creating positive news, would assist in the process of introducing voluntary sales and the electronic auction platform.** We are actually exploring these opportunities since 2016, accepting 2017 as zero-ground year in this respect, when we were involved in a different struggle. In fact, only last year we made the first steps for the development of these technological projects. The idea is to progress in their integrity, not separately. Unfortunately, a year has passed without having advanced as much as we all want. I hope this year, with colleagues in charge of electronization, we will do more work and we will get off the ground. We have good ideas that could ease processes, be innovative and beneficial to society.

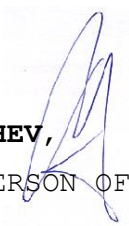
Internally, the Chamber continued to support every PEA who works and complies with the rules of our profession. Unfortunately, there was a new case of attack against our colleague at the end of the year. We reacted very strongly with letters to almost all the institutions involved in the case and with whom we interact - the Ministry of Interior, the Prosecutor General, the Minister of Justice, the Supreme Judicial Council, and parliamentary Committee on Legal Affairs. **The state, represented by each and all of them, should not forget that we are not just private enforcement agents, but officials who work on behalf of the state and the law, and we want them to stand behind us.** After the unprecedented, extremely violent and negative campaign against us for other reasons, it will take years for people to judge our work in a more realistic and objective way. Unfortunately, we will "benefit" from the irresponsible non-state public speaking for a long time.

I started above with the fact that every year we meet new challenges, considering more external ones. But we also face prospects for development. **Expanding our powers with servicing papers has been an indisputable success for our profession, but we must continue to work to expand our perspectives, to be active and to make sure that more public creditors seek the help of PEAs to collect their receivables.** Two months later, we are preparing an international conference in Sofia to bring together PEAs from all over Europe to invite representatives of state institutions,

businesses and the judiciary. Our message on this forum will be that private enforcement is key to the courts, citizens and business, and hence the whole country. The European experience and the latest trends in judicial enforcement, through the prism of court relieving, quick and cheap protection of business and citizens' rights, will be the focus of the conference.

I wish also to draw your attention to the fact and the extremely worrying trend that **the profession is in poor economic health**. After successive legislative changes in 2017, which dramatically reduced the implementation fees and imposed all possible ceilings, as well as for objective reasons, PEA law offices are facing great trials. Staff cuts are not news for anyone, and worse is that no improvement is expected. More and more voices are heard from colleagues leaving because of the impossibility of covering the costs and paying salaries to the workers. We cannot influence the objective factors, but before the closure of offices because of the impossibility of covering our expenses, we have alerted the Minister of Justice to the difficult situation. A measure that will not bring more revenue but will at least reduce losses is updating the PEA tariff with regard to simple fees so that they cover the actual costs of the offices. **I have earlier stressed that we do not offer the formation or increase of remuneration, but only to cover the actual costs of each action.** As I mentioned above about 30 percent of the cases, the private enforcement agents fully fund the enforcement, and in the remaining 70 percent the simple fees (determined on the basis of an economic analysis in the distant year 2005) do not match the real cost for years.

I hope, dear colleagues, this year we will have the necessary peace and strength to assert ourselves as an important factor for stability and in no case to give reasons for negative publicity and harm to the profession and to all PEA conclusions.


GUEORGUI DICHEV,

BOARD CHAIRPERSON OF BULGARIAN CHAMBER OF PRIVATE ENFORCEMENT AGENTS

1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

Private law enforcement operates in Bulgaria since 2006. It was introduced by a special law after political consensus, support from the judiciary and the approval of the banks and all business organizations. For 13 years now, private enforcement has been functioning effectively.

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

Today it is clear that the private enforcement system has managed to become an effective regulator of the business, a source of revenue for state and municipal budgets, a tool for solving issues with amounts due to employees, citizens, households. Statistics and figures on our activities are speaking for themselves - without PEAs, return of debts, stability and security of the economy and citizens would be at risk. For 13 years PEAs have recovered to citizens and businesses over BGN 9 billion. For this period we have contributed directly to the state budget nearly BGN 900 million. Today the PEA law offices employ several thousand officers. In the first years of our profession, there has been a lot of talk about the PEA role as a business regulator. For the billions of levs we have recovered to the business and the state budget. Now, in addition to this function, another one is easily detectable - the social one - allowances, claims under employment contracts, transfer of children. This is also part of this profession. Therefore the recognition they receive from Bulgarian institutions, courts, businesses, academics and other legal professions comes as no surprise.

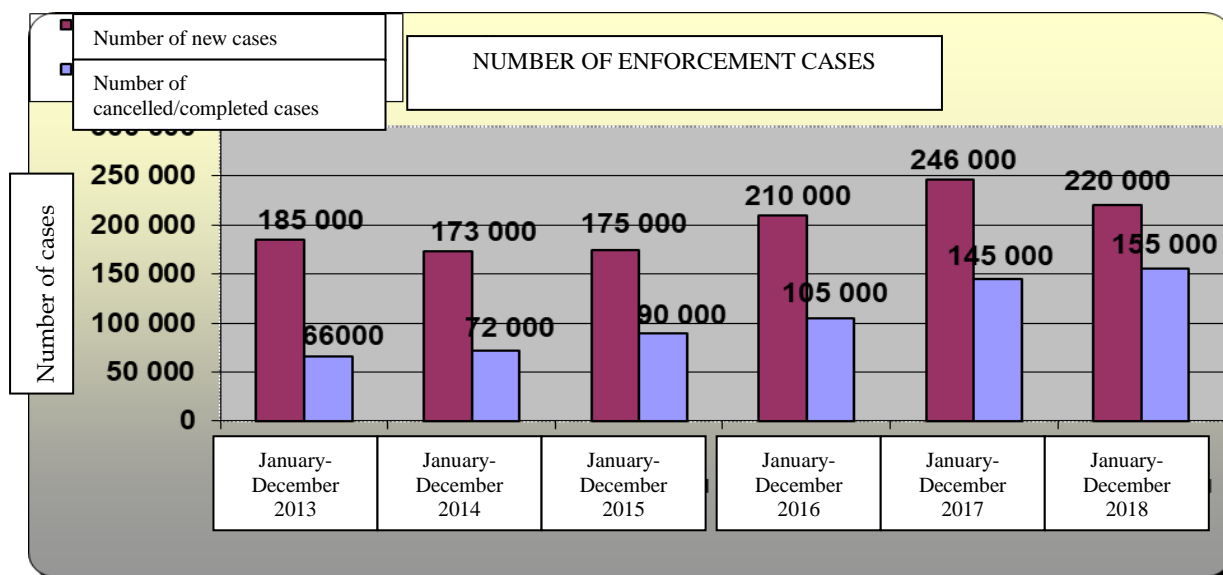
At the end of 2018, a total of **195** law offices of PEAs operated in our country, employing over 2300 employees.

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

<u>Initiated cases:</u>	<u>Completed cases:</u>	<u>Amounts collected:</u>
2014 - BGN 173,000	2014 - BGN 72,000	2014 - BGN 1 billion
2015 - BGN 175,000	2015 - BGN 90,000	2015 - 1,025 million
2016 - BGN 229,000	2016 - BGN 105,000	2016 - BGN 1,030 million
2017 - BGN 246,000	2017 - BGN 145,000	2017 - BGN 1,100 million
2018 - BGN 220,000	2018 - BGN 155,000	2018 - BGN 920 million

*** Remark:** Data for 2018 are estimates, since they are still being collected and summarized.

For thirteen years since the inception of private law enforcement in Bulgaria, **1,930 million cases** were initiated, **755,000 cases** were closed and the total amount collected exceeds **BGN 9 billion**.



In 2018, complaints submitted through Private Enforcement Agents (PEAs) to district courts total approximately 4900, including nearly 510 cases upheld by the relevant court

The majority of Private Enforcement Agents (PEAs) in Bulgaria have authorized their assistants - as at 31 December 2018 a total of 226 Assistant Private Enforcement Agents (PEAs) worked throughout the country. Customers of the PEAs are not only companies, banks and businesses in general, but Bulgarian citizens with claims as civil relations and for wages, allowances and child transfer. Given that fees for those debts are not paid by the creditors, but have to be paid from the budget of the relevant court, but that does not happen, in fact PEAs finance on their own such cases, which is a considerable amount.

Cases of PEA in favor of the state, municipalities and citizens are growing, according to statistics of the Bulgarian Chamber of Private Enforcement Agents for 2017 and 2018. Figures indicate the enhanced social function of PEAs. We recover increasingly more "public money" and in the poor financial situation of Bulgarian municipalities, they prefer to work with PEAs. Almost all of the municipal administrations already use the PEA services. Since 2014 we have 120% growth in cases of local administrations.

For the first six months of 2018 there was no change in the rates and data of casework compared to the previous year.

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

Distribution of cases

Cases in favor of:	I-VI 2018	2017	2016
Traders and other legal entities	67,000	150,400	123,100
Banks	10,300	28,900	32,000
Citizens	10,200	20,000	20,100
State	25,000	53,200	51,100

According to data of the Institute for Market Economics, following a thorough social and economic analysis of PEA activities and an

impact assessment of the four different draft amendments to the Civil Procedure Code (CPC) proposed in 2017, the conclusions regarding PEA effectiveness against public enforcement agents are clearly speaking:

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

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

2. BACKGROUND OF THE CHAMBER

Since its inception on 26 November 2005 the Bulgarian Chamber of Private Enforcement Agents (BCPEA) has succeeded to establish itself as a good partner for both Bulgarian and international institutions. The foundations of private law enforcement were laid down in the first few years. The BCPEA is an institution and is an integral part of the mechanism used by the state and the law to meet their public duties to both the society and the economy. There is barely a public or a state institution, a municipality or a court not to confirm the efficiency of private law enforcement. For 13 years of hard work, though being affected undeservedly by the economic crisis and political disturbances in the country, PEAs demonstrated they work for the benefit of the entire society, strive to introduce high standards of professionalism and ethical conduct. The Chamber keeps effective working relationships with the authorities and public institutions and offers a wide range of services to its members.

PEAs operate on the territory of all district courts in the Republic of Bulgaria, which are currently 195, including 96 men and 99 women.

During the reporting period, two PEAs with area of competence within Sofia City Court and District Court of Pleven lost their powers pursuant to Article 31, paragraph 4 of the Law on Private Enforcement Agents (disciplinary penalty enforced pursuant to Article 68, para. (1), sec. 4 of the PEA Act) - one PEA for a term of 10 years and one PEA for a term of 3 years, pursuant to two

decisions of the Disciplinary Committee of the BCPEA and the other for a total of 3 years pursuant to two decisions of the Supreme Court of Cassation on two disciplinary cases of the BCPEA. One PEA - with area of competence within District Court of Plovdiv was definitely debarred - under Article 31, paragraph 1, sec. 1 of the Law on Private Enforcement Agents (by his own request to the Minister of Justice).

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

The Chamber management is executed by a Board of eleven primary members and two alternate members, while as of 31 December 2018 the administrative management is entrusted to a team of seven employees on permanent employment contract and three employees on civil contract. The Bulgarian Chamber of Private Enforcement Agents (BCPEA) is financially independent and receives no funding from the state.

3. REVIEW OF THE CHAMBER'S ACTIVITY

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

This year 53% of the total number of private enforcement agents responded to our assessment questionnaire. It is nearly half of our members. We sincerely thank all colleagues who participated in the survey and were very objective and critical in their personal assessment! It is important for the BCPEA management and the administration with a view to correcting and improving activities in future periods. The summary of answers filled in the questionnaires has produced the following results

Please, assess the Chamber's the activities, according to its contribution to your work and its usefulness in response to your needs and expectations	Below the expectations (1-3) Beyond the expectations (4-6)	
	Average score	Percentage of satisfied expectations
Are you satisfied with the activities of the Bulgarian Chamber of Private Enforcement Agents as your professional organization?	5.36	89.33%
How do you assess the services rendered by the Chamber?	5.34	89.07%
Administrative services	5.45	90.88%
Trainings of European School of Enforcement (ESE)	5.16	86.02%

How do you assess the management of the Bulgarian Chamber of Private Enforcement Agents?	5.42	90.36%
Activities	5.34	88.95%
Readiness to communicate with its members	5.32	88.65%
Communication with the media	5.05	84.21%
How do you assess the administrative staff of the Bulgarian Chamber of Private Enforcement Agents?	5.66	94.38%
Activities	5.64	94.04%
Communication with the members	5.66	94.39%
In due time	5.66	94.27%
To the extent needed	5.67	94.44%
Overall attitude	5.67	94.44%
Overall assessment of the Chamber's activities according to the needs, expectations and usefulness to its members	5.28	88.04%
What is the quality of materials produced by the Bulgarian Chamber of Private Enforcement Agents?	5.30	88.41%
Website	5.25	87.54%
Register of Debtors	5.43	90.43%
Register of Public Sales	5.37	89.54%
How do you assess the training organized by the Bulgarian Chamber of Private Enforcement Agents?	5.11	85.21%
Lecturers	5.30	88.35%
Content of educational materials	5.22	86.96%
Quality of training materials	5.23	87.14%
Price	4.69	78.14%
Number	4.92	82.07%
Public Relations		
Overall contacts with media	4.73	78.75%
Number of articles published about private enforcement agents (PEAs) in media	4.68	77.96%
Quality of media coverage and their effect on the profession of Private Enforcement Agents (PEAs)	4.60	76.60%
Interaction with the institutions	4.79	79.81%
Computerization of law enforcement procedures	4.62	76.95%
Improving the institutional environment for the work of Private Enforcement Agents (PEAs)	4.58	76.34%
How do you assess your personal participation and contribution to the activities of the Bulgarian Chamber of Private Enforcement Agents?	4.13	68.91%

After processing and analysis of the results, we reached the general conclusion that overall estimates for 2018 are higher

compared to previous years. The evaluation of the PEAs given to administrative staff of the Chamber, which is traditionally high, is even higher by 0.16 p.p. in 2018 compared to the previous year. All PEAs who have filled in and sent questionnaires (a total of **103** colleagues), clearly indicated in their responses that they are satisfied with the Chamber's work and believe that there is progress and development. The overall assessment received for services it provides and its usefulness for the individual PEAs is **5.36** on a six-point scale, performing administrative services for members and this year assessed with the highest score - **5.45**.

A total of **94** respondents have determined the BCPEA activity as generally positive, but 9 PEAs shared the opposite opinion. With regard to the question of whether in 2018 there has been progress in the Chamber's overall work in comparison with 2017, the majority of respondents believe there is such progress. However, some PEAs believe that no progress has been made in the Chamber's activity over the reporting year, but rather that rates of growth remain unchanged compared to the previous year. In the survey above, there are quite a lot of opinions about the role and personal contribution of the Chairman of the BCPEA in its efforts to preserve the authority of the PEA profession. In their responses, colleagues also assessed the progress in work the local municipalities in the respective judicial districts nationwide.

Several colleagues point out that they are unable to assess the progress, given their short experience as PEA and members of the Chamber. They took office in 2016 and did not have a benchmark for the BCPEA activities with previous years, but they underline in their replies that they have always received the necessary assistance and good attitude from the administrative staff of the Bulgarian Chamber of Private Enforcement Agents. They assess progress rather with the fact that they do not create obstacles to day-to-day work by management and administration. Eight PEAs see no change for the better in the Chamber's work compared to 2017, but two of them point out that progress cannot be expected given the difficulties and enormous pressure the profession is facing in the last couple of years. It is also indicative of several PEAs who say that over the years, the whole experience gained (in a common plan for BCPEA and separately for each PEA) brings us its wisdom, skills and points at both the mistakes and the positive effect of our overall everyday work.

In summary, we should take into account the good results in the Chamber management's work and the excellent testimonials for administrative staff of the Chamber. The average score on the management activities in 2018 is **5.42** (compared to assessments made in 2017 it was 5.31, in 2016 it was 5.38, and in 2015 it was 5.33), while the administrative team is rated with **5.66** (for comparison: 5.50 in 2017, 5.58 in 2016, and 5.63 in 2015). Given the difficulties we and the profession has experienced and in the past year, the assessment by private enforcement agents for the Chamber management and administration shows once again that we enjoy high confidence, that you support us and show understanding and sustainability even in the most critical moments accompanying our professional path. Thank you for your patience, understanding and respect, dear Colleagues!

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

- Proactivity in expanding cooperation with a number of key institutions such as the Supreme Judicial Council (SJC), municipalities, state agencies, etc.;
- Workshops organized by the European School of Enforcement (ESE) for the promotion of vocational training, especially those under the new Civil Procedure Code. A special high rating is given by the members of the Chamber for the first webinar organized by the ESE;
- Ensuring electronic access to the Register of Bank Accounts and Safes with BNB - a large part of the respondents appreciate the provision of this service;
- Timely and objective notification of changes in the legal framework and the latest developments regarding PEAs work;
- To conduct national conferences and work meetings to discuss case studies and good practices. The opportunity for meetings between colleagues in the profession during these events. The National Conference in Bansko held in June was particularly useful for PEAs, where instructions were discussed and given to the PEAs on the GDPR, the Law on Anti-Corruption and Forfeiture of the Unlawfully Acquired Property and the Law on Measures Against Laundering of money;
- Excellent and beneficial communication with the team of BCPEA and the immediate responsiveness of officials when requested for guidance and assistance on the activity in the offices - the overall support, assistance, understanding and assistance in all the problems posed.

With regard to the adequacy of the amount of membership dues to the activity of the BCPEA, opinions this year consolidate about indisputable opinion that the dues to the Chamber's activity is objective. Adequacy assessment vary from excellent through reasonable, balanced, proportionate, fair, optimal, to acceptable and satisfactory.

Six out of 103 interviewed PEAs consider that the amount of the fee is high and should be reduced. Assuming this is a representative share of the opinion of members of the entire sector, we can summarize that only 5.7% of colleagues accept the membership fee to be higher and call to think over its possible reduction. There are several suggestions in the questionnaires for a change in the principles of annual fee formation. They mean that the membership fee should be formed not on the basis of number of authorized PEAs but rather on the collection and annual revenue of private enforcement agents. Last but not least, there are a few members of the Chamber who consider that the membership fee is low and should be increased for PEAs who can afford it. In their responses, they share the view that the Chamber's financial independence is very important and would allow for the implementation of new and innovative projects that will strengthen the reputation of our organization.

An essential part of the questionnaire criteria refers to public relations, including our media cooperation and the Bulgarian Chamber of Private Enforcement Agents' interaction with the Bulgarian public

institutions. Judging by the final result of the respondents' answers, they have comments with regard to the Chamber's status as their professional organization with regard to 2018 compared to the previous year of 2017. These results in the questionnaire are probably largely due to the unprecedented pressure on the PEA system - a permanent target of media attacks, threatening the very existence of the system. Strongly negative public attitude was deliberately created by external factors with different political and economic interests. We all know the definition of populism - an impact on the public opinion through behavior and promises of measures that correspond to the general mood. During this reporting period, the wave of populism was deliberately kept on high rise. Behind the veil of populism, there were attempts to serve monopolistic interests rather than the poor debtor, the individual. The media, while racing for rating, are telling stories about the heavy fortunes of debtors and their families. We are constantly trying to make journalists ask the BCPEA for their opinion, but there are still cases where, due to our lack of opinion, facts are presented improperly and tendentiously. The truth is, however, that we have never made such serious efforts in the years to come as we did in 2017 and 2018 to balance media aggression and try to defend our profession.

For the criteria "Interaction with Institutions", "Electronization in enforcement procedures" and "Improving the institutional environment for work" assessments this year are quite positive, although the opinion of the PEA on these indicators remains traditionally skeptical and reduced to other activities and initiatives of the BCPEA. Estimates of colleagues in this field can be summarized as follows: but a little lower than 2017 for interaction with the institutions - **4.79** (for comparison in 2017 - 4.84; 2016 - 5.08; in 2015 - 4.93) and achievements in the field of electronization of court enforcement procedures - **4.62** (for comparison in 2017 - 4.73; in 2016 - 4.77; in 2015 - 4.70). Regarding the improvement of the institutional working environment, the level of satisfaction is lower than in 2017, with the PEAs having a total rating of **4.58** (for comparison 4.82 in 2017).

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

- To work actively to introduce electronic auctions and electronic distractions. To develop uniform requirements for the automation of the overall activity of private enforcement agents;
- To provide more training as a whole. To organize more practical workshops for private enforcement agents and their employees at a lower price for the BCPEA members. Online trainings/webinars for office staff;
- To improve public relations. More media appearances and a more categorical position with the media. To adopt a stronger position in interactions and negotiations with other institutions;
- To consider improving the system of internal self-control among private enforcement agents in order to achieve higher efficiency than before;
- To fight unfair competition in the industry;

- To collect more frequently information from the Chamber members about the individual difficulties related to their work, analyzing the problems and making recommendations for solving them in order to unify the practice;

- To take action on the deletion of foreclosures after a public sale. To pay attention to the MoJ and other institutions;

- To improve the working conditions of BCPEA administration and appointment of additional qualified personnel. It should introduce a standard-operative recruitment procedure based on an entry test and interview, with a pre-established point system between several candidates for the position concerned. The staff should be formally assessed on an annual basis according to quality and efficiency criteria approved by the SC;

- So far, what the House does is enough. The rest depends on each individual member. Recommendations and advice should be given by those who have done something useful rather than simply criticizing.

We thank all colleagues who have openly expressed their critical comments. Responding PEAs have made recommendations in the following areas to improve the Chamber activities as a whole in 2019:

- The BCPEA will continue to be active in terms of trends and changes in the legislation affecting our professional domain;

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

- To arrange for more and more diverse workshops. To reduce their cost. To introduce webinars as a form of learning;

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

- To ensure access for private enforcement agents to the Traffic Police databases and the possibility to ban movement of vehicles owned by debtors;

- To solve the problem of external fees to municipalities, Traffic Police, Municipal Services of Agriculture - Delays and delays in the process of collecting property data due to the different fees, codes and bank accounts of the registrars;

- Better institutional and logistical support for PEAs - property declarations, privacy regulation, etc.;

- Collecting and publishing the disciplinary practice of the BCPEA and organizing in a readily accessible way for review by the PEA;

- Openness of the BCBCPEA to suggestions for improvement of the work and legislation of the regular PEAs, more frequent inquiries or

opening an information channel for the current working groups operating in different directions with a view to directly connecting the PEAs with their members, suggestions and problems;

- Proportional or flat rate for membership fees based on the fees collected from the previous year - similar to the professional liability insurance levels, according to the statistics (this report) and insurance policy data. Refinement of the amount of the BCPEA membership - pro rata based on the time spent during the year;

- Legislative change regarding PEA taxation - possibility of choosing a tax regime under the Individual Income Taxation Act or the Corporate Income Taxation Act (similar to farmers' taxation);

- Reduction of prices for traditional workshops for members of BCPEA/jurists, differentiation of prices with/without food and hotel use;

- Regular auditing of the PEAs (over 2 years) as there is a turnover of staff from one office to another; the choice of suitable cadres for the firms is too limited given the high responsibility and risk involved with the empowerment;

- Working to change the Civil Procedure Code (CPC) in order to drop the state fees for the information received. More advocacy on the part of BCPEA to state and municipal authorities in case of bad practices on their part and in case of complaints from private enforcement agents;

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

- To improve the functions of the Register of Public Sales: publication of notices, files and photos;

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

- To keep international contacts with similar organizations abroad;

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

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

- PEAs this year gave a slightly higher rating compared to last year for their personal involvement and contribution to the Chamber's work - **4.13** (compared to 3.81 in 2017; 3.69 - in 2016; 3.84 in 2015). The BCPEA management hopes that colleagues are aware of the importance of their personal motivation and commitment to the common cause. The general conclusions about our work in 2017 indicate that the results may have been much better if all Chamber members were even more involved in the hard work to protect the

sector from external attacks and unacceptable amendments to the Civil Procedure Code (CPC). We are confident that in 2019 we will be much more consolidated and focused on achieving a balance, prosperity of our institution and strengthening the core values in our profession.

3.1. National Conferences and Work Meetings

After the annual reporting and election meeting at the end of January 2018, a Strategic Planning workshop was organized for the newly elected governing bodies of the BCPEA - Board, Disciplinary Committee, Control Board and Legal Affairs and Control Committee. The working forum took place from 9 to 11 March 2018 in the village of Arbanasi.

After preliminary committee meetings on the first day, their chairmen presented their concepts for the work of their bodies and spheres to the joint meeting the following day. As a result, all constructive proposals were summarized and the strategic strands and priorities of the Chamber's activities for the next three years were outlined. Participants also discussed a number of practical issues and problems in operations of PEAs.

In the part dedicated to amendments to the secondary legislation related to the PEA activities, the following areas were outlined: archiving of PEA completed cases, insurance for PEAs, interest on PEA accounts and the Ordinance for preparation of annual accounts. The BCPEA working bodies also included in the agenda the development of technological projects of BCPEA, the creation of a new Public Sales Register and a new website of BCPEA, proactivity on the part of state authorities such as NRA, municipalities, NSSI, Traffic Police, Registry Agency and Cadaster.

In 2018, the Chamber of Private Enforcement Agents held two national conferences. The organization members gathered in Bansko on June 2 and in Starosel on October 27 to discuss key issues related to the industry's activities. The BCPEA national conferences were held in a constructive spirit and the practical orientation and topicality of the issues discussed contributed to an active and open dialogue.



The Bansko event was the most serious and busy PEA conference during the year, given the importance of the GDPR, the short

deadlines in which the regulation had to be introduced, along with the controversies surrounding it and the new requirements brought by the Law on Measures against Money Laundering and the Anti-Corruption and Recovery of Illegally Acquired Property Act.

The introduction of the EU General Data Protection Regulation (GDPR) in the Chamber of Private Enforcement Agents and the Law Offices, the new Law on Anti-Corruption and Recovery of Illegally Acquired Property with the ensuing obligations of the Private Enforcement Agents and the Law on Measures against Money Laundering were the flagship topics in the first year of the forum.



The Chamber has quickly succeeded in implementing the GDPR requirements and bringing the institution fully into line with the Regulation. Every office of PEA received the necessary documents, guidelines and access to consultation, thanks to the consultants provided by the Chamber of the European Institute for Risk Policy. In a special panel Ivan Savov, Chairman of the Management Board of the Institute, presented the regulation

requirements and the practical steps to be followed by the Chamber and law offices.

In Bansko, the PEAs were also aware of the actions of the Chamber regarding the Anti-Corruption and Recovery of Illegally Acquired Property Act and the opinion addressed to the Council of Ministers and the Ministry of Justice saying the legislator incorrectly included the activities of PEAs within the scope of the new law. Nevertheless, the newly adopted and already in force regulatory framework imposes obligations on PEAs to submit declarations of property and interests under Article 35, para. 1, sec. 2 of the Protection of Competition Act. In this regard, in 2018, the Internal Rules of the Chamber of Private Enforcement Agents (BCPEA) were developed and adopted for submission and storage of declarations under the same law and a public register of the submitted declarations.



The conference also discussed the new Law on Measures against Money Laundering. In a two-hour module titled "THE PROCESS OF PREVENTION OF MONEY LAUNDERING IN PRIVATE ENFORCEMENT AGENTS - MEASURES, REQUIREMENTS AND FEATURES IN CONNECTION WITH THE NEW LAW ON MONEY LAUNDERING MEASURES", lecturers from the Center for the Prevention and Counteraction to Money Laundering (CPCML) presented amendments to the law.

The agenda included a report on the Activity of the Disciplinary Committee presented by its Chairman Todor Lukov, as well as a discussion of specific procedural issues and issues related to the enforcement of the law and the unification of practices. In individual panels, answers were given to questions concerning the case law on the application of amendments to the Civil Procedure Code of October 2017 and questions put forward by private enforcement agents to the BCPEA.



During the second National Conference in Starosel, members of the Chamber were introduced to the results of two national monitoring of the offices conducted during the year: online - monitoring of the PEA law office activities, presented by the Chairman of the Committee on Legal Affairs and Control Tanya Madzharova and monitoring of compliance with the rules of local jurisdiction in the opening of enforcement cases in the first half of 2018, presented by the Deputy Chairs of the Committee on Legal Affairs and Control Ivanka Tzonkova and Diana Koleva.

In the course of the first monitoring held online, questionnaires were filled out by 178 out of a total of 197 operating PEAs. The findings of the analysis point at the archiving of cases as the main problem of law offices. It turns out that 100% of them have an incoming and outgoing register, a register of registered cases, and 90% of law offices keep an electronic register. In the section on financial management and documentation of the activities of the private enforcement agents, it is recorded that 96% of the offices carry out accounting and 98% are registered for VAT. 100% of the offices issue accounts under Article 79 of the PEA Act. Interest payments are paid by 55% of PEAs, 39% are paid to the debtor and 61% by the creditor and 81% by the debtor. Law offices hold a high level of qualification for employees - 22% are lawyers, 26% are registry officers, 16% are accountants, 26% are summons officers and 10% hold other positions.

The second report on compliance with local jurisdiction in the opening of enforcement cases is based on the examination of a total of 5822 cases from 108 PEAs. According to the methodology adopted by the BCPEA Board on 11 July 2108, inspections were carried out electronically in the period 1 September - 15 October 2018. The subject of monitoring was the cases initiated in the first half of 2018. In each of the audited offices, 30 cases were selected by a single criterion. The main conclusions show that the local jurisdiction rules are observed in most parts of the country. Some more serious problems have been identified with individual PEAs and the most numerous are violations in judicial districts of Sofia, Stara Zagora and Plovdiv.

The Law on Anti-Corruption and Recovery of Illegally Acquired Property was on the agenda of the second conference during the year.

BCPEA members Mariana Kirova and Rositsa Apostolova presented the BCPEA internal rules as required by its provisions.

National conferences and workshops of the PEAs organized during the year together with the constant exchange of information between the Chamber's administration and its members are part of BCPEA Board's pursuit of a policy of information awareness and mutual support.

3.2. Interaction with Institutions

The work of the BCPEA Board in 2018 with the state institutions, the media and the public organizations was dynamic and complete. The activity during this period was largely predetermined by the Chamber's development program, which the Chairman and his team said during their election at the General Assembly at the beginning of the year. We cannot give one-way evaluation of the past year, but we can say that we have been trying to implement and build on our strategic goals, as well as the activities and specific tasks for them over the reporting period.

Each system needs improvement, and the BCPEA has always sought a legislative framework for enforcement that would provide a balance between stakeholders and reduce enforcement costs. It is precisely the balance that is a guiding principle, because every case has two sides. Especially in the enforcement process, one party even has a legally recognized right. The law must protect the rights of both parties. Judicial performance in our country is of particular importance not only for the efficiency of the judiciary and the rule of law, but also for the financial and banking system, the civilian turnover and the business, as well as the budget of municipalities and the state. Also, for foreign investors, the efficiency of the judiciary and in particular the enforcement of judgments as a guarantee of protection from unfair contractors is of paramount importance. Therefore any intervention into this system should be very cautious and well planned, i.e. to pledge on more expert assessment of the real effects of change than on simple PR and populism. In 2017, the Chamber of Private Enforcement Agents experienced one of the most serious legislative and societal challenges since its founding in 2005 - profound changes in the Civil Procedure Code. The BCPEA then concentrates its entire resource for a fair and open debate. In the vague formulations and attempts to undermine economic motivation for the functioning of our profession, we opposed motivated proposals for change by measuring the concrete effect of their implementation.

2018 was the first full year in which we worked under the new Civil Procedure Code (CPC) (No. 86 of 27.10.2017, amended No. 96 of 01 December 2017, effective from 01.01.2018, amended and supplemented No. 102 of 22 December 2017, effective from 22 December 2017). Its implementation in the practice of the newly adopted norms was observed and studied. It is still early for the legal community in Bulgaria to come up with a final analysis and conclusions on the effectiveness of those amendments, but we can say that most of the adopted amendments to the CPC can be seen as a revolution in law enforcement and a huge step forward in terms of procedure. Thanks to our efforts and the great support of our colleagues from Lithuania,

Latvia and Estonia, an electronic auction system will be in place in Bulgaria. It is also possible to become a trademark, objects of industrial and intellectual property, which is a harmonization step with the development of the modern economy. The benefits for the BCPEA as author and motivator of necessary changes are the implementation on detached parts of commercial enterprises and the voluntary sale of properties in electronic auctions. It is thanks to our efforts that the real protection of socially vulnerable debtors in the attachment of bank accounts was ensured, by introducing an effective mechanism to protect all types of social payments and wages. PEAs in Bulgaria already have the right to service private documents, which until now was exclusively within the authority of notaries. We also made a very serious breakthrough in collecting public receivables by private enforcement agents by removing the requirement for state bodies and municipalities to pay in advance fees to PEAs. In this way, one of the serious obstacles - the spending of public funds and the related problems of any kind - has been eliminated.

Throughout 2018 the Chamber continued to follow a consistent policy of active interaction with the institutions - ministries, the SJC, BNB, NRA agencies, courts, municipalities, business organizations and banks, bar association and notary association. Many initiatives, meetings and interactions have been realized to create opportunities for constructive legislative changes, effective communication and electronic document exchange. An important moment in the discussions with state institutions was the assignment of public receivables, as PEAs proved to be the most effective legal instrument for collecting receivables in the Republic of Bulgaria. The results of joint efforts among the municipalities, which significantly (somewhere and several times) increased the collection of their public receivables.

MINISTRY OF JUSTICE

In 2018, good cooperation between the BCPEA and the Ministry of Justice continued in the format of numerous formal and informal meetings and joint working groups. The cooperation with the management, the experts from the Inspectorate and the financial inspectors of the Ministry of Justice is excellent. Members of our Industry participated actively in several working groups at the Ministry of Justice, set up to prepare changes to secondary legislation, establish a national register of electronic distraints, changes in the acquisition of legal capacity, etc.

For several months in the past 2018, the expert group to amend the regulations related to the activities of the PEA, ordinances for which we have been warned for years that they have gaps and need adjustments, did much more work than in 2016. These are the insurance regulations, the official records and the annual accounts. It is interesting to note that this working group started in 2016, the next year its activity was discontinued, and during the past year, at our request, it resumed work and at the moment the projects are finalized and awaiting promulgation. In the current composition of the working group, BCPEA representatives were Gueorgui Dichev, Alexander Dachev, Stoyan Yakimov, Maria Tsacheva and Nikola Popov.

Amendments to the Insurance Ordinance, according to which all private enforcement agents will have to be insured for a minimum of BGN 1.2 million, are of great importance, thus protecting not only the parties to the cases, but also all third parties who could suffer damage in enforcement. Amendments to the Ordinance on Annual Accounts will lead to better accountability and full tracking of results and casework for the benefit of the state, municipalities and the judiciary.

In the working group for assistance to implement the project "Development and implementation of the electronic information system National Distraint Register" funded by OP "Good Governance" through the European Social Fund, private PEAs Stoyan Yakimov, Nedelcho Mitev and Delyan Nikolov participated. The position of the BCPEA is that such a register is necessary, but it should start cleanly, that the "new" distraints will be entered into it, and subsequently the automatic migration of data from other registers for the distraints already mentioned.

According to the BCPEA, access to the register must be free but registered, i.e. to identify each user. Consumers should pay fees, and for public authorities and persons exercising public functions such as PEAs and notaries, access should be free of charge. The BCPEA analysis shows that the necessary information to be included in the register is name of vehicle owner, personal ID, address, enforcement or any other cases in respect of which the distraint is imposed, the body before which the proceedings are conducted, the case, claim amount, date of distraint and order of entry, vehicle's exact description - registration plante, chassis number, engine number and/or other sufficiently detailed personalizing attributes. Certificates containing complete information about the entered circumstances should be issued to the court, the state authorities, the persons exercising public functions (private enforcement agents, notaries), and persons requesting references for themselves or by persons holding notarized authorizations. When a claim is filed for a bankrupt company, the right to such a bank may also have the appointed trustee in bankruptcy, according to the opinion of the BCPEA Board of the project.

At the Chamber's opinion, it would be best to have a constitutional act on the imposition of distraint, and it necessarily entails the corresponding amendments to the CPC, which must explicitly regulate it. So, the register will have its legal grounds, which is not yet available. If the approach of primacy and the constitutive effect of the register entries is adopted, a link should be established between it and other databases, such as traffic police.

In the second working group for drafting a regulation laying down the requirements for unified electronic environment for interchange of distraints, Gueorgui Dichev, Stoyan Yakimov, Alexander Dachev took part.

Members of the Chamber of Private Enforcement Agents also participated in a CPC working group set up at the MoJ at the suggestion of the Supreme Judicial Council to unload the burden on courts, particularly the Sofia City Court. Arbitration proceedings are also the subject of amendments to the CPC in the working group,

and the main part of this group's concerning the activity of PEA is related to the judicial vacation under Article 61, para. 2 of the CPC. In the course of the group's work during the year, with a few exceptions, all members agreed that these deadlines would be dropped for PEAs. It took effect in mid-July 2018 by Order No. SD-04-74/ 12 July 2018 of the Minister of Justice, who ordered during the judicial vacation to hear enforcement cases brought before private enforcement agents.

In November 2018, a first meeting of the Working Group of the Ministry of Justice was held to discuss and prepare legislative changes in the Judicial System Act and to draft legal changes in the area of legal capacity. Representative of the Chamber in this working group is PEA Stoyan Lazarov, member of the Committee on Legal Affairs and Control. The working group is set up to draft a new Ordinance for the acquisition of legal capacity by November 2019. Two projects are currently being considered by the working group and the draft is prepared by ministry experts.

A change in the form of the legal qualification test is being discussed, as it is currently only written, consisting of a test + case study evaluated by a five-strong committee consisting of: chairperson - a representative of the Inspectorate to the Minister of Justice and members - lecturer on legal sciences, a representative of the Supreme Bar Council and two representatives appointed from among the following bodies of the judiciary: the Supreme Court of Cassation, the Supreme Administrative Court, the Supreme Cassation Prosecution Office, the Supreme Administrative Prosecutor's Office.

According to the second draft ordinance, the committee is expected to be composed of seven members and to include a representative of the Chamber of Private Enforcement Agents and the Notary Chamber. In the discussions, our representative in the working group made an official proposal to accept this amendment, with a private enforcement agent now taking part in the examination committees - in order to strengthen our profession and deepen our partnership with the state.

The task of the recently formed working group is to discuss and, if necessary, to prepare proposals for amendment and supplement for the improvement of the regulation of the protective proceedings under the Inheritance Act on the basis of an analysis on the subject "Proceedings under the Inheritance Act, developed by a team of judges in the period January 29 - 30 June 2018". Representative of the Chamber in the working body is PEA Rositsa Ivanova Apostolova - member of the Chamber Board. The term of office is 30 April 2019.

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

COUNCIL OF MINISTERS

In 2018, the BCPEA interaction with the Council of Ministers was mainly based on the level of coordination procedures under the Council of Ministers during the reporting period for the adoption of

laws and regulations in the state which directly or indirectly concern the activity of private enforcement agents.

The Chamber has drafted its opinions in writing on the following normative acts:

➤ Decree of the Council of Ministers on the adoption of an *Ordinance on the organization and procedure for the verification of the declarations and for the establishment of a conflict of interests of the persons referred to in § 2, paragraph 1 of the Supplementary Provisions of the Law on Counteracting Corruption and for Withdrawing the illegally acquired property*. The BCPEA Board has studied the draft of the aforementioned Ordinance and decided that there are no remarks on the proposed texts. In our opinion, however, in the first place, we underlined that, in principle, the legislator incorrectly included the activity of private enforcement agents within the scope of the Law on Anti-Corruption and Recovery of Illegally Acquired Property. Unfortunately, the issue is within the competence of the National Assembly;

➤ Draft of Council of Ministers Decision approving the draft Law on Amendment and Supplement to the Personal Data Act - sent by the Minister of Interior for consultancy;

➤ Opinion of BCPEA on amendment and supplement to the Cadaster and Property Register Act. Given that our proposal makes a significant contribution to reducing administrative burdens and improving administrative services for citizens and businesses, we have asked to take into account the discussions on the Amendment and Supplement to the Administrative Procedure Code;

➤ Statement of the BCPEA on the Concept of a centralized register of the administrative penal proceedings of the executive central and territorial state bodies;

➤ Opinion of the Chamber of Private Enforcement Agents on the Bill on Amendments to the Administrative Procedure Code.

SUPREME JUDICIAL COUNCIL (SJC)

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

Two years after the signing of the **Agreement on Enhancing the Collection of Public State Receivables in favor of the Judiciary between the SJC and the BCPEA**, its effects are not only fiscal. As a result of the PEA work, real sanctions and penalties under the Penal Code have been achieved. The preventive function of law enforcement is also underway - more and more debtors are aware that the obligations are collected, making them pay voluntarily without the PEA intervention.

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

In the first half of 2018, a joint draft of an updated cooperation agreement for the compulsory recovery of the judiciary's claims was prepared. The new agreement was signed on 9 July by the Chairman of the Chamber of Private Enforcement Agents, Gueorgui Dichev, and the Judge of the Supreme Judicial Council, Boyan Magdalinchev. Changes have been agreed in the new text in some cases on case files, accountability, statistics collection and optimization of the work of PEAs in these cases. For the first time, the two sides agreed to cooperate in 2015, but the actual execution of receivables started in 2016 and the first results were reported in 2017. The contribution of the PEA to collecting the claims of the judiciary is not only fiscal, but there is a preventive function, both parties to the agreement report.

For the first half of 2018, PEAs collected BGN 840,000 for the benefit of the judiciary. The newly formed cases amount to almost 2,000 pieces, and together with the previous years they are approximately 12 000 worth approximately BGN 11 million. It is noteworthy that the enforcement cases in favor of courts decreased (probably they are referred to public PEAs), but nevertheless the collection value - BGN 840 million for the six months of 2018 - is maintained, even slightly increasing from previous years (BGN 1 million for 2017 and BGN 1.1 million for 2016).

Despite the relatively small amount of individual receivables, **the SJC registered an increase in annual collection.**

The SJC has made recommendations to the administrative heads of judiciary bodies to entrust the collection to PEAs and the order in which to do so. According to the Agreement, the specific actions for assigning and reporting of collected receivables are carried out by the administrative heads of each judiciary body and by persons authorized thereby, depending on the particular case, and the respective PEA who is assigned to collect the receivables. We will continue to work actively in this direction because, in addition to fiscal targets and debt prevention, we believe that there can be no rule of law where the rules or sanctions for violation are not respected and effectively enforced. The actual recovery of claims of courts is of utmost importance to us, in many cases it is a matter of fines, including convictions in criminal matters. What penalty has the convict received for a crime if the fine imposed thereupon remains only on paper.

COUNCIL FOR ELECTRONIC MEDIA: On 11 June 2015 the first agreement year for CEM was signed to assign collection of receivables for state fees payable under the Tariff of fees for radio and television activity, and issued criminal orders. Most members of the BCPEA have agreed to initiate enforcement proceedings with creditor CEM. The list of their names shall be deposited with CEM partners. Over the last two years we have had 190 enforcement cases brought by the Council for Electronic Media as creditor.

NATIONAL ASSOCIATION OF MUNICIPALITIES IN REPUBLIC OF BULGARIA (NAMRB)

In 2018, we continued the extremely successful partnership between the Chamber of PEAs and the National Association of Municipalities in Republic of Bulgaria.

In 2018, the BCPEA and the National Association of Municipalities in Republic of Bulgaria worked on a new form of cooperation. In August, the BCPEA sent a draft agreement for electronic interaction between private enforcement agents and each municipality through the integration platform of Information Services AD. The text will be finalized and signed this year as it will be approved by the National Association of Municipalities in Republic of Bulgaria as a good practice and will be signed by each municipality.

The agreement is a natural continuation of the beneficial cooperation between individual PEAs and municipal administrations in recent years as well as the successful partnership between the BCPEA and National Association of Municipalities in Republic of Bulgaria institutions, which has been reflected in the joint information campaigns and the traditional participation of BCPEA representatives in workshops and training modules for the representatives of the municipal authorities.

The tripartite agreement aims to provide electronically information on the PEA work from each municipality that has signed the agreement. The data to be provided are declared under the Local Taxes and Fees Act for real estate and motor vehicles, for tax assessments of particular real estate, as well as for taxes and fees due thereupon. The third party, Information Service AD, should provide the information via a secure channel, and it is its responsibility to file a request to the municipalities with the number and date of the enforcement case via SSL - a secure connection. Users will pay the service under terms and conditions agreed in a separate agreement.

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

Private enforcement agents regularly participate in annual meetings organized by the National Association of Municipalities in Republic of Bulgaria. In 2018, representatives of our profession joined two expert forums of municipal governments.

From 31 May to 02 June 2018, the National Association of Municipalities in Republic of Bulgaria held in the resort of Albena XXI National Meeting of Municipal Financiers. This forum has been organized since 1998 and has been one of the most significant events for 20 years, where local finance is in the focus of discussion. The meeting includes mayors and deputy mayors, directors of municipal finance departments, chief accountants and internal auditors, heads of revenue units in local administrations. This year PEAs Dilyana Kostadinova and Darina Serbezova took part in the discussions on the measures to boost collection of municipal receivables.

On November 22 and 23, Nedelcho Mitev, member of the BCPEA Board, took part in a third national training forum on "Current issues related to the activity of revenue units in municipal administrations" in the town of Pravets. The event is organized for the third consecutive year. The forum is designed for tax experts

and work purpose officials of municipal administrations, together with representatives of the Ministry of Finance and the National Revenue Agency, to discuss issues and case studies on the implementation of the legal framework and the practice of collecting municipal revenues, and the opportunities for improving the interaction between the Chamber of Private Enforcement Agents and the Notary Chamber. Talking from this forum's rostrum, PEA Nedelcho Mitev shared the view of the BCPEA on improving the interaction with the municipalities in order to increase the collection rate.

The NAMRB has repeatedly expressed its satisfaction with the established beneficial cooperation and praise highly the expert participation of the Chamber representatives. Thank You letters were received in the Chamber last year as well.

REGISTRY AGENCY

In 2018, the BCPEA regularly received invitations and participated in presentations of initiatives and projects organized by the Registry Agency.

A press conference was held on 7 March to present the project "Upgrading the Property Register for Integration with the Cadastral Registry and the provision of additional e-services" under the procedure BG05SFOP001-1.002 for direct grant award "Priority projects under the Roadmap for implementation of the Strategy for the development of e-governance in the Republic of Bulgaria for the period 2016-2020" with the financial support of OP "Good Governance", co-financed by the European Union through the European Social Fund. The project's overall objective is to upgrade the property register in order to improve the service of citizens, businesses and notaries, internal integration of the systems and introduction of new electronic services.

The second event for the year - an expert round table on the problems of the property register - took place on 6 July in Sofia. The forum was organized by the Ministry of Justice, the Registry Agency, the Agency for Geodesy, Cartography and Cadaster, etc. The problems with the establishment of the land register were discussed; the creation of property lots (files) under Article 64, para. 3 of the Cadaster and Property Register Act; the introduction of an electronic entry as an optional option for protecting citizens; a cadastral map and its use in the creation of the Property Register, as well as the need to make amendments to the Cadaster and Property Register Act and the secondary legislation. The round table involved participation of leading experts and experts from the organizers and other state bodies and non-governmental organizations.

Our representative in both conferences was BCPEA Deputy Chairman Stoyan Yakimov.

AGREEMENTS WITH STATE INSTITUTIONS FOR THE COLLECTION OF PUBLIC RECEIVABLES

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

FINANCIAL SUPERVISION COMMISSION: This agreement was signed on July 10, 2015 with § 82 of the final provisions of the Law on

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

The tendency of insurance companies to incrementally and unjustifiably increase insurance premiums that private enforcement agents have to pay annually in meeting their legal obligations was the reason that in May 2018 the BCPEA asked for an inspection and an opinion. In his letter to the Chairman of the Financial Supervision Commission Karina Karaivanova, BCPEA Chairman Gueorgui Dichev warned that it is almost impossible for private enforcement agents to insure their activity, as some insurance companies refuse to insure private enforcement agents and there are even cases of insurance premiums to BGN 65,000.

The letter also draws attention to the fact that, under Article 18, para. 4 of the Private Enforcement Agents Act in case of an entry under the Law on Special Pledges, a PEA may be a depositary of pledged property, as a result of which the insurance obligation goes up again. In this regard, the Chamber has signaled that only one insurance company offers this compulsory insurance, the insurance premium is extremely high and in fact it prevents private enforcement agents from meeting their obligations under the law and regulations.

In his opinion to the BCPEA, FSC Deputy Chair Ralitsa Agayn-Guri stated that the amount of insurance premium is determined after a market principle by insurers themselves, and there are no statutory provisions in Bulgaria on the basis of which insurance premiums can be stipulated in a public law. According to the FSC, the Chamber should refer the matter to the Commission for Protection of Competition wherever there is a suspected violation of the rules for guaranteeing free competition. In its reply, the Financial Supervision Commission states it does not exercise general control over prices and the high level of insurance premiums under a mandatory insurance policy is not a violation of the rules the observation they actually monitor.

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

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

BULGARIAN NATIONAL BANK

The extremely successful partnership between the BCPEA and BNB continued in 2018. Since the beginning of 2017, there is a functioning Register of Bank Accounts and Safety boxes (RBASB) with the Bulgarian National Bank. This register has solved a number of issues for debtors, creditors and the PEA system as a whole. It is no longer necessary to randomly impose prisons, or to accumulate unnecessarily sometimes excessively large amounts of debt, which is also a form of unfair competition between the private enforcement agents themselves.

The foundations of the joint RBASB project were commissioned by the end of 2016. Our representatives then participated in several joint working groups organized by the BNB on the drafting of Ordinance on the Register of Bank Accounts and Safety boxes. The meetings were very beneficial and our motives and remarks about the specifics of the PEA work were fully taken into account when drafting the final version of the Ordinance.

The cooperation between the Chamber and the Bulgarian National Bank could be defined as a benchmark for beneficial interaction and efficiency of work between the institutions. Teams of the Chamber and the BNB worked in exceptional synchronicity and perfect working relationship. Actual results are already visible. By the end of the reporting year 2018, 98% of private enforcement agents had electronic access to the Registry and were actively using it in their day-to-day operations. This is one of the BCPEA services provided to our members, which they consider to be the most useful over the past two years.

COMMISSION FOR PERSONAL DATA PROTECTION

In the process of implementing the EU's General Data Protection Regulation jointly the Commission for Personal Data Protection and the Chamber of Private Enforcement Agents, there was excellent cooperation at both expert level and during meetings and talks between the chairpersons of the organizations.

In connection with the extended powers of private enforcement agents on service of court and civil law papers introduced by amendments to the Civil Procedure Code in 2017, on 19 February 2018, BCPEA Chairperson requested an opinion from the Commission for Personal Data Protection (CPDP) concerning the PEA consultancy with the Public Register Population and in the NSSI registers by.

In their reply dated 05 June 2018, CPDP Chairperson states that in the exercise of his/her legal powers under Article 18, para. 5 of the Private Enforcement Agents Act, the private enforcement agent has the right to make inquiries in the register "Population" and in the registers of NSSI for the purposes of its regulatory powers. The execution of the above mentioned references is admissible due to the existence of a condition under Article 6(1)(C) of Regulation (EU) 2016/679, namely processing is necessary to comply with the legal obligation referring to data controller.

With regard to the request, records in both registers should be made as soon as the request for service is received, wherever there is no data on a person, no address for service is known, respectively the applicant has established and stated in writing

that the person does not live on his/her opinion, the opinion of CPDP is that it is not permissible for statements to be made at the moment of entry, as the enforcement of powers of PEAs agents under Article 18 of the Private Enforcement Agents Act shall be carried out according to the rules of Article 47 of the CPC.

E-GOVERNMENT STATE AGENCY (EGSA)

In 2018, the cooperation between BCPEA and the State Agency for Electronic Management (SAEM) was related to the activities of the state strategy for E-Government and electronic information exchange. The strategy provides for the state to submit to the authorities and persons to whom public-law functions are assigned the widest possible range of services and easier and quicker access to information from national registers. In this regard, a unified system for exchange of information is being prepared, and the purpose of the CPSA was to ensure access to it for PEAs.

This was the occasion for the BCPEA-initiated meeting with SAEM Chairperson Atanas Temelkov in March, which was attended by the Chairman of the BCPEA, Gueorgui Dichev and Board members Stoyan Yakimov and Nedelcho Mitev.

The activity of each PEA and the overall development of the enforcement process is impossible without information, and often the individual state or municipal institutions also have an interest in receiving timely feedback on the stage of the specific enforcement case and on the security and execution actions taken. With these arguments during the meeting, the Chamber defended its position with the SAEM that private enforcement agents must be included and access to the developed unified information exchange system. In our reasoning were also pointed out the obligations of the private enforcement agents under the Civil Procedure Code, related to the inevitable and thorough investigation of the debtor's assets, the obligation to initiate a series of inquiries in the relevant offices - on the entries, in the municipalities, Regional Units of the State Construction Supervision, State Construction Supervision, MoI, MH, BNB and etc.

In addition, in an official letter, the Council of the BCPEA requested assistance from the State Agency for Energy Efficiency and to abolish the fees to primary data controllers for several registers - Register "Population", Register of insured persons at the National Social Security Institute - Central Depository, Register of bank accounts and safes with BNB, Property Register to the Registry Agency, Cadastral Administrative information system to the Agency for Geodesy, Cartography and Cadaster. *"The data should be provided ex officio and free of charge, in accordance with the eGovernment Law, which provides that the primary data controller shall send the data of the administrative authorities, on the basis of law, also process this data and have expressed a desire to receive them. By complying with the requirements of the law, it will reduce the administrative burden not for the private enforcement agents, but for the citizens and companies - parties in enforcement cases"*, BCPEA Chairman pointed out in the letter.

The reasons for the BCPEA are also that, for the use of the services mentioned, each private enforcement agent has a separate written contract with the institution - the data controller or

individual online access. According to the concluded contracts, a fee is paid for every reference, or it is determined on a monthly basis, as a total amount, regardless of the number of reports. It is not without significance that, although PEA is the person who pays the due state fees, they are, in fact, paid in advance by the executors and, respectively, the debtors in debt collection.

The option to provide these services is realized via the RegiX interface, which provides an opportunity to implement an interface for automated submission and service of standardized administrative service requests electronically. With the need for developed components to connect the information systems of administrations, it is possible for information users to automatically retrieve data from basic registers such as National Population Database, BULSTAT Register, Property Register, Trade Register, Register of Obligations to the Customs Administration, Registry of Registered Personal Data Administrators, Registry of Bulgarian Identity Documents, Registry of Aliens, Registry of Secondary Gardens and Kindergartens, Register of diplomas and certificates of completion of primary and secondary education and acquired professional qualification degree, Register of Insolvencies, Register of payers, etc.

The objective of the BCPEA Board to gain access to RegiX's services set up and maintained by the EASA at the beginning of the mandate was achieved at the end of the reporting year 2018. Several private enforcement agents were involved in it. Successful cooperation between the BCPEA and the SAEM for the involvement of all private enforcement agents in the single information exchange system continues in 2019.

SUPREME BAR COUNCIL

The year 2018 was a jubilee for the Bulgarian bar community and was marked by a series of solemn events by the bar community.

On June 22, members of the BCPEA Board Stoyan Yakimov and Nedelcho Mitev took part in an international conference, organized by the Supreme Bar Council, on "Challenges to the legal profession stemming from the European Union's digitization program". The International Conference was held under the patronage of EU Commissioner for Digital Economy and Digital Society Maria Gabriel, who was one of the best experts in the subject area, as well as representatives of the Bar Councils and colleagues from the legal professions.

On 21 November 2018, in the National Theater "Ivan Vazov", the Supreme Bar Council organized a solemn celebration on the occasion of the 130th anniversary of the adoption of the first Bulgarian Law on Attorneys, adopted on 22 November 1888 by Vth Ordinary National Assembly of the Principality of Bulgaria and is one of the acts that set the beginning of modern legislation in the Bulgarian judicial system, which is why this symbolic date - November 22, is celebrated as a professional holiday of the Bulgarian lawyer. Lawyers have always been a guarantee of preserving the rule of law and protecting the rights and legitimate interests of citizens and legal entities, and today they learn from their ancestors how to fight for the victory of just and good, how to work for the benefit of society, freedom and equality between people.

On 22 and 23 November 2018, the Sofia Bar Association held a scientific and practical conference devoted to the professional and public role of the lawyer. For Sofia Bar Association, the celebration was even more valuable, as this college was the first to set the rules for the organization of Bulgarian lawyers across the country after the unification of Bulgaria in 19th century.

The first day of the forum was dedicated to the topic of legal representation of the lawyer, which is a guarantee of a fair trial. The second day focused on the role of lawyer as a public figure.

The Chamber of Private Enforcement Agents sent greeting addresses on the occasion of the great celebration of the Bulgarian Bar community to the Chairperson of Supreme Bar Association, Mrs. Ralitsa Negentsova, and to the President of Sofia Bar Association, Mr. Ivaylo Danov. Both official events were honored by BCPEA with the participation of our representatives Stoyan Yakimov and Rositsa Apostolova.

MINISTRY OF INTERIOR AND TRAFFIC POLLICE

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

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

The BCPEA idea to strengthen the prevention of offenders on traffic rules is not a new one. The sector has repeatedly turned the attention of both the institutions and the public to the fact that the law allows PEAs to collect public claims on behalf of the state. Timely implementation will strengthen prevention. In its letter to the government members, it is stated that *if the state is incurring costs when collecting public obligations from public contractors or public enforcement agents, all bona fide taxpayers pay back the account of unscrupulous debtors, partnership with PEAs will not cost anything to the budget, and costs will be covered only by offenders.* The Chamber Chairperson gives an example of the successful cooperation with the SJC for the repayment of judiciary's claims.

The former traffic police chief and road safety expert Alexi Stratiev also recommended that the state should engage private enforcement agents in order not to **force the NRA to prosecute the many offenders**, who do not want to pay their offenses. During a roundtable in the Parliament in 2017 representatives of the National Revenue Agency (NRA) announced that out of a total of BGN 66.3 million unpaid fines for traffic offenses from the beginning of 2016 to BGN 34 million currently have been handed over for enforcement. Over 40% of the fines imposed are for amounts up to BGN 50. The compulsory collection of a fine of BGN 50 costs the state about BGN 300 and it takes 3 years if all stages of the procedure are

followed. More than half of the fines imposed on convicted drivers go to forced collection - the heaviest, expensive and lengthy state administration procedure.

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

The Ministry of the Interior has built and maintained a Register of Vehicles and their owners. Therefore, the BCPEA was informed by the Deputy Minister of Interior at the end of 2017. The register was created in order to reduce the administrative burden of transferring the ownership of motor vehicles. On the part of the Ministry of Interior, we have been given a guarantee that a new electronic service will be added to the *"Centralized register of vehicles and real-time integration with EUcaris, GF, IAEA, NRA/RTD and new electronic services"* and a new electronic service *"Issuing a certificate for ownership of a vehicle for present property for use by the private enforcement agents"*. The service will be implemented through login in the portal of the Ministry of Interior, which will certify the right of the private enforcement agents to use it after identification with a qualified electronic signature (QES). Until the end of 2018, such functionality of the Registry was not commissioned. We hope this useful service will be realized and successfully used by private enforcement agents in 2019.

UNION OF JURISTS IN BULGARIA

The BCPEA is a member of the Union of Bulgarian Lawyers and participates in all joint initiatives. On 16 April 2018, Maria Tsacheva - Member of the Board, received the award of the Honorary Sign of the Union of Jurists for Professional Achievement. Her prize



was presented at a solemn assembly, attended by President Rumen Radev, Minister of Justice Tsetska Tsacheva, as well as representatives of the judiciary, university lecturers and many lawyers.

The award of Maria Tsacheva was on the proposal of the BCPEA Board for taking an active position on matters of importance to private enforcement agents and to participate in the promotion of our profession in the society and as Chairman of the Chamber's Disciplinary Committee over the last 3 years.

BCPEA Chairperson Gueorgui Dichev greeted his fellow jurists with the celebration in his address and urged them to defend the right of populism and ignorance that became a threat throughout Europe.

CENTRE FOR LEGAL INITIATIVES

On 28 March 2018, Sofia Hall of Grand Hotel Sofia hosted the presentation of the sixteenth issue of "Legal Barometer". Traditionally, the event was also honored by representatives of the

BCPEA Nedelcho Mitev and Anelia Glavanova. The Civic Initiative for periodic monitoring, analysis and assessment of the state and development of the legal order in Bulgaria is an annual event, which is implemented by the Center for Legal Initiatives Association. The topic of the issue of Legal Barometer in 2018 was the protection of personal data. A special guest to "Legal Barometer" was Nevin Feti - Doctor of Law, lecturer on Legal Status of Classified Information at Sofia University "St. Kliment Ohridski", lecturer at the National Institute of Justice, Institute for Public Administration on issues related to the protection of classified information, protection of personal data and access to public information, legal adviser to the President of the Republic of Bulgaria.

NATIONAL INSTITUTE OF JUSTICE

On March 14, 2018, the National Institute of Justice organized a round table entitled "Proceedings under the Heritage Law - Way to Uniform Judicial Practices." A representative of the Chamber of Private Enforcement Agents (CPEA) in the event was PEA Nedelcho Mitev - member of the Chamber Board. Judges, representatives of the Ministry of Justice, state and private enforcement agents, attorneys and notaries discussed the controversial case law on the implementation of the Inheritance Act. The starting point of the discussion was the analysis conducted on this topic within the NIJ project "Quality Vocational Training for Enhancing the Effectiveness of Justice". The analysis was developed by a team of judges under the guidance of Judge Svetlana Kalinova of the Supreme Court of Cassation.

CHARITY CAMPAIGNS AND INITIATIVES

Since its inception, the Chamber of Private Enforcement Agents has been supporting and participating in charity initiatives. The Chamber members are long-time donors to "Bulgarian Christmas" campaign and other donor initiatives to help people who have suffered disasters and accidents. We have continued this tradition in 2018.

3.3. Public relations and media

After the exceptionally violent campaign against our profession maintained for years in the media by politicians who fail to meet their motives for PR, the Chamber of Private Enforcement Agents will be targeted was trying to ensure calmness and return to normality in public speaking on the subject throughout 2018.

As in previous years, we continued to conduct an open media policy. Regularly and in the event of an information occasion, the BCPEA informed the public through the media about its activities and legislative initiatives. In addition to sending out press releases on specific occasions, in the past year Chamber representatives participated in thematic broadcasts on television and radio broadcasts.

There is a continuous trend for major national televisions to predominantly reflect private cases involving the name of a

particular private enforcement agent. We are constantly trying to get journalists to ask the House for their opinion, but there are still cases where, due to our lack of opinion, facts are presented improperly and tendentiously.

It should be noted that a lot of material on unjustified complaints of citizens was not reflected in the media, precisely because we contacted journalists and the relevant PEAs and presented data showing that the complaint was absolutely wrong. Journalists are convinced that very often people are distorting the truth, and often make false statements.

The Chamber strongly opposed the idea of the SJC to redesign the Sofia Judicial District. The Chairman gave interviews in which he stated that the transfer case was extremely erroneous and that the philosophy of case transfer was inherently incomplete.

"The population of the capital is growing and now it is proposed to cut out some pieces of it administratively without taking into account the people. But whether they really want to move to other courts, will it be more comfortable? In fact, this measure will not lead to serious unloading of the court and will have a short-term effect. As I said, the capital population is growing, and if it goes on the same track, after a year or two again, territory will be cut from Sofia and so until the yellow pavers remain," Dichev said.

In 2018, the Chamber management also participated in the discussion of the bankruptcy law of individuals, organized with representatives of the European Commission. There, Stoyan Yakimov defended the position of the BCPEA that when drafting the bill, a balance must be sought so as not to put at risk the country's financial system if many people declare personal bankruptcy. This event was widely reported in the media.

Last year, there were many signals that collectors face private enforcement agents and mislead citizens. It made the Chamber to explain through the media and thus to inform the public about this unfair practice in each particular case.

In 2018, there was continuous interest in the Chamber's proposal for private enforcement agents to collect the fines of the Traffic Police continued, which was not yet commented by the institutions concerned. National televisions have repeatedly interviewed Gueorgui Dichev on this topic.

We must take into account the absence of press conferences given by the Chamber throughout 2018, but this is partly due to the policy of securing the normal functioning of the offices and on the other hand the lack of scandal and negative attacks on private PEAs. This form of communication with the media should continue as it has proven to be a good one, and it has a much greater effect in informing the public about our activities.

There were also no traditional workshops with journalists who are familiar with the problems of executive production, which is a form of learning in the matter. In early February 2019, after the General Assembly adopted the 2018 Report, the data would be made available to the media at a workshop.

It was a good practice to publish consultations with the private enforcement agents in legal sites and magazines - Lex.bg, "Legal world" and "Society and law" as well as scientific publications of members of the Chamber. It turns out that they enjoy great interest not only among professionals, as readings reach thousands of users. Readers are grateful and point out that the articles are very useful.

In 2019 and in the following years, the Chamber's governance will not only continue, but will also build on its positive policy with the media, and hence with the society, to popularize and explain the work of private enforcement agents. At the same time, no lie or tendentious material in the media should be left without due response.

3.4. Control on the Activity of Private Enforcement Agents

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

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

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

The Committee on Professional Ethics (CPE) is a subsidiary body of the Chamber Board within the meaning of Article 30, paragraph 5 of the Statutes of the Chamber involved in the implementation, interpretation and improvement of the Code of Ethics for a term of

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

Immediately after the regular general meeting of the BCPEA at the end of January 2018, the first meeting of the newly elected Chamber of the Chamber was held. It was decided to change the name of the Commission for Legal Affairs and Control of the Activities of the Private Enforcement Agents, and the "Legal Affairs and Control Committee" was abbreviated. With separate decisions, the composition of the Legal Affairs and Control Committee and the Disciplinary Committee was adopted, whose members are elected from among the selected by the CA of the BCPEA verifiers under Article 10, sec. 1 of the Chamber Statute. The BCPEA Board has elected the Chairperson and Deputy Chairpersons of the two committees.

In March, a workshop on strategic planning of the governing bodies of the Chamber, including and its subsidiary commissions, which outlined priorities for work in 2018, took place in the village of Arbanasi.

One of the key priorities of the committees' work during the reporting year was to conduct two national monitoring of the PEAs' offices: online - monitoring the organization and activity in the PEAs' offices, and monitoring compliance with the local jurisdiction rules in the opening of enforcement cases the first half of 2018. Both projects were met on time. We should note the extremely responsible and dedicated work of all the colleagues from the two inspection committees.

In the course of the first monitoring carried out entirely online (on request by an external contractor, a survey software was developed), questionnaires filled out 178 PEAs out of a total of 197 in the middle of 2018. The conclusions of the analysis made by the Preliminary Report of Mrs. Tanya Madzharova at our National Conference in October, pointed to the archiving of cases as the main problem of the offices. The observation reports that 100% of them have an incoming and outgoing register, a register of the registered ones, and with 90% it is electronic. In the section on financial management and documentation of the activities of the private enforcement agents, it is registered that 96% of offices carry out accounting and 98% are registered for VAT. 100% of the offices issue accounts under Article 79 of the PEA Act. Interest payments are paid by 55% of PEAs, 39% are paid to the debtor and 61% by the creditor and 81% by the debtor. Offices hold a high level of qualification for employees - 22% are lawyers, 26% are accountants, 16% are accountants, 26% are summaries and 10% are other positions.

The second national monitoring of compliance with local jurisdiction in the opening of enforcement cases is based on the examination of a total of 5822 cases in all the offices in the country. According to the methodology adopted by the Council of the BCPEA on July 11, 2108, the inspections were carried out electronically in the period 1 September - 15 October 2018. The subject of the inspections were cases, which were initiated in the first half of 2018. In each of the audited offices checked in 30 cases selected by a single criterion. The main conclusions show that the local jurisdiction rules are observed in most of the country. Some more serious problems have been identified with individual PEAs and the most numerous are violations in judicial districts Sofia, Stara Zagora and Plovdiv. A detailed report on the results of this monitoring was also presented at the autumn National Conference by Committee Deputy Chairpersons Ivanka Tzonkova and Diana Koleva.

The BCPEA Board has been and will be uncompromising over colleagues who deliberately committed violations. In 2018, the governing body of the Chamber requested 12 indictments against the private enforcement agents. At the request of both bodies for 2018 the requests are 3. The Council of the Chamber of PEA at its sessions held in 2018. It has adopted 16 decisions to initiate disciplinary proceedings, both in 2017 complaints and in 2018 complaints. For its part, the Disciplinary Committee, although formally part of BCPEA, is in fact a fully independent body. It is also noteworthy that the Supreme Court of Cassation generally confirms the decisions made by the disciplinary panels. The reasons for engaging in disciplinary responsibility and the imposition of disciplinary sanctions on a private enforcement agent also find their confirmation in the court's rulings. There is no tolerance for the behavior of PEAs, who violate the law and the rules.

For the first time in a few years, in 2018 the steady tendency to increase the number of incoming complaints against the actions of the Private Enforcement Agents took place. During the reporting period, they were 530 - 124 times less than in the previous 2017 - 654 (for comparison: 2016 - 620, 2015 - 522, and 2014 - 449). The statistics on complaints in a year like the current 2018 in which there is no such unprecedented political speech against PEAs and the demonization of the profession by the Ombudsman, the media and non-governmental organizations are indicative!

The Chamber is extremely serious about its control, allocating considerable resources to carry out a review of each complaint. A large part of each Board meeting is devoted to examining the received signals and complaints. A significant part of the citizens are not only acquainted with the rights and procedures but also with the functions and powers of PEAs by unfairly accusing PEAs of the actions of the other litigant, of the court decisions and of the proceedings, of the accrued interests and expenses for court fees, attorneys and legal advisors, for imposed social security indemnities, pensions and wages on bank accounts, etc. On the other hand, enforcement by its essence is a highly conflictual activity in which one enters into the personal and property sphere of one of the parties in the process and it is normal to have dissatisfaction. It should be taken into account that over the last few years about 200,000 executive cases are formed on average annually in our

country, the percentage of appeals received in the Bulgarian Chamber of Private Enforcement Agents (BCPEA) related to this huge number of cases is merely 0.2%. Of course, for the BCPEA, every legitimate complaint is of great importance, anyone suffering from some violation by a PEA deserves all our attention and that is why we devote so much resource and effort to our control activity.

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

3.5. International Cooperation

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

UIHJ

The International Union of Judicial Officers (UIHJ) is established to represent its members before international organizations and to ensure better cooperation with national professional organizations. The UIHJ works to improve national procedure law and international treaties and makes every effort to promote ideas, projects and initiatives to support the progress and advancement of the independent status of Private Enforcement Agents (PEAs). The International Union of Judicial Officers (UIHJ) is a member of the UN Economic and Social Board. The International Union of Judicial Officers (UIHJ) participates in the work of the Hague Conference on Private International Law, in particular - in planning of conventions relating to the service of law enforcement orders and enforcement procedures. The International Union of Judicial Officers (UIHJ) is a member, with permanent observer status, of the European Commission for the Efficiency of Justice (ECEJ, fr. CEPEJ) with the Board of Europe. The Union has also expressed its comments and considerations regarding the establishment of a European Judicial Network in Civil and Commercial Law by the European Commission for legal professions. In addition, the International Union of Judicial Officers (UIHJ) currently participates in activities of the group "Justice Forum" convened by the European Commission and in its e-Justice project. The International Union of Judicial Officers (UIHJ) is currently working on an ambitious project aimed at creating a Global Code of law enforcement Procedures in cooperation with professionals from the fields of law and academics from around the globe. The code has already been prepared, adopted and circulated among Member - States. The Union is also involved in missions related to governments and international bodies.

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

The 23rd Congress of the UIHJ was held in Thailand from 2 to 4 May. The new president of the organization was elected to the forum - the Belgian Marc Schmitz replaced the former French leader François Andrew, whose 3-year mandate expired in 2018. Every three years members of the organization gather to cast new members of the governing bodies. The composition of the board is renewed by members of the UIHJ broadcast by national organizations. Vice-presidents of the organization are representatives of France, Spain and Congo. In Bangkok, Marc Schmitz also took the lead of the European Union of Judicial Officers.



In 2018, a number of international meetings were held, including representatives of the Bulgarian Chamber of PEAs. During the year bilateral meetings with colleagues from Macedonia and Latvia were also held, the Bulgarian PEAs participated in the meetings of the European Judicial Network and in the Sochi scientific and practical conference organized by the bailiffs from the Russian Federation.

Macedonia

On February 24 and 25, the Chamber of Judicial Executives of the Republic of Macedonia held a workshop in Sandanski, where guest speaker from the Bulgarian side was PEA Ivan Hadzhiivanov, Deputy Chairman of the Chamber. He presented to the Macedonian colleagues the topic "European Enforcement Order and Costs of Enforcement in Bulgaria". Two days ago, PEAs from Macedonia discussed legislation related to court enforcement, along with experts from the Ministry of Justice of Macedonia and representatives of academia in our southern neighbor.

Latvia

On April 12 and 13, PEAs Mariana Kirova and Delyan Nikolov were representatives of the BCPEA at the 100th anniversary of the Republic of Latvia and 15 years since the establishment of the Latvian Chamber of Private Enforcement Agents. The events took place in the Latvian capital Riga.

Czech Republic



On June 7 and 8 in Prague, the National Chamber of Enforcement Agents of the Czech Republic organized a football tournament on the occasion of the 100th anniversary of the founding of the Czech Republic. The event has become the center of law enforcement colleagues from countries with similar systems of law enforcement. It included teams from Serbia, Macedonia, Poland, Romania and Bulgaria. The conduct of such tournaments is already a tradition and they involve almost all the Eurodanube Member States - the Subsidiary Organization within the UIHJ, including Eastern European countries. The day before the tournament, a meeting of the Chambers of the National Chambers with the newly elected President of the JSI, Marc Schmitz, was held to discuss the current issues facing PEAs in Europe, including the draft directive on collateral in favor of financial institutions. On the Bulgarian side, a team of private PEAs and office workers, led by the Chamber Chairman Gueorgui Dichev.

Russian Federation



In partnership with the UIHJ, the Federal Office of the Judicial Embassy of the Russian Federation organized the 9th International Scientific and Practical Conference on "State and Private Enforcement Systems: Comparative Analysis and Best Practices". It took place between

October 11 and

13, 2018, in Sochi, Russia. On the Bulgarian side, the Chair of the Disciplinary Committee Todor Lukov participated in the forum, as well as Chairman of the Supervisory Board of the Chamber of Private Enforcement Agents, Mr. Stefan Gortchev and the Private Enforcement Agents, Delyan Nikolov, from the Burgas District Council. The conference included 66 PEAs from 40 countries.



Following the World Baptist Congress in May in Bangkok and the meeting of European presidents in Paris, the Sochi PEAs conference was the largest international meeting for the year. It is also attended by the president of the ICSI Marc Schmitz. Multiple experts, private and state enforcement agents, state enforcement bodies, and others were involved in the work panels. Speaking at the forum, Dmitry Aristov, Chairman of the Federal Service for the Judicial Service in Russia, presented a comprehensive review of the forced execution system in Russia, a model that was introduced 153 years ago.

The participants listened to the presentation of over 30 delegates and experts from around the world. In Sochi, the forum guests enjoyed a trip to the Olympic Village - host of the Winter Olympics in 2014.

On 29 and 30 November in Paris, the European Union Presidents of European Judicial Executives and the Standing Council of the UIHJ were held. In Paris, the Bulgarian Chamber was represented by the deputy chairman of the BCPEA of the Republic of Bulgaria Stoyan Yakimov and the administrative secretary of the Chamber of Private Enforcement Agents, Anelia Glavanova. The Forum adopted a report on the organization's activities, the international projects of the organization, including the ENABLE project, in which Bulgaria also participates and which aims to overcome the existing barriers to the exchange of information and intangible exchanges in the judicial and extrajudicial phase of exercising the rights. Emphasis was placed on the European Parliament's and the Council's Directive on Creditors, Credit and Collateral Buyers, which should enter into force in 2020. During the meeting, it became clear that the European Union the PEAs have taken all possible actions at the level of the European Commission and European Parliament to protect the interests of PEAs in Europe. Specific implementation steps have been identified, a budget has been voted on for the implementation of the relevant actions. The PEAs received instructions from the European Union PEAs

on the activities to be carried out under this Directive at national level.

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

European Judicial Network

A meeting of the National Contact Persons of the European Judicial Network in Civil and Commercial Matters was held in Sofia on 25 and 26 June 2018. The meeting was part of the program of the Bulgarian EU Council Presidency and was dedicated to Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters. In it, a representative of the Chamber of Private Enforcement Agents was the Chairman of the Control Council Stefan Gorchev. The presentation of PEA Gorchev on court enforcement issues in Bulgaria has provoked interest and triggered many questions from the attending participants in the meeting, mainly about the parallel functioning of private and state enforcement agents in our country. The forum was attended mainly by judges and officials of Bulgarian and European institutions, members of the European Judicial Network.

ENABLE



On December 12, Sofia hosted a National Round Table entitled "Making Dematerialized Access to Information and Assets in the Judicial Implementation in the European Union possible." It involved private enforcement agents, judges, lawyers, as well as representatives of financial institutions, representatives of municipalities,

government departments and non-governmental organizations. The event was part of the ENABLE project implemented jointly by the Center for European Constitutional Law (Greece), the International Union of Judicial Officers, and Aristotle University of Thessaloniki and with the financial support of the European Union Justice Program.

An analysis of the state of e-Justice in Bulgaria, the existing problems and good practices that provide solutions for their overcoming, as well as the role of PEAs in the field of e-Justice was prepared within the project. The results of the analysis were presented and discussed by the participants in the round table. Mr. Stoyan Yakimov, Deputy Chairman of the Chamber of Private Enforcement Agents, presented a concept for a project to create a unified system for the management of more than 100 registers for the needs of the state administration with experimental access for the PEAs.

The ENABLE project aims to formulate practical solutions to overcome the current e-justice procedures and pilot projects in eight EU Member States (Belgium, Bulgaria, Estonia, Latvia, Lithuania, the Netherlands, Greece and Portugal), and existing barriers to the exchange of information and intangible exchanges in the judicial and extrajudicial phase of the exercise of the rights. The overall focus of the various project studies is the procedures and practices related to authentication, electronic exchange of papers, electronic signature and electronic service of documents.



The round table in Sofia is organized with the assistance of the Chamber of PEAs Lukov, Gorchev and Daskalov, CONNEXX, the Faculty of Law of the University of Veliko Tarnovo "Sts. Cyril and Methodius" and European Law Society. It was attended by Yos Whitdehaag, project leader and secretary of the International Union of Judicial Officers, European Commission Judicial Implementation Consultant, Dr. Hristo Hristozov, President of the European Law Society, researcher and lecturer in e-Justice at the EU of the University of Veliko Tarnovo "Sts. Kiril and Metodiy", Todor Lukov, Enable for Bulgaria Project Manager, BCPEA Disciplinary Committee Chairman, Member of the Management Board of CONNEXX and Stefan Gorchev, Chairman of BCPEA Control Committee and Moderator of the Round Table.

3.6. Services Rendered to Chamber Members

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

3.6.1. DEVELOPMENT OF ELECTRONIC ENVIRONMENT AND TECHNOLOGY

A major priority for the BCPEA since its establishment is the electronic access to information on debtors, as well as carrying out enforcement actions electronically. With its own forces and resources, it has created and continuously develop the Register of

Debtors and the Register of Public Sales, which significantly improved transparency, awareness of the business and the final prices of the ongoing auctions. The sales site has millions of visitors not only from the country but the Chamber even asked by the Mayor of him to publish links and to tenders of Commons, as the prices that are achieved by the PEAs are much higher than those in sale by the municipality. This example is indicative of the adequacy of the new proposals of the BCPEA for amendments to the Civil Procedure Code to allow electronic auctions and voluntary sale of debtor property in future electronic platform. In 2018, we are going to launch these so important projects not only for our profession but also for the whole society.

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

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

3.6.1.1. REGISTER OF PUBLIC SALES (RPS)

Launch of the website "Register of Public Sales" took place in the summer of 2009. At the end of 2011, a new web-based register was successfully implemented corresponding to the growing demands of consumers PEAs and enjoying it outside clients. An important success for BCPEA ensures its successful development was achieved in late 2012 and early 2013. By decision of the Supreme Judicial Council (SJC) regarding the amendment of Article 487, paragraph 2 of the Civil Procedure Code (CPC), the Central Register of Public Sales has become a major and indispensable for keeping electronic database conducted under the Civil Procedure Code (CPC) sales of private

enforcement in the country. Since its inception, the Chamber has been constantly monitoring its work, and this over the years, including in 2017, has led to several improvements in its functionality. In the light of the new changes in the Civil Procedure Code, there is already the need to replace the current public selling platform of PEAs with a new, more up-to-date and significantly expanded functionalities.

For the past twelve months of 2018, the website of the Register of Public Sales was visited by **744,069** unique IP addresses, but at least twice as many unique visitors have logged into the site, given that many computers are used by more than one person, and that behind some IP - addresses remain many individual users /as a corporate client with multiple computers and users/. This is an increase by **13.06%** of unique visitors to the website, compared with 2017, when visitors totaled **855,846**. Apparently, the page of the register increases its popularity and generates increased interest among users. In 2018, in the Register of Public Sales of the Bulgarian Chamber of Private Enforcement Agents features **41,174** announced sales of property (compared to 51,699 in 2017). Among them: **37,024** real estate announced sales /compared to **46,545** announcements in 2017/; announced sales for vehicles - **1,606** announcements /compared to 1 697 announcements in 2017/ and announced sales of and movable property - **2,544** announcements /compared to **3,457** announcements in 2017/. Here, we want to emphasize - the number of published announcements does not mean actual sales, nor is the fact that the property is subject to performance, in many cases there are several sales of the same properties due to lack of bidders.

Real estate sales announced on the website in 2018 total **37,024** versus **46,545** in the previous 2017. They are divided by district courts as follows:

Sofia Regional Court	Sofia District Court	Blagoev grad	Burgas	Varna	Veliko Tarnovo	Vidin
3208	1451	1778	4324	2775	1254	879
Vratsa	Gabrovo	Dobrich	Kyustendil	Kardzhali	Lovetch	Montana
512	1266	1891	466	383	1664	511
Pazardzhik	Pernik	Pleven	Plovdiv	Razgrad	Ruse	Silistra
1558	354	1162	1909	493	1058	323
Sliven	Smolyan	Stara Zagora	Targovishte	Haskovo	Shumen	Yambol
1012	1380	1128	497	2189	888	711

The aforementioned number of visitors logged onto the website 3 367 788 times and had examined a total of over 35 850 236 pages. The average number of pages reviewed per visitor is **11** pages per visit, as visitors spent on the site average about **7** minutes per visit. On average, our site was visited by approximately **2,038** visitors (compared to 2017, this number was **2,344**).

3.6.1.2. Central Register of Debtors (CRD)

The Central Register of Debtors was created as a centralized database in 2011. The initial system has been in operation since the beginning of 2011 to September 2014. Entirely new software CRD was awarded in full and went operational in October 2014 with same functions today. In 2017, some upgrades were made to the current software, but they only showed that there is a need for this complete upgrade. This is due in 2019, after the BCPEA Board held and finalized the procedure for selection of contractor for the new platform.

At present, the Register of Debtors has uploaded approximately 1,169,753 pending cases, and total suspended and closed cases are approximately 754,514.

The Register of Debtors is in continuous, everyday use by users - private enforcement agents, companies, individuals, and corporate clients /mostly banks, non-bank financial institutions, insurance and leasing companies/. Over the recent years the number of reports issued increased significantly compared with the first years of its launch. The service is already quite popular, widely available and widely used by stakeholders. In 2018, they issued a total of 61,405 references from the Central Register of Debtors, including 8,956 references from different companies and citizens and 52,449 references - from our corporate clients (for comparison, in 2017 - 59,514 references, in 2016 - 22,510 references; 2015 - 21,184 references; 2014 - 29,126 references). This is a slight increase in the number of references issued, including 5000 more by CRD corporate clients compared to the previous year. In addition, institutions such as the Police, the Prosecutor's Office and the Court of Justice regularly require BCPEA to provide information from the CAS for pending enforcement cases against persons subject to pre-trial or civil litigation investigations. The trend clearly demonstrates the strengthening confidence in our organization and the need to use this service.

In the administration of the Chamber of Private Enforcement Agents (CPEA) there is one employee with the relevant training and qualification on a permanent employment contract, who is responsible for the direct monitoring and non-technical support of the Register. This reduces the costs of External Services for the Chamber and allows for improved communication of the Chamber's staff with Sector members and CRD clients on issues and matters related to the registry.



The CRD functionality monitoring by the Chamber officer significantly improves and facilitates the day-to-day operation of the system. In 2018, there is a growth in the CRD revenue compared to the one set in the annual budget (about 35% above the revenue forecast). However, higher proceeds reflects increased costs for system maintenance and servicing its users.

3.6.1.3. BCPEA Filing System

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

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

3.6.1.4. Development and implementation of BCPEA Privacy Protection System and the Entities of PEA law offices

In connection with the implementation and harmonisation of the activities of the Chamber and the private enforcement agents with the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, in March 2018, BCPEA signed a contract with a contractor, the European Institute for Risk Policy Foundation. The contract includes consulting, developing and implementing a Personal Data Protection System for the BCPEA.

As part of the implementation of this large-scale project, a number of activities were carried out by the Contractor and the BCPEA, namely: defining a committee and a GDPR manager in the organization; appointment of a data protection officer PO; training the management and operational teams in the Chamber; data inventory and definition of core processes related to personal data; risk assessment with regard to the protection of personal data; development of process maps and procedures regarding the protection of personal data; developing procedures and action plans in crisis situations for data security breaches; complete documentation and implementation of the system in BCPEA; and internal audit and its final implementation.

Parallel to the development of the compliance verification system as regards GDPR, the Contractor also carried out a pilot development and implementation of an identical system model and all related procedures and documents for the private enforcement agents. The package of all documentation was sent to all PEAs in the country at the end of each stage of the development.

The BCPEA invests a lot of resources - financial and human - in the implementation of this project. Training in a certified course and appointing a Data Protection Officer. The regulation entered into force on 25 May 2018. By that date, our entire Data Protection System has been brought in and ready.

3.6.1.5. Electronic restraints

Despite efforts we have made, we have finished and start another year in the hope that at last the legislator will show political will to adopt the necessary changes in the Civil Procedure Code, which will make it possible to introduce electronic restraints in practice. At the end of 2015 at the National Assembly, a draft of the Civil Procedure Code was prepared with very good and working texts. Together with the Ministry of Justice, we prepared in advance a draft of the Ordinance under Article 450a of the CPC, so we have reasons for optimism. Electronic restraints are an example of the "capabilities" of the administration mentioned above. Given that performance fees are reduced in some cases 30 times, no electronic restraints for 6-7 years are absurd.

3.6.2. Training. EUROPEAN SCHOOL OF ENFORCEMENT.

The European School of Enforcement was established by a decision of the BCPEA Board of 14.10.2016 and registered as a foundation for public benefit activities by decision of the Sofia City Court of 17 November 2016 under company case No 734/2016

The report covers the Foundation's work for 2018, which develops in the following directions:

Learning activity

During the reporting period, eight workshops with a total of about 390 participants were held as follows:

➤ Target groups: five PEA workshops and employees from their offices, one workshop for external audience and two training workshops for trainers.

➤ Topics: "Implementation of the General Regulation on the Protection of Personal Data (GDPR) by the Private Enforcement Agents", "Complications in Enforcement of Real Property - 1 Module", "European Law, Current Issues Related to Enforcement", " decision of 10.07.2018 on Interpretative Case No 1/2015 of the OSCGC, Cadaster and Regulation, Real Estate, Administrative, Legal and Technical Aspects.

➤ A table of workshops, topics, number of participants are attached to the report.

There are a number of issues related to learning activity in 2018.

1) Fees for participation in training for PEAs have been reduced and optimized (as announced at the General Assembly of the Chamber) so as to make the training more accessible to the mainstream audience of the school. This approach has had its impact on financial performance.

2) The school started to develop its own teaching capacity among the private enforcement agents. A two-part training course was conducted that does not generate revenue but should be seen as a long-term investment in the institutional, educational and financial sustainability of the school.

3) First specialized training at the request of an external client (bank) was successfully carried out. Representatives of other legal professions continued to take part in some of the training courses of EMI.

4) The school experimented with new forms of training by broadcasting one of the workshops online. Polls indicate that this form is positive and will continue to develop, taking into account the experience and results of the first such webinar.

Institution Building and Development

During the reporting period, several changes occurred in the Foundation's team of staff, which made it difficult and limited its activities, especially in the post-judicial period.

Trainings organizes by European School of Enforcement in 2018				
Month	Dates	Location	Workshop topic	Number of attendees
April	14 and 15	city of Sofia, Lawyers Training Centre "Krastyo Tsonchev"	"Application of the General Regulation on the Protection of Personal Data (GDPR) by PEAs"	111 (61 + 50)
May	18-19	city of Sofia, ProjectLab	"Complications of enforcement against real estate"	42
June	15-16	city of Sofia, ProjectLab	"European right. Enforcement related topical Issues"	35

September	28	city of Sofia, ProjectLab	"Presentation of an interpretative decision of 10 July 2018 in Case No 1/2015 of the General Assembly of the Civic and Trade Colleges (GACTC) "	82 (30 + 52 attending personally and remotely)
September	28-30	city of Sofia, v	"Coach Training" - 1 part	13
October	05-07	city of Sofia, Union of Jurists in Bulgaria	"Coach Training" - 2 part	13
	06	Town of Tran, Erma Hotel	Internal training for employees of UniCredit Bulbank AD	Approx. 40
December	01	city of Sofia, ProjectLab	"Cadaster and regulation. Legal, administrative, legal and technical aspects"	54
Total			8 workshops	390

International Activity

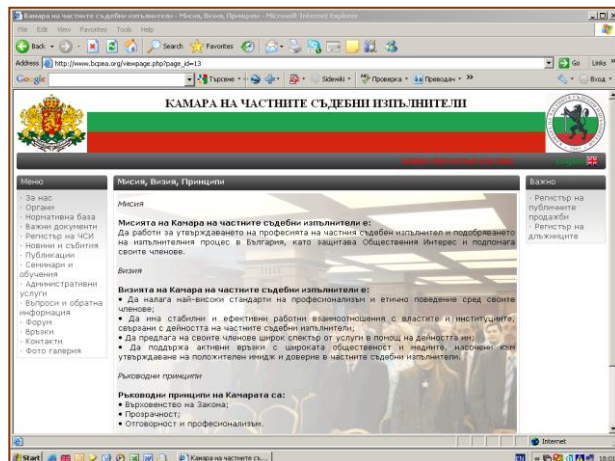
The Foundation joined as a partner in a training project earned by the Academy of European Law (ERA). As a result, 20 Bulgarian PEAs and/or their employees will be able to undergo training in European law and legal terminology in English in other EU Member States. Its activities start in 2019 and will continue in 2020.

Financial performance

The Foundation's main source of funding during the reporting period is the fee for participating in the training organized by the Foundation. The financial result of the Foundation's activity as at 21 January 2019 is - BGN 13,182.43.

3.6.3. Information and administrative services

Analysis of the results from the past 2018 shows that members of the Chamber are relatively satisfied with the way the communication tools. On the one hand, they are satisfied with the information received on the Chamber activities. On the other hand, they have security, reliable feedback to the administrative team and the



management of the BCPEA and they can get advice and support on issues and issues of daily dynamics in law offices. They highly appreciate the proper, adequate and professional service they receive during the year.

Each member of the Chamber has the responsibility to build the image of the profession. Professional activity and morale

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

We work hard to regularly update the BCPEA website, but our ambition is to create an entirely new and modern website of the Chamber in 2019 because the existing one is technically outdated.

In the section «Jurisprudence» we have published judgments of the courts of the Republic of Bulgaria in connection with law enforcement. After 13 years of effective operation of private law enforcement, we have already accumulated some case law in the form of important court decisions in the field of enforcement. We publish these decisions to benefit the parties in the enforcement process, and try to unify the practice of courts throughout the country. In addition, we can add that by the end of 2018 we have collected and summarized the existing disciplinary and judicial case law, the same is provided for use by members of the Chamber already existing new system for filing and management processes of the BCPEA.

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

In 2018, we introduced the good practice of publishing consultations with the private enforcement agents in legal sites and magazines - Lex.bg, "Legal World" and "Society and Law", as well as scientific publications of Chamber members. It turns out they have attracted great interest not only from professionals, as readings reach out thousands of users. Readers are grateful and point out that the articles are very useful.

We maintain active 24/7 service and two national registers - Register of Public Sale and Central Register of Debtors. Very good ratings were awarded by PEAs who participated in the annual poll regarding these services: **5.25** for the BCPEA website; **5.43** for the Register of Debtors and **5.37** for the Register of Sales (compared to 2017 - 5.17 for the BCPEA website; 5.27 for the Register of Debtors and 5.35 for the Register of Sales). The quality of materials produced by the Chamber for 2018 is rated at **5.30** (versus 5.26 in 2017).

Unfortunately, in 2018 we did not continue the tradition of issuing the Chamber's newsletter. We consider it a shortcoming that we will fix in 2019 because the newsletter is an internal communication tool in the industry and periodically and systematically informs its members of the main activities, processes, legislative changes and important trends relevant to the profession of private enforcement agent. The newsletter's purpose is to provide information on the Chamber's activities, to distribute

national and regional initiatives to the Chamber and its members, thus being useful to the entire professional community.

In order to maximize the awareness of their members for all media publications reflecting the activities of private enforcement agents (PEAs), this year the Chamber renewed the contract with Bulgarian News Agency (BTA) for the service «Electronic Press Clipping» - tracking a given topic in emissions BTA, online and print publications in national and regional media. Through the subscription of the Chamber for this service, members of the BCPEA receive the fullest possible information from national and regional media on the subject "enforcement". The Chamber management considers that this initiative and investment makes sense and sincerely hopes to be useful members of this service in 2019.

During the reporting period the Chamber continued to render standard administrative services for its members - entries and deletions from the register of private enforcement, changes in circumstances Registry administration of the Central Register of Debtors (CRD) and other records maintained by the BCPEA, collection, compilation and analysis of statistics and information about the PEA, issuance of certificates, official memos and other documents, issuance of identity cards, cases and signs, distribution of publications of the BCPEA, document, administration of complaints overall administration of the disciplinary process in disciplinary proceedings and support the work of the Disciplinary Committee of the BCPEA, organizing national and regional fora, training and many others To be as informed about measures taken by the Chamber's Board decisions at its meetings, and the results of their implementation, all Chamber members receive regular e-mail records of the meetings full volume. The minutes shall be sent by the Chamber's Secretary after they have been signed by all Board members - a month after the respective meeting on average. It causes some delay in their dispatch, but to date no other effective mechanism for informing colleagues is available.

3.6.4. Services under development

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

The introduction of electronic performance actions such as distraints, auctions and voluntary sales will be key to the progress of the profession in the coming year. That is why we will make the maximum effort and potential to continue with these projects in 2019. Unfortunately, they are all related to close cooperation and interaction with state authorities and institutions, so progress is slower than we would like. Introducing the system of electronic distractions is now entirely in the hands of the executive and the legislature. We hope that in 2019 it will finally become a fact. Bringing the project to a successful end will prove the government's good will to introduce a modern European approach to court enforcement procedures, which will result in a reduction of about 30 times the fees for citizens and business.

In the light of the latest amendments to the Civil Procedure Code (CPC), it will be very important to improve the electronic registers of BCPEA, namely to develop a new Chamber website and a new Public

Sales Registry. Since the current website of the Chamber has been operating since 2011 and there are already significant deficiencies and imperfections in its interface, in 2018 we will commission a contractor to design an entirely new and modern website of our professional organization. The public sales registry also appears to be outdated and not suitable for quick and efficient work. In order to improve and optimize its core modules and functionalities, as well as meeting the ever-increasing requirements of site users, we will instruct a contractor to create a new Register of Public Sales. The Register of Debtors also needs serious upgrades, as software and information platforms are aging rapidly in the information technology field, they need to make technical changes in line with modern times. Until the end of 2018, intensive negotiations with one contractor were under way to provide a comprehensive offer for the three BCPEA sites (RPS, CRD and BCPEA website) to optimize the Chamber's expenditure on these projects. Negotiations have not been finalized due to additional technical and organizational issues on both sides. The same will be continued in 2019.

We will continue our strong cooperation with the SAEM in order to ensure the access of the maximum number of private enforcement agents to the RegiX electronic interchange environment. The opportunity to implement internal electronic administrative services is a prerequisite for achieving one of the main goals of eGovernment - complex administrative services for citizens and businesses.

The award of a maximum range of public receivables for collection by the private enforcement agents should be a leading factor in the efforts of the BCPEA governance in 2019. We will continue to work responsibly to collect state and municipal public claims to optimize compliance control and the Code of Ethics, including unfair competition and enhanced work with the institutions and the media. We will build on our proactive media policy and efforts to promote an adequate public image of PEAs. The assignment of PEA to new powers, in line with the best European practices, should also be in the focus of priorities for the activity of the Chamber's management.

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

- - Use of electronic means of monitoring and control. We have already built good practice in this direction and we only need to build on it with even more effective tools for electronic checks. This will save time and costs for all colleagues from the inspection bodies of BCPEA;
- Adopting criteria for risk assessment, supervision and auditing of the offices according to them;
- Close cooperation with the Inspectorate of the Ministry of Justice with a view to the effectiveness of the control and alignment of the criteria for seeking disciplinary responsibility.

2019 will also be the year in which the House and BCPEA governance should make more efforts to speed up training activities. To some extent and for objective reasons, in 2018 the expected pace of school development and its transformation into an indispensable and easily accessible partner for every PEA and its employees was not achieved. As part of these efforts, we are expecting an increase in the extremely

successful initiative of organizing distance learning (webinars) last year, through which the training system for enhancing the professional qualification of the private enforcement agents and their employees goes into a qualitatively new stage - modern, modern and European approach.

Last but not least, we must also note the desire to increase the quality and quantity of services provided by the Chamber to its members, including through an appropriate material base.

REPORT

On the activities of the Disciplinary Committee with the Bulgarian Chamber of Private Enforcement Agents for 2018



Dear Colleagues,

We present to you the report of the Disciplinary Committee of the Bulgarian Chamber of Private Enforcement Agents for 2018.

On 14 March 2018 an official meeting of the newly elected Disciplinary Committee of the Chamber of Private Enforcement Agents - according to Article 40, para. 1 of the Statute of the Chamber of Private Enforcement Agents took place. Six of the members of the Minister of Justice's quota, as well as the Chief Inspector of the Inspectorate of the Justice Minister, testified to their participation in the disciplinary process by their personal involvement and constructive opinion on the issues under discussion. Consideration was given to questions relating to the technology of completing of disciplinary files, the notification of parties, and the practical dimensions of discourse to consensus-building in the decision-making process on disciplinary cases. An in-depth discussion of the draft Internal Rules of Procedure of the Disciplinary Committee took place. A protocol was drawn up for the meeting to form a basis for the finalization of a system of internal rules aimed at harmonizing the actions of the officials administering the procedure as well as the individual disciplinary units, while balancing the independence of the latter in internal decision-making.

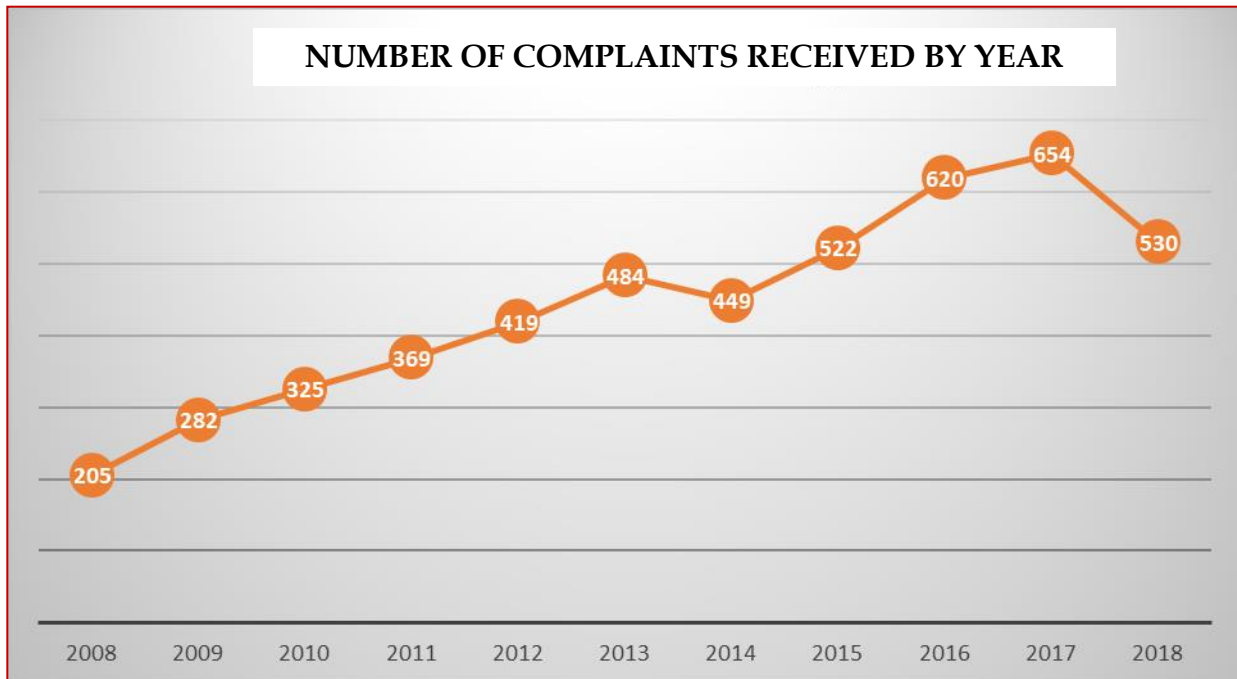
In December 2018, the Chairman of the Disciplinary Committee submitted to the BCPEA Board a proposal for a decision on determining the budget position for service of messages and papers by the PEA in the context of the disciplinary proceedings. The measure aims at ensuring effective service wherever the effective notification of disciplinary responsibility to private enforcement agents by mail or other means of communication proves to be ineffective. The Chamber Board ruled that it does not find any obstacles in the composition of the Disciplinary Committee to resort to serving through the private enforcement agents under Article 18, para. 5 of the PEA Act (Amended, SG No. 59/2007, issue 86 of 2017).

Traditionally, we will first provide statistics on complaints received and then a brief report on the activities of the Disciplinary Committee and Disciplinary Proceedings.

I. Statistical data "Complaints".

In 2018, BCPEA Chamber received 530 complaints, and this year we see an already established trend for their rising number.

In 2017, their number was 654, in 2016 - 620, in 2015 - 522, and in 2014 - 449. For greater contrast with previous years, complaints received in 2013 were 484; in 2012 - 419, in 2011 - 369, in 2010 - 325, in 2009 - 282, and in 2008 - 205. We also present a quantitative distribution of the complaints received by year.



Compared to previous years, complaints received in 2018 have been growing, in percentages, as follows:

- versus 2008 - 159% increase;
- versus 2009 - 88% increase;
- versus 2010 - 63% increase;
- versus 2011 - 44% increase;
- versus 2012 - 26% increase;
- versus 2013 - 10% increase;
- versus 2014 - 18% increase;
- versus 2015 - 2% increase;
- versus 2016 - 15% decrease.
- and compared to previous 2017 - 19% decrease.

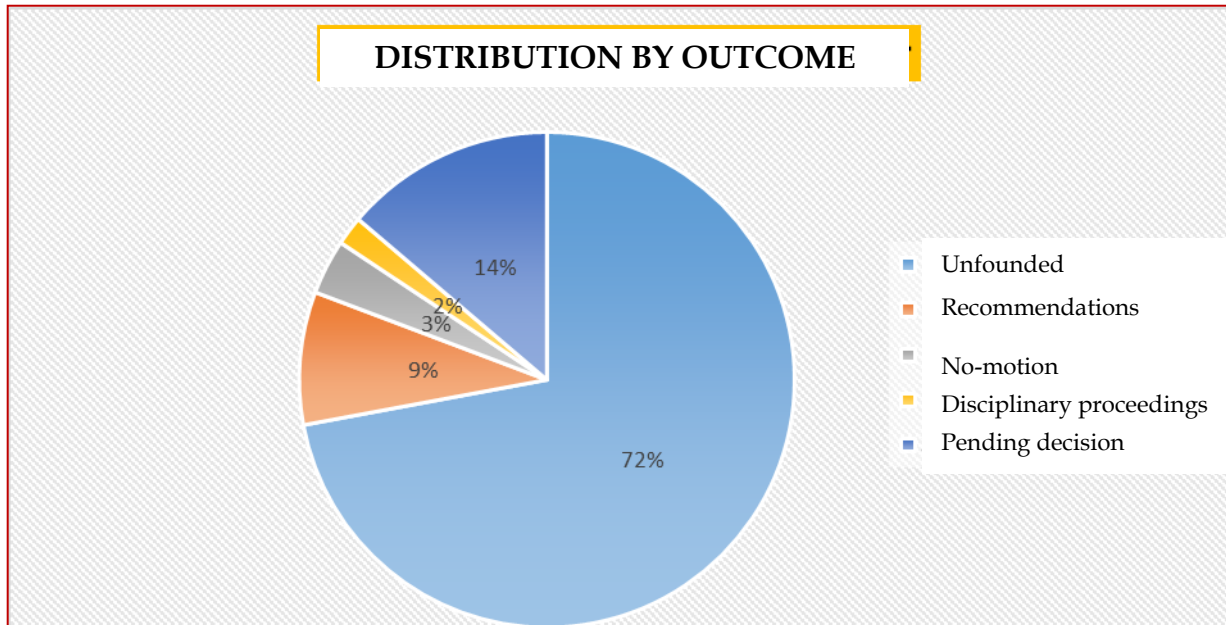
The sustainable trend of a large number of complaints does not mean a large number of legitimate complaints. Of the 530 complaints received in 2018, **382** were unfounded, **46** are addressed with recommendations, **19** were left without motion, **10** were decided to initiate disciplinary proceedings, and **73** are pending resolution in 2019.

Over the past year, six withdrawals have been reported. According to the decision of the BCPEA Board of 02 December 2015, all received signals/complaints of illegal actions by Private Enforcement Agents are examined under the BCPEA procedure for the Administration of Complaints, whether they have been withdrawn or not. Out of these six complaints, five were unfounded and one was decided to initiate disciplinary proceedings.

In absolute terms, the figures are as follows: **72.08%** of all complaints in 2018 were unfounded; recommendations were made in

8.68%; no motion - 3.58%; on 1.89% of them, the Chamber Board has decided to initiate disciplinary proceedings, and on 13.77% of complaints pending consideration by the Chamber Board in 2019.

We also present the distribution of complaints, by outcome.



In comparison with the previous years of 2016 and 2017, the analysis shows an increasing number of unfounded complaints, while observing a decrease on other categories of outcome, namely:

	2016	2017	2018
Unfounded	62.26%	66.83%	72.08%
Recommendations	14.68%	10.70%	8.68%
Initiated disciplinary proceedings	5.48%	3.06%	1.89%
No motion	5.16%	4.74%	3.58%
Pending decision	12.42%	14.67%	13.77%
	100%	100%	100%

The analysis shows a trend continued existence of a relatively large number of complaints in 2017 as well, but to a less extent compared to the preceding heavy year of 2017. Statistics show that there are on average 44 complaints per month, 10 per week and two complaints every working day. Most complaints were received in March - 61, and the fewest number in December - 24.

It is interesting to note that, against compared to 23% of those in force in 2018, Private Enforcement Agents were subject to complaints filed to the Chamber against their actions. Over 19% of those in force in 2018, private enforcement agents were subject to one complaint against their actions in the past year. Nearly 42% were subject to less than five complaints; just over 11% were subject to between five and nine complaints, and less than 5% were subject to over 10 complaints.

By area of action, the data is as follows: Undoubtedly, largest number of complaints was filed against PEAs with Sofia District of Action - about 43% of complaints received in 2018; followed by the Plovdiv District of Action - nearly 10%; Varna District of Action - nearly 9%. It should be noted this year there is also an area without any complaints filed, as well as six regions with less than 5 complaints for the whole area.

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

Since the start of their mandate, complaints have been allocated for consideration in the reporting year 2018, more than 520 complaints - as in 2018, as well as complaints from 2017. **Only five** of these complaints were submitted by the Committee members. On average, 22 complaints were distributed to each member of the Commission. Verifying colleagues submitted their views on their complaints in a timely manner. From these results a strong conclusion should be drawn about the excellent work of the newly elected in 2018 Committee on Legal Affairs and Control. It should not be overlooked that the Committee members were extremely proactive in 2018, having carried out a number of inspections in the offices of private enforcement agents throughout the country, including two monitoring rounds.

II. Statistics on Disciplinary Committee activity in 2018

From 2006 until the end of 2017, the Disciplinary Committee of the Bulgarian Chamber of Private Enforcement Agents (BCPEA) opened a total of **382** disciplinary proceedings against PEAs. Pursuant to Article 70, paragraph 1 the Law on Private Enforcement Agents (LPEA) proceedings must be instituted at the request of the Minister of Justice or by a decision of the Chamber Board. According to this criterion, the figures are as follows:

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

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

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

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

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

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

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

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

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

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

2016 - 46 disciplinary cases - twenty-six at the Chamber Board's request, **eleven** only at the Minister of Justice's request, and **four** at the request of both bodies;

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

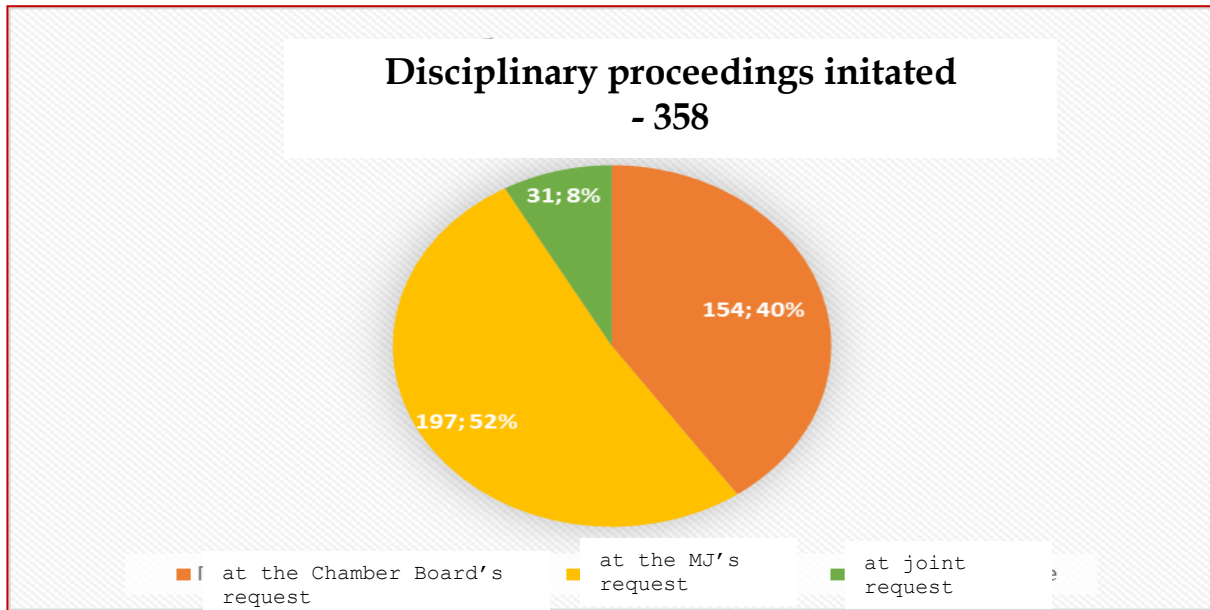
2018 - 24 disciplinary cases - twelve at the Chamber Board's request, **nine** only at the Minister of Justice's request, and **three** at the request of both bodies. **In fact, proceedings in 2018 total 40 (forty), including 16 being in initiation administrative procedure at the end of the year.**

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

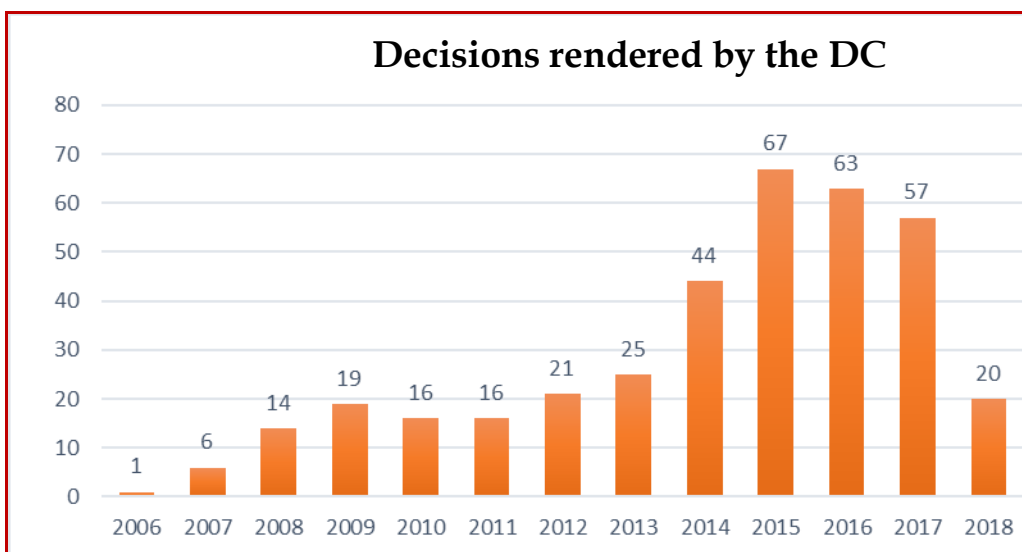
	at the Chamber Board's request	at the Minister of Justice's request	Joint request	TOTAL
2006	3	1	1	5
2007	3	1		4
2008	5	9	1	15
2009	15	6		21
2010	10	11		21
2011	7	9	1	17
2012	11	5		16
2013	10	18	2	30
2014	12	57	6	75
2015	14	28	5	47
2016	26	16	4	46
2017	26	27	8	61
2018	12	9	3	24
	154	197	31	382

Statistics show that out of a total of 382 disciplinary proceedings, 154 proceedings (over 40%) were initiated by decision of the Chamber Board, at the request of the Minister of Justice - 197 (more than 52%), and 31 at the request of both bodies (slightly over 8%).

The Disciplinary Committee has delivered a total of **375 decisions**. Yearly statistics is as follows:

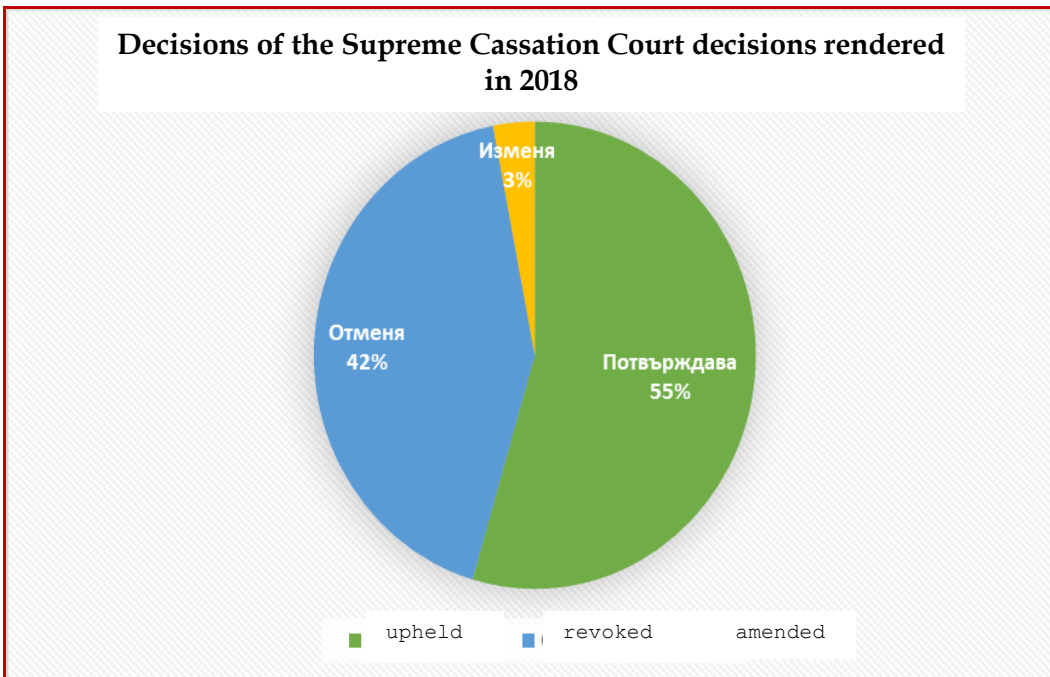


- 2006 - **one** decision rendered.
- 2007 - **six** decisions rendered.
- 2008 - **fourteen** decisions rendered.
- 2009 - **nineteen** decisions rendered.
- 2010 - **sixteen** decisions rendered.
- 2011 - **sixteen** decisions rendered.
- 2012 - **twenty-one** decisions rendered.
- 2013 - **twenty-five**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



In the past 2017, the Supreme Cassation Court (SCC) ruled 33 decisions, and the results are as follows:

- upheld - 18;
- revoked - 14;
- amended - 1.



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

The Chamber Board at its meetings, held in 2018, has taken 16 decisions to initiate disciplinary proceedings, both on complaints dating 2017 and 2018.

In 2018, a total of **20** requests for disciplinary proceedings were filed by the Minister of Justice, including **5** disciplinary proceedings being instituted only at the request of the Justice Minister, **3** jointly with decisions of the Council and consolidated in one case, **one** disciplinary proceeding has been initiated by financial and judicial review, and the remaining **ten** requests are subject to disciplinary proceedings in 2019.

In 2018 only, a total of 24 disciplinary proceedings (**Actual proceedings in 2018 are 40, with 16 of them at the end of the year being in the administrative procedure for their formation**) were initiated. The Disciplinary Committee issued 13 decisions, representing over 55% of the disciplinary proceedings initiated in 2018. The remaining ones are as follows: 13 decisions, **three** have entered into force (not appealed to the SCC), **ten** are scheduled to be scheduled or scheduled to the SCC in 2019. In the other proceedings, **six** of them are announced for resolution, and five are scheduled for a disciplinary hearing.

The Disciplinary Committee tended to impose a "fine" penalty, with six of all 20 decisions having made such a penalty. It is noteworthy that a disciplinary panel tends to reject the claims of the two bodies under Article 70, para. 1 of PEA Act. For example, in eight of the

decisions made in 2018, the requests were rejected - three by the Minister of Justice and five by BCPEA Board. Out of these eight rejected requests, three were not appealed to the SCC, and the other five were scheduled in 2019 before the SCC. Of the decisions made in 2018, three of them were subject to disciplinary penalty "deprivation of legal capacity" for a different period of time; two are subject to disciplinary penalty "censure" and one decision is for combined penalty.

The effective decisions in 2018 are 54, the result being as follows

1. Reprimand: 9.
2. Fines - 25, including:
 - up to BGN 1000.00 - 14;
 - over BGN 1000 - under BGN 5000.00 - 7;
 - over BGN 5000.00 - 2;
 - BGN 10,000.00 - 1.
3. Warning for temporary debarment - 0.
4. Debarment - 4:
5. Rejected requests for disciplinary measure - 11.
7. Non-sanction - 3.
8. Returned to Disciplinary Committee - 1
8. No motion on cassation appeal - 1.

In 2018, the Disciplinary Committee held 41 meetings, with 12 meetings held by the previous Disciplinary Committee.

Again, the tendency to declare the Disciplinary Committee's decisions within the statutory term is maintained.

In 2018, 20 decisions were made within the following deadlines:

- up to **1 month** - 17 decisions or 85% of the decisions made in 2018. Seven of these decisions were made by the previous Disciplinary Committee.

- from **1 to 3 months** - 3, which is almost 15% of the decisions made in 2018.

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

1. Violations of the rules for conducting a public sale, including a regular sale of sales. Irregularities in disclosure on BCPEA and District Courts websites;

2. Infringements in making an inventory of property, such as making inventories without a true look at the property, breaches of inventory records, without indicating factual circumstances and property status;

3. Breaches in the service of papers in enforcement cases and inappropriate notification of parties and participants in the proceedings for the execution performed;

4. Violations of local jurisdiction in the opening of enforcement cases;

5. Infringements and unjustified delay in administering complaints received and unjustified delay in the adjudication of claims and claims brought in enforcement cases;

6. Non-provision of materials and assistance in the examination of complaints received (предлагам да се махне - изолирано е при отделни ЧСИ);

7. Infringements of ordered amounts of execution, as well as improper determination of the amount of the fees;

8. Failure to carry out due diligence on the ownership of the property on which it is executed, performance on non-invisible property, enforcement on a foreign property (предлагам да се махне - изолирано е при отделни ЧСИ);

9. Making a direct payment in the presence of more than one requester without preparation and duly presenting a distribution under Art. 460 CPC;

10. Non-observance of the obligation under Art. 458, para. 191, sec. 3 TIPC for notification, respectively - accession of the State for public receivables. Such a violation is often in cumulation with the violations under sec. 9.

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

Todor Lukov,

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



REPORT

On the activities of the Control Committee with the Bulgarian Chamber of Private Enforcement Agents for 2018



Dear Colleagues,

At the previous General Assembly of the Chamber of Private Enforcement Agents, in January 2018, new configurations of the bodies of the Chamber of Private Enforcement Agents were selected. In the 13th year of our private enforcement practice, the attacks against the industry continued, but the BCPEA Board had adopted the adequate behavior for its protection. Representatives of the Chamber of Private Enforcement Agents participated in the working groups of the Ministry of Justice and the National Assembly committees in discussing and preparing amendments of statutory and secondary legislation.

In March 2018, a work meeting of all newly elected bodies of the Chamber of Private Enforcement Agents was held - a board of the BCPEA, a Disciplinary Committee, a Supervisory Board and a Committee on Professional Ethics/Committee on Legal Affairs and Control. The problems of the industry were discussed, a plan was drawn up and measures for the functioning of the BCPEA were established for the mandate of the newly elected bodies.

The control over the activities of the PEAs continued to improve, during which the BCPEA Board and of the Chamber of Supervisors and the Supervisory Board conducted monitoring of the enforcement agents of the private enforcement agents and the results of that verification were presented to the BCPEA Conference held in October 2018 in the village of Starosel. It is noteworthy that over the past few years, the total cost of examining and administering complaints and correspondence received by the BCPEA increased (increased number of complaints, engagement of chamber officials, Council members and verifiers, correspondence on each complaint, part of which also developed in disciplinary proceedings). Significant and unforeseen expenditure for the Chamber was to take into account the activities of the BCPEA and each individual PEAs with REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. All procedures complied with the requirements of the Regulation, followed by increased hardware purchase costs, changes to all procedures, training and change of used stationery. The BCPEA concluded a contract with an external consultant - the project executor (for the Chamber as an organization, as well as for all its members).

In 2018, BCPEA continued work on development of electronic services. A planning process has started to develop a new public register of Public Sales and of Debtors. It will lead to an increase

in costs for the development of new registers in 2019, but with the clear aim of lightening and improving the work of all the private enforcement agents.

In 2018, the largest expenses of the Chamber of Private Enforcement Agents are in the main directions of the Chamber's activity - capacity maintenance (personnel and resource provisioning), communications, IT technologies and others, in line with the budget approved by the General Assembly.

The Supervisory Board in its newly elected composition continued with the good practices of control over the financial activity of the Chamber of Private Enforcement Agents. In March 2018, the first rules for the work of the Control Council and the CSF Action Plan for the period of its mandate from 2018 to 2021 were adopted. In an attempt to improve the work of the Control Council and assist its control functions, the members of the Control Board were allocated on control lines corresponding to the activities of the Chamber of Private Enforcement Agents. Three meetings of the Control Board were held during the year, with no violations found or reported in the work of the BCPEA Board in the control powers exercised under Article 64 of the Private Enforcement Agents Act. During the period, no signal was given for the audit of the Chamber's budget or the Chamber's property management.

According to successive decisions of the General Assembly between 2015 and 2018, as well as decisions of the Supervisory Board between 2013 and 2018, it was accepted that no property will be purchased for the needs of the administration of the Chamber of Private Enforcement Agents and for conducting trainings. By decision of the Board, in the spring and summer of next year, the office of BCPEA is scheduled to be repaired, which is scheduled for the budget for 2019 and should be carried out in the same year.

In 2018, the accurate and correct accounting of the revenues and expenditures of the Chamber's activity continued and the results of the good cooperation with AFA Consultants Ltd., which 5 years ago took over the accounting services of the Chamber of Private Enforcement Agents. During the second half of 2018, according to the proposals of the servicing company, the conditions for accounting services of the BCPEA were renegotiated, with negotiations reducing more than 30% of the previously proposed increase in the prices of accounting services. By decision of the SCACI, an annex to the contract for accounting services was signed on 01 November 2018. In this way the good level of the provided accounting services was maintained at a market justifiable price and the joint work with them in 2018 found an objective expression in the optimization of the resources of The House, which gave a good financial result for the year.

The Board of Trustees considers that the Chamber's Council's work in 2018 is legitimate, effective and implements the main priorities.

During the reporting period, a total of 12 Supervisory Board meetings were held, of which 11 regular and 1 abstentions, with a total of 769 decisions, of which 181 on operational, current and economic issues and 588 on complaints.

Meetings are held regularly and with the required quorum, decisions are made in compliance with the Statute and the House's internal rules.

The Board members are assigned to committees and are responsible for the relevant portfolio. At each meeting, they shall be informed of the implementation of the previous decisions taken, ensuring that the deadlines for their implementation are observed. For all material expenses, which are at the expense of the Chamber, relevant decisions are taken by the Chamber.

It is worth noting the active work of all members of the Supervisory Board on individual issues and the handling of complaints. Specific projects and emerging cases reveal the high commitment of the majority members of the Supervisory Board, working on the project (topic). A drawback in organizational terms remains the excessive concentration of activities predominantly in line managers and gaps in the acceptance of the project principle in the planning and realization of the projects and the tasks of the BCPEA. Inadequate implementation of the project principle does not allow accurate planning of budget expenditures for the respective year and puts a part of the administration and the bodies of the BCPEA.

Where necessary, the Supervisory Board has made recommendations and notes that the members of the Council of the BCPEA have taken into account or taken into account in their deliberations and decisions.

During this period, the Chamber continued to function as an independent and financially solvent entity. Total revenues for the Chamber for 2018 are BGN 600,336. Revenues from economic activity amounted to BGN 235,502 and from non-profit activity BGN 364,833. In 2018 the BCPEA ended financially with a positive result.

As a registered person under the VAT Act, the BCPEA has regularly accounted for and paid the VAT due, as well as using partial tax credit in the applicable cases.

In analyzing the expenses incurred, the Board of Trustees finds that they are reasonable and appropriate, in accordance with the budget adopted and voted and according to the decisions of the Chamber Board.

All expenses incurred are in the amount of BGN 581 000, the main costs being contracts, fund wages for the administration, insurance, maintenance of the Chamber's sites, consumables, general assembly, donations, membership in international organizations, workshops, paying taxes, etc. Unforeseen extraordinary expenses in the past 2018 have arisen in connection with compliance with BCPEA's activities and training related to the General Data Protection Regulation - GDPR (Regulation (EU)

2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data). For 2018, the Chamber's financial performance is a profit of BGN 28,000, which after taxes will increase the Chamber's reserve.

In 2018, there was a comparable cost distribution between economic and non-profit activity in the previous years - 39% for business activity (34% for 2017) and 61% for non-profit.

At the end of the financial year 2018, the financial position of the Chamber is stable, with reserves totaling BGN 750 thousand. The possible outlook for the current 2019 is to maintain the Chamber's revenue level but objectively increase spending, which may lead to a deficit to be covered by the reserve.

The accounting and financial records are kept in accordance with the requirements of the national accounting standards and the financial statements and balance sheets are compiled by AFA Consultants Ltd., a specialized accounting entity.

The Bulgarian Chamber of Private Enforcement Agents is a stable financial organization and continues to grow in the ascending line, helping to better protect the rights and interests of the profession, citizens, business and society.

Stefan Gorchev,

Chairperson of the Control Committee
Bulgarian Chamber of Private Enforcement Agents

