



**REPUBLIC OF
BULGARIA**



CHAMBER OF PRIVATE ENFORCEMENT AGENTS

**ANNUAL REPORT
2019**



Distribution and number of private enforcement agents (191) in the territory of the Republic of Bulgaria by judicial regions of operation as of 31 December

| | | | | | |
|----------------|----|------------|----|----------------|----|
| Blagoevgrad | 8 | Lovech | 3 | Smolyan | 4 |
| Burgas | 11 | Montana | 1 | Sofia City | 40 |
| Varna | 14 | Pazardzhik | 8 | Sofia District | 7 |
| Vidin | 2 | Pernik | 4 | Stara Zagora | 10 |
| Veliko Tarnovo | 8 | Pleven | 7 | Targovishte | 1 |
| Vratsa | 4 | Plovdiv | 19 | Haskovo | 4 |
| Gabrovo | 4 | Razgrad | 3 | Shumen | 5 |
| Dobrich | 6 | Ruse | 5 | Yambol | 2 |
| Kardzhali | 2 | Silistra | 2 | | |
| Kyustendil | 4 | Sliven | 3 | | |

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 Ivan Hadzhiivanov-Deputy Chairperson
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STATEMENT OF THE CHAIRPERSON



Dear colleagues, Ladies and Gentlemen,

I present to you the report on the activity of the Chamber of Private Enforcement Agents for the past year of 2019. The 15th consecutive General Assembly is to come, and at the end of this year we will also celebrate the 15th anniversary of our profession. We welcome each year with new challenges, but also with new experiences, which we often gained the hard way. The year of 2019 was

not straightforward for us. On the one hand, we were able to complete important projects (regulatory acts), move significantly forward other ones (electronic access to various registers and updating the Chamber's information systems). At the same time, despite the common expectation, no progress was seen on issues that are crucial not only for our profession, such as the much discussed introduction of electronic distraints and auctions, as well as the problem of small debts, the solution of which in some countries is the introduction of their extrajudicial voluntary collection by enforcement agents. With the abolition of voluntary sales in December, the legislature, in addition to procedurally grossly violating the Constitution, also made a serious step back. We are already in talks with the Notary Chamber on this topic and we are optimistic this institute will finally work in Bulgaria. Unfortunately, there are losses - both for us as a profession, for the parties to the enforcement process, and for the balance within the system.

I think it is important to remind here that our system is constituted after political consensus and as part of the judicial system. We perform the functions the legislator has entrusted to us. Over the last few years, however, we have paradoxically been cut off and restricted by our own governance. It does not deny it needs our help, but because of various socio-economic, political and social processes, it often makes us a target of populism. However, we continue to perform our functions.

Unfortunately, achieving our goals does not happen at the desired speed we all want. We keep on working and to make it happen it is important to achieve agreement and dialogue between ourselves.

We set several goals for 2019. First of all - the electronification of processes: to provide wider access to electronic services and registers, to participate actively in the Ministry of Justice working groups, to update our own media - the website and our existing registers.

We had another strategic priority: to continue preparing 'the ground' for new powers for private enforcement agents. We have used different approaches - "borrowing" international experience in enforcement trends, learning practices and foreign legislation, analysis of all

possibilities and "translating" them into the language of politicians, state experts, opinion makers.

The third goal related to our primary weapon - expertise. The Chamber is a proactive party in preparing opinions on all matters that affect our work and is the subject of discussion, even where our position has not been sought. This is the case with amendments to the Administrative Procedure Code (APC) and the Bankruptcy of Individuals Act.

In 2019, the three ordinances regulating the daily workflow of law firms were finally promulgated - the PEA's Insurance Ordinance, the Annual Reports Ordinance and the Official Archives Ordinance. The main work was completed as early as 2018, while we finalised the latest revisions last year. I would like to thank all my colleagues who have participated in the work of the Ministry of Justice expert group. It was a long marathon, but the end result is that we have achieved the desirable change. The work on electronic distraint is still in a deadlock and the administration has never found the strength to bring things to an end. At the end of the year, the Ministry of Justice again requested that we submit representatives for another expert group, which is beginning to work in the field of electronic distraints.

An important event for us in 2019 was the organisation of an international conference together with the European School of Enforcement. We shared several objectives - to tell the institutions in our country that private enforcement agents are a resource for the state to use more effectively. To show that, against the backdrop of intercompany indebtedness and the court workload, we have the competencies and the potential to do a lot more work so as to offload the court and be useful to the society. In such an international context, with guests from 16 countries, the Chamber has shown its strategic vision for development by extending the PEA powers, not to the profit for the profession, but for the benefit of business, citizens and institutions. It should happen the way things happen in other European countries. If they can collect "small claims" without a court in Serbia, why not do it here too? If in Belgium, the Netherlands or France enforcement agents are allowed to establish facts, why not making it possible in Bulgaria? Our goal was to make it public, backed up by real foreign experience, to consolidate the Chamber's place as an institution with a forward-looking institution that is evolving dynamically rather than becoming a rigid conservative system. Over the years, we have always been the drive of such changes and proposals. I hope that our message has now been addressed and understood correctly. It is a matter of future work in this sense to win small victories in small steps. Each of us must continue through our contacts to be an advocate of this thesis, so that Bulgarian PEAs may at one time establish facts, collect small claims, conduct voluntary sales, and at least as many powers for which we have the competences and experience to performed excellently.

I am pleased our work under the Judicial Debt Recovery Agreement has been appraised. I would like to thank again all my colleagues who take up such cases being aware they are also working for the benefit of the state. The same is valid for municipal receivables where we enjoy excellent cooperation. Public receivables are still an issue that we

will continue to work on because we have a wide scope for action there.

We are also positive about our cooperation with the State Agency for Electronic Governance, with which this year we negotiated the access of the PEA to the RegiX inter-registry exchange system. PEAs are also users of this system and it will be further developed with more services to which we can access. Electronification is a task, which, I dare say, the current BCPEA Board takes very seriously and, in every way, seeks to improve members' access to registers that can facilitate work and reduce time and cost. The Chamber is a proactive party in discussions with the institutions. We have also had talks with the Ministry of Interior regarding access to vehicle information, which will enable us to use this database - an extremely important source of information for creditors. Unfortunately, we failed to achieve one of our oldest goals this year - access to information and notarial acts at the Registry Agency. We wanted this to happen through the RegiX system, but despite the many meetings and letters and the provisions of the Electronic Governance Act, we were again refused. We were promised it will eventually happen under a project that is about to be completed. However, we have not given up and will continue in the same direction until the Registry Agency complies with the law.

The new website of the PEA and the PEA Register are now ready. They are both developed by Information Services AD. A completely new integration platform for enforcement cases and a register of public sales is forthcoming.

Control remained a priority in the Chamber's activities. This is our strongest tool against all kind of external attacks. All systems have problems, but the successful ones are able to control them - I think we have proved it to the institutions in Bulgaria, and we have to prove it to their European peers as well.

In this regard, I would also like to share a few words about the institutional and social environment. We live in times of rising populism and abuse of civic activity. The achievements of democracy, such as the creation of the Chamber itself, freedom of expression, protection of citizens' interests, the civil right to organise themselves, are now being abused, in an ugly way, by subjective interests - political, economic, etc. At the same time, Bulgaria remains one of the poorest countries in the EU, and Bulgarian citizens and businesses produce indicators far away from European ones. If you combine these two realities: populism and fake news - the result is poverty and economic stagnation. The result is a blow against us because we are at the forefront in regulating these processes. I know that sometimes the injustice of our profession truly annoys and demotivates you. But I know that we will be able to prove with our actions that we are part of a system of justice. The noisy minority of the dissatisfied cannot turn against us, the majority of stakeholders satisfied with our work - state, municipalities, business, citizens, banks. In the context of the foregoing, however, it is extremely important not to cause public scandals that could cause irreparable harm to the profession.

Finally, let me say a few words about the financial stability of our profession. I am aware that you are facing difficult times. We all support offices and give jobs to a lot of people, we all suffer a

decline in our revenues. We all know what the objective reasons are - the economic cycle and the huge sales of receivables by banks. However, the economy is constantly changing, and at the same time, private enforcement has one major advantage - it has room to expand its domain, precisely because of its special status. Let me wrap up with what has been the thread of my entire address: The environment may change, but we as a profession are in the process of continuous change and it will keep us stable.

A handwritten signature in blue ink, appearing to be 'Gueorgui Dichev', written over a faint circular stamp.

GUEORGUI DICHEV,

CHAIRPERSON OF THE BOARD OF CHAMBER OF PRIVATE ENFORCEMENT AGENTS

1. OVERVIEW OF THE PRIVATE ENFORCEMENT SYSTEM

Private enforcement has been operating in Bulgaria since 2006. Introduced by a special law and following political consensus, support from the judiciary and approval by banks and all business organisations. Private enforcement has been functioning effectively in Bulgaria for 14 years.

Throughout these years, the Chamber of Private Enforcement Agents has continued to support the efforts of both the executive and the judiciary to complete the reform of the judiciary so that it guarantees the public interest. Back in 2006, with the creation of the system of private enforcement, we showed how a part of the judicial system could be reformed and be effective for years, to successfully partner not only business, but increasingly to the state, municipalities and citizens. It comes to prove that if there is a will and common action between the political spectrum, the judiciary, the non-governmental sector, business organisations, international partners, things do happen.

The system of private enforcement is an effective regulator of the business environment, a source of revenue for the state and municipal budgets, a problem-solving instrument for debt due to workers, citizens, families. Statistics and figures from our activities are definite -without PEA it is impossible to repay the debts, stability and security of the economy and citizens. The profession is an extremely important part of effectively operating judicial systems at both European and global level. For 14 years, Bulgarian PEAs have repaid BGN 10 billion to citizens and businesses. During this period, we have contributed about BGN 1 billion directly to the state budget. Today several thousand employees are employed at PEA's law offices. In the early years of the profession, much was said about the role of the PEA as a business environment regulator, and the billions of BGN that have been returned to business and the state budget. Now, apart from this function, another one clearly stands out - the social one - alimony, labour claims, transfer of children. This is also part of this profession. Therefore, it is not surprising that the recognition we receive from Bulgarian institutions, the courts, business organisations, representatives of the academic community and other legal professions.

At the end of 2019, there were **191** PEA law offices, employing over 2 100 officers.

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

Cases Formed:

2015 - BGN 175,000
2016 - BGN 229,000
2017 - BGN 246,000
2018 - BGN 225,000
2019 - BGN 205,000

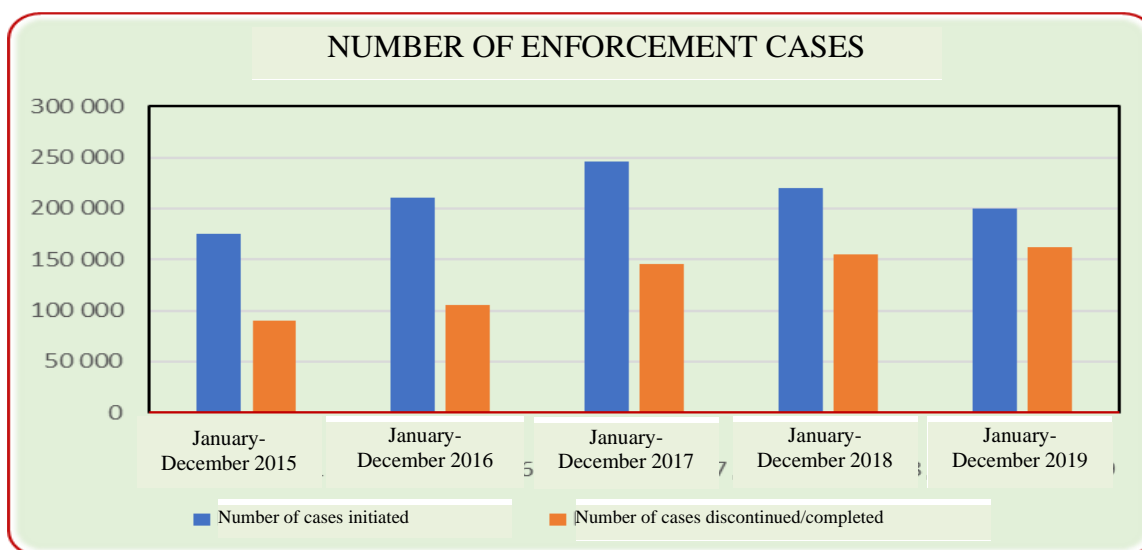
Cases Completed:

2015 - BGN 90,000
2016 - BGN 105,000
2017 - BGN 145,000
2018 - BGN 155,000
2019 - BGN 165,000

Amount collected:

2015 - BGN 1,025 billion
2016 - BGN 1,030 billion
2017 - 1,100 billion
2018 - BGN 1,020 billion
2019 - BGN 900 million

* **Note:** Data for 2019 are approximate as they are still being collected and aggregated.



Fourteen years since the creation of private enforcement so far PEA has initiated **2,150 million cases**, including **932,000** cases completed and the amount collected surpasses BGN **10 billion**.

Enforcement cases are down, reaching now below 200,000 a year. There is a decline in material interest in them. Merchants account for the largest share of newly initiated cases - nearly 50%, followed by the state and municipalities with 23%, and citizens with 12%. The cases in favour of banks are already permanently below 10% of the total.

Sales of real estate in Bulgaria have been steadily declining (about 12,000 in 2014 and 2015), in recent years they are about 7,000 a year. However, this figure includes all types of real estate - agricultural land, plots, offices, shops, warehouses, hotels, industrial land, property by legal division, i.e. the number of homes sold for monetary debt is much smaller. Entries into possession, including those of court decisions for ownership or tenure, for all types of real estate, in the country are only about 1,000 per year.

PEA cases in favour of the state, municipalities and citizens are approximately 50,000 a year. It is shown in the statistics of the Chamber of Private Enforcement Agents over the last three years. The figures indicate a strengthening of the public function of PEAs. We repay an increasing amount of "state money" and given the difficult financial situation of Bulgarian municipalities, they prefer to work with PEAs. Almost all of the municipal administrations use the services of PEAs.

Distribution of cases

| Cases in favour of: | I-VI 2019 | 2018 | 2017 |
|------------------------------------|-----------|---------|---------|
| Merchants and other legal entities | 53,300 | 129,000 | 150,400 |
| Banks | 9,700 | 21,300 | 28,900 |
| Citizens | 9,700 | 21,600 | 20,000 |
| State | 22,000 | 52,200 | 53,200 |

In recent years, the amount collected by PEAs has decreased to about BGN 1 billion a year. Each year, PEAs transfer nearly BGN 150 million

to the state and municipalities. Debts repaid to citizens amount to about BGN 100 million.

In 2019, complaints filed through PEAs to the district courts were about 4,800, of which the court upheld about 700 cases.

More than half of private enforcement agents have empowered their assistants - as of 31 December 2019, 218 assistants - PEAs were active throughout the country. Not only companies, banks and business in general, the state and municipalities, but also Bulgarian citizens with claims both on civil relations and for remuneration, maintenance and transfer of a child are the enforcement agents of PEAs. Considering that the fees for the latest receivables are not repaid by the claimants, but have to be paid from the budget of the relevant court, but it does not happen: in fact, private enforcement agents in Bulgaria finance these types of cases with their own funds - and they are quite a few.

Offices use modern technology in their office work. Access to debtors' information, much of which is already being obtained electronically, provides such an important speed to the process.

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

2. CHAMBER DETAILS

Since its establishment on 26 November 2005, the Chamber of Private Enforcement Agents has succeeded in establishing itself as a good partner for Bulgarian and international institutions. The foundations of private enforcement were laid in the first few years. The Chamber of Private Enforcement Agents is now an institution, a substantial part of the mechanism by which the state and the law meet their commitment to the society and the economy. There is no state institution, state structure, no municipality or court that does not confirm the effectiveness of private enforcement agents. After 14 years of hard work, while continuing to absorb the undeserved negatives of the economic crisis and political contradictions in the country, PEAs have proven they are working for the benefit of the entire community, striving to impose high standards of professionalism and ethics at work. The Chamber maintains effective business relationships with authorities and institutions and offers a wide range of services to its members.

Private enforcement agents operate on the territory of all district courts in the Republic of Bulgaria; currently they total 191, 94 of which are men and 97 are women.

During the reporting period, three private enforcement agents with areas of activity of District Court of Vratsa, District Court of Montana and District Court of Burgas, lost their legal capacity on the grounds of Article 31, Paragraph 1, subpar. 7 of the Private Enforcement Agents Act (disciplinary sanction imposed under Article 68, para 1, subpar. 4 of the Private Enforcement Agents Act) - one PEA for a total of 3 years for two decisions of the Supreme Court of Cassation in two disciplinary cases on the inventory of the State Enforcement Agency for Private Enforcement Agents (PEA), the other PEA - for a period of 1 year and 4 months on the grounds of decision of the Supreme Cassation Court, and the third PEA - for a period of 2

years upon the decision of the Supreme Court of Cassation. Two PEAs have lost their legal capacity forever (one under Article 31, paragraph 1, subpar. 1 of the Private Enforcement Agents Act with area of operation within Sofia City Court, and the other under Article 31, paragraph 1, subpar. 2 of the Private Enforcement Agency Act with area of operation within District Court of Kardzhali).

Circumstances for each private enforcement agent subject to entry in the Registry of PEAs pursuant to Article 4, para. (3) of the Private Enforcement Agents Act, shall be duly recorded and stored in paper and electronic form in payroll records of all PEAs.

The Chamber is managed by a Board of eleven core and two Alternate Members, and has administrative staff, which as of 31 December 2019 consisted of eight employees on a contract of employment and three employees on civil contracts. It is a financially independent organisation and does not receive state funding.

3. ACTIVITY OVERVIEW

In order to obtain an objective picture and to provide a better balance of the reporting period, this year a traditional survey was conducted among private enforcement agents concerning major aspects of our operations. The evaluation form included questions about the services provided by the Chamber to the members, their quality, the activities of the management and the organisational skills of the employees of the BCPEA administration.

This year, 48% of the members of the BCPEA responded to our request to give their opinion. These are nearly half of our industry members. We sincerely thank all colleagues who participated in the survey and were very objective and critical in their personal judgment! It is important for the Chamber governance and the administration, with a view to improving its activities in the future. After summarising the feedback from the questionnaires, the results are as follows:

| Please evaluate the activities of the Chamber as it contributes to your work and its usefulness in response to your needs and expectations. | Under expectations (1-3) Above expectations (4-6) | |
|--|--|---|
| | Average rating | Percentage of satisfied expectations |
| Are you satisfied with the activity of the Chamber of Private Enforcement Agents as your professional organisation? | 5.41 | 90.20% |
| How do you evaluate the services provided by the Chamber? | | |
| Administrative services | 5.37 | 89.56% |
| ESE trainings | 5.47 | 91.12% |
| | 5.13 | 85.56% |
| | | |
| How do you evaluate the Chamber management of Private Enforcement Agents? | 5.45 | 90.85% |
| Activity | 5.40 | 90.04% |
| Willingness to communicate with members | 5.42 | 90.40% |
| Communication with the media | 5.12 | 85.37% |
| | | |
| How do you evaluate the Chamber's | 5.66 | 94.25% |

| | | |
|---|------|--------|
| administrative staff? | | |
| Activity | 5.66 | 94.32% |
| Communication with members | 5.67 | 94.44% |
| timely | 5.63 | 93.77% |
| exhaustive | 5.68 | 94.63% |
| overall attitude | 5.71 | 95.19% |
| | | |
| Overall assessment of the Chamber's activities according to the needs, expectations and benefit to its members | 5.38 | 89.61% |
| | | |
| What is the quality of materials produced by the Chamber? | 5.33 | 88.83% |
| Website | 5.26 | 87.68% |
| Register of Debtors | 5.49 | 91.49% |
| Register of Public Sales | 5.32 | 88.70% |
| | | |
| How do you rate the ESE trainings? | 5.08 | 84.66% |
| Tutors | 5.22 | 87.08% |
| Study material content | 5.19 | 86.52% |
| Quality of study materials | 5.15 | 85.77% |
| Price | 4.82 | 80.34% |
| Number | 4.89 | 81.46% |
| | | |
| Public Relations | | |
| Overall work with the media | 4.90 | 81.59% |
| Amount of published PEA-related materials in the press | 4.71 | 78.46% |
| Quality of materials and their effect on the PEA profession | 4.80 | 79.96% |
| Interaction with institutions | 4.91 | 81.80% |
| Electronification of court enforcement procedures | 4.69 | 78.09% |
| Improving the institutional environment for PEA operations | 4.65 | 77.53% |
| | | |
| How do you evaluate your personal involvement and contribution to the Chamber operations? | 3.96 | 66.06% |

Following the processing and analysis of survey results, it is generally concluded that with a few exceptions, our colleagues' evaluation estimates for 2019 are in general higher than last year. The PEA rating given to the Chamber's administrative staff is traditionally high and in 2019 retains the same value **5.66** as the previous year 2018. All PEAs who have filled in and sent questionnaires (in total **92** colleagues) clearly indicate in their answers that they are satisfied with the Chamber's activities and believe that there is progress and development. The overall assessment received for its services and its usefulness for the individual PEA is **5.41** on a six-point scale, with the provision of administrative services to members and this year being the highest rated - **5.45**.

A total of 88 respondents rated positively the BCPEA activity as a whole, 1 PEA did not define it as positive, and 3 PEAs did not give an opinion on this matter. With respect to whether there has been any progress in the overall Chamber's work in 2019 compared to 2018, the majority of respondents consider there is progress. However, some PEAs believe there has been no progress in the Chamber's activity during

the reporting year, but rather that the levels and rates of development have remained unchanged compared to the previous year. Several of our newest colleagues (inaugurated in 2016) pointed out in their feedback forms that, over the relatively short period of working as PEAs, they have always received the necessary assistance and good treatment from the administrative staff and management of the BCPEA. Seven PEAs see no change for the better in the Chamber's work compared to 2018. However, the opinion of several PEAs, who share that over the years all the experience gained (in general for the PEAs and separately for each PEA), brings them wisdom, skills and shows us the mistakes as well as the positive effect of our overall daily work.

In summary, very good results were reported in the work of the Chamber management of Private Enforcement Agents (CPEA) and excellent appraisal for the administrative staff of the Chamber. The average assessment of the activities of the management in 2018 is **5.45** (for comparison the assessment received in 2018 is 5.42, 2017 is 5.31, 2016 is 5.38) and the staff of the administration was rated at **5.66** (for comparison: 5.66 for 2018, 5.50 for 2017, 5.58 for 2016). In view of the trials that the Chamber and the profession face every year, the PEA's assessment of the PEA's management and administration shows once again that the confidence in us is high, that you support us and show understanding and resilience even in the most critical moments that accompany our professional path. Thank you for your patience, understanding and respect, dear colleagues!

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

- Keeping the management behind the industry's interests. Timely and objective notification of changes in the legal framework and the latest developments in the work of enforcement agents;
- Excellent and beneficial communication with the BPEA team and the immediate responsiveness of the administration staff when asking for guidance and assistance on the law offices' activities - professional attitude, maintained high level of service, interest in PEA issues, overall support, assistance and help in all matters;
- The professional qualification seminars organised by the ESE, especially those with a practical focus on the application of legislation in the daily activities of PEAs;
- Provided electronic access to the Regix inter-registry exchange environment, as well as to other national registers;
- Improving the media presence of the BCPEA, including interviews given to the media by the BCPEA Chairperson, which results in balancing the public image of our profession;
- Conducted National Conferences and Workshops to discuss case studies and best practices. The opportunity during these events to meet with colleagues in the profession;

Regarding the adequacy of the membership fee versus the Chamber of Private Enforcement Agents (CPEA) activity, a large part of the opinions this year are consolidated on the conclusion that the ratio of membership fees to the Chamber activity is fair. Here, conformity assessments range from excellent to reasonable, balanced, proportionate to the activity, objective, optimal, and acceptable and satisfactory.

Four out of 92 responding PEAs consider the contribution fee to be high. Assuming this is a representative sample of the views of entire industry members, then we can conclude that only 4.3% of colleagues consider membership fees too high. The questionnaire contains a proposal to change the principles of forming the annual contribution. Here, membership fees are meant to be formed not on the basis of the number of authorised PPAs, but rather on the collectability and annual income of PEA law offices. Last but not least, there are a small number of Chamber members who consider membership fees to be low and should be increased. In their responses, they agree on the view that the Chamber mechanisms and functions unite and coordinate the activities of all PEA law offices, suggesting a stable financial security for the organisation. The BCPEA's prestige would also be strengthened in the implementation of new and innovative projects, which also require significant financial resources.

One of the criteria in the questionnaires relates to public relations, including work media relations and the interaction of the Chamber of Private Enforcement Agents with the institutions of the Republic of Bulgaria. Judging by the outcome of responses to these questions, their opinion on media relations in the past 2019 has improved compared to the previous 2018. The Chamber management pays continuous and focused efforts in this direction. The prevailing negative attitude towards PEAs for years was now much more moderate. The media are already more active and interested in judicial enforcement, and journalists are increasingly keeping a balance in their articles.

With regard to the criteria "Interaction with institutions", "Electronification of court procedures" and "Improving the institutional environment for work", the assessments this year are positive, although the PEAs' opinion on these indicators remains traditionally sceptical and downplayed with other activities and BPEA initiatives. The colleagues' assessments in this area can be summarized as follows: a good assessment, slightly higher than 2018, for interaction with the institutions - **4.91** (for comparison in 2018 - 4.79; in 2017 - 4.84; 2016 - 5.08) and achievements in the field of electronification of court enforcement procedures - **4.69** (for comparison in 2018 - 4.62; in 2017 - 4.73; in 2016 - 4.77). In terms of improving the institutional work environment, the level of satisfaction is also slightly higher than in 2018, with PEAs evaluating overall **4.65** (for comparison 4.58 in 2017).

When asked by the PEAs what the Chamber should do to facilitate and support their work, responses were various and focused mainly on:

- To bring about success and to make the legal distrains and auctions set out in the law. Broader incorporation of electronification into court enforcement procedures. Work at institutional level to include all PEAs in the RegIX inter-registry exchange environment;

- More training in general. Increase the number of online trainings/webinars/for PEAs and office staff. Organising more practical seminars for PEAs and their employees at a lower cost to PEA members. Provide opportunities for all willing enforcement agents to participate in organised training, due to the fact that sometimes vacancies are not sufficient. Lecturers should be paid attention to

make their presentations concise and meaningful in order to cover more topics within the time planned for the seminar;

- To issue the Case Law compendium more often. Unification and development of models of good practices in PEA activities;

- Improving cooperation with the Ministry of Justice. Communication with the agency has been inefficient over the last year;

- Improving public relations. More media appearances and a more categorical position with the media. A stronger position in interactions and negotiations in other institutions;

- More frequent gathering of information from Chamber members about individual difficulties in their work, analysing problems and making recommendations for solving them for the purpose of practice harmonisation;

- Reduction/removal of paperwork. Paper carriers should be completely (or where possible) removed and replaced with digital ones;

- To schedule a competition for assistant PEAs, as there is staff turnover from one office to another, the selection of suitable staff for the office is too limited given the high responsibility and risk involved in empowerment;

- At present, a very good balance and synchronization, efficiency and good coordination of work between the offices and the BCPEA have been achieved. The Chamber performs all the actions in the best possible way in the current working environment. To continue in the same spirit. To develop in the same direction;

- Unable to decide. I have no recommendations.

I would like to thank all colleagues who openly expressed their critical comments! The PEAs interviewed make recommendations in the following areas to improve the Chamber's overall performance in 2020:

- Closer cooperation with other institutions to streamline more judicial enforcement procedures. All information about debtors should be received electronically; notification of businesses and, where possible, citizens by electronic means. Efforts should be made to speed up the adoption and development of electronic distraints and electronic public auction system;

- To ensure access of PEAs to the traffic police databases and the ability to stop debtors' vehicles;

- To create a unified record keeping programme for all PEAs, thus unifying the forms and forms, as well as the overall activity of all Chamber members;

- To improve the capacity of the Public Sales Registry to publish notices, files and photos;

- Legislative change regarding the taxation of PEAs - possibility of opting for a regime of taxation under the Individual Income Taxation Act (IITA) or the Corporate Income Taxation Act (CITA) (similar to taxation of farmers);

- To make more media publications presenting the Private Enforcement Agents (PEAs) as a contributing institution to the community to deepen preventive work with the media to form public opinion on confidence in judicial enforcement. To avoid all campaigning;

- The BCPEA to seek more opportunities to discuss cases and different practices, including litigation. Taking measures and organising various events with the purpose of maximising the professional cooperation of lawyers from different fields of law;
- An increasing number of diverse seminars. To reduce their price. Introducing webinars as a form of training;
- Collecting and publishing the disciplinary practice of the PEA and organising an easily accessible review by the PEA;
- To continue to protect the image of the industry. To provide methodological guidance and commentary on the practice of the courts. To provide practical advice on the work as a whole. To cooperate with insurance companies on the refusal to insure PEAs for their professional liability (legal obligation);
- To improve working conditions in the administration of the BCPEA;
- The Chamber of Private Enforcement Agents (CPEA) achieves high results in its activities. To continue in the same direction. The people directly involved in the Chamber's activities do what is necessary. I have no recommendations.

Private enforcement agents themselves have a lower rating this year compared to the previous year for their personal involvement and contribution to the work of the Chamber - **3.96** (for comparison 4.13 in 2018 3.81 - in 2017; 3.69 - in 2016; 3.84 in 2015). The BCPEA management would like to thank all colleagues who are aware of the importance of their personal motivation and commitment and help with whatever they can for the common cause. We have confidence that in 2020 we will be consolidated and focused on achieving balance, prosperity of our institution and the promotion of the core values in the profession.

3.1. National Conferences and Workshops

International Conference on Judicial Enforcement for Citizens, Business and Effective Enforcement



On 20 March 2019, the Chamber of Private Enforcement Agents and the European School of Enforcement (ESE) organised an international forum in Sofia dedicated to the experience of European countries in judicial enforcement.

The conference "**Judicial Enforcement for the Benefit of Citizens, Business and Effective Enforcement**" was held at

Sofia Hotel Balkan and brought together judicial officers from Europe and Bulgaria. The forum was respected by judges, lawyers, representatives of legal doctrine, lawyers of banks and business,

representatives of the legislative and executive power, journalists, etc. The event was part of the BCPEA's efforts to explore how good practices and foreign experience can be useful in our country. Emphasis was placed on the tendency for enforcement agents to be assigned additional functions to supplement their traditional role in classical enforcement proceedings.

The conference was attended by representatives of the Enforcement Agents' Chambers of Albania, Greece, Lithuania, Romania, Northern Macedonia, Serbia and Montenegro. It was also attended by Mathieu Chardon, the first Vice Chairperson of the International Union of Judicial Officers, who reviewed current trends in enforcement in the EU and shared his experiences with out-of-court debt collection and fact-finding by PEAs in Belgium, the Netherlands and France. The Executive Director of the Lithuanian Court of Enforcement Agents' Chamber, Dovile Satkauskiene, presented the topic "Fact finding, extrajudicial debt collection, insolvency administration, voluntary sale of property and others, and Tamara Gutsunja, member of the Executive Committee of the Serbian Enforcement Agents' Chamber introduced participants to Serbia's experience in collecting "small claims".



The forum was opened by the BCPEA Chairperson Mr. Gueorgui Dichev and Deputy Minister of Justice Mrs. Desislava Ahladova. In his speech, Mr. Dichev emphasised that private enforcement is a resource for the state and it must effectively manage it for the benefit of all. He outlined an important disproportion that needs to be addressed by public authorities. On the one

hand, private enforcement has the strength, resources and expertise to take on tasks that can alleviate the debt situation, the workload of the judiciary and the social risks of small debts. On the other hand, his hands are "tied" because of a lack of understanding of the necessary change in the regulatory framework.



Globally, the power of the judicial enforcement profession lies in the variety of activities, status and forms of organisation. Therefore, the focus of discussion became so-called secondary activities that may be practiced by enforcement agents. In his speech to the conference, Mathieu Chardon, First Vice-Chairperson of the International Union of Judicial Officers, stated

that the activities of enforcement agents, whether they are civil servants or practicing freelance, cannot be reduced to the enforcement of judgments only. Enforcement agents are professionals who have the capacity to perform many activities aimed at improving the functioning of the judiciary, and in particular to reducing the workload of the courts. In Europe, no fewer than 11 secondary activities which can be performed by enforcement agents are recognised. Some of these include out-of-court debt collection, voluntary auctioning, confiscation, ascertainment and presentation of evidence, acting as an enforcement agent/ authorising officer, providing legal advice, bankruptcy proceedings, performing activities assigned by court, representation of the parties to the court, issuance of private documents, mediation.

The international conference received wide coverage in the Bulgarian media. Summaries of the work results of the forums were also published on the websites of the International Union of Judicial Officers, the Lithuanian and Serbian Chambers. After the conference, the BCPEA prepared a bilingual edition containing the materials of the conference, which were sent to both participants and all interested parties.

PEA National Conferences

In 2019, the Chamber of Private Enforcement Agents held two national conferences. The members of the industry gathered at the resort of Golden Sands on June 1 and in Starosel on November 2 to discuss key issues related to the industry's activities. The National Conferences of the Chamber of Private Enforcement Agents (CPEA) have taken a constructive spirit, and the practical orientation and relevance of the topics have contributed to an active and open dialogue.

On June 1 in the resort of Golden Sands, the National Conference of the Chamber of Private Enforcement Agents was held. A report on the interaction of the organisation management with the institutions and working groups at the Ministry of Justice for the regulations was presented to the members of the organisation. The information was presented by the BCPEA Chairperson Gueorgui Dichev and Council members Stoyan Yakimov and Nedelcho Mitev. The conference also welcomed the March International Conference on Judicial Enforcement.

Part of the agenda was the discussion of the trend of "waiver" on the PEA insurance policy observed by most insurance companies in the last year. The topic was presented by Vasil Nedyalkov - member of BCPA. Our colleagues Mariana Kirova and Rositsa Apostolova prepared the conference participants information on declarations, deadlines, internal rules and trainings in connection with the adoption of the Law on Anti-Corruption and Seizure of Illegal Acquired Property and the Law on Anti-Money Laundering Measures.

PEAs also discussed specific procedural issues and problems of court enforcement and harmonization of practices. Separate panels provided answers to questions about the case law on the application of the Civil Procedure Code (CPC) amendments of October 2017 and questions put forward by private enforcement agents to the Chamber of Private Enforcement Agents.

During the Second National Conference in the village of Starosel, the Chamber members were acquainted with the results of the meetings of the BCPEA management with the institutions and the agreements reached.

A report was made by the Deputy Chairperson Stoyan Yakimov on the development of projects already started by the BCPEA.

The Chairperson of the Committee on Legal Affairs and the Control of Activity, Mrs. Tanya Madzharova, presented the results of the national monitoring of the activities in the offices for the implementation of the new CPC from 2017, from September to October 2019, and the



lawfulness of enforcement. Questionnaire forms were completed by 178 of the 192 active PEAs as of October. The analysis findings point to the main problem of law firms - case archiving. The survey reports that 100% of them keep an incoming and outgoing register, a register of recorded case, 90% being electronic. In the part for financial management and documentation of PEA activity, it is recorded that 96% of the

offices keep accounting and 98% are registered under VAT. 100% of the offices issue bills under Article 79 of the Private Enforcement Agents Act. Some 55% of the PEAs pay the interest account, 39% pay it to the debtor, and 61% to the creditor, and at 81% - only upon request. Law offices has a high level of employee qualification - 22% are lawyers, 26% are recordkeepers, 16% are accountants, 26% are drafters and 10% occupy other positions.

The presentation of Mrs. Mariana Kirova, a Board member of the Chamber of Private Enforcement Agents (CPEA), on the practical implementation of amendments to the regulations on judicial enforcement - Ordinance No. 2 on insurance, Ordinance No. 3 on annual reports, Ordinance No. 4 on service archive.

One of the main panels at the National Conference was devoted to a lecture on: *"Some aspects of the Supreme Court of Justice's case law on disciplinary proceedings against PEAs"*, presented by Judge Margarita Gueorguieva, Judge of the Supreme Court of Cassation. The material presented, as well as the follow-up discussion, were extremely helpful to the PEA colleagues present and their assistants. We expect to continue the joint cooperation in 2020 on topics of interest to the Chamber members, with the help of Supreme Court of Cassation judges systematising and summarising in writing the Supreme Court's case law on disciplinary proceedings against PEAs.

The Disciplinary Committee's activity report, presented by its Chairperson Todor Lukov, was also included on the agenda, as well as a discussion of specific procedural issues and problems regarding judicial enforcement and harmonization of practices.

PEA's National Conferences and Workshops, organised throughout the year, along with the constant exchange of information between the Chamber's administration and its members, are part of the efforts of the PEA Council to pursue an information and mutual support policy.

3.2. Interaction with institutions

The work of the Chamber Council of Private Enforcement Agents (CPEA) in 2019 with the state institutions, media and public organisations was active by the Chamber. Unfortunately, we cannot evaluate the past year uniquely as successful, but we can say that we have tried to meet and upgrade our strategic goals, as well as the activities and specific tasks for them. We have not always succeeded as we have encountered misunderstandings or refusals to cooperate and partner with some institutions.

Every system needs improvement, and the Chamber of Private Enforcement Agents has always sought such a legislative framework on enforcement that would ensure a balance between the parties and reduce enforcement costs. The balance is the guiding principle, because each trial has two sides. Especially in the enforcement process, one party even has a judicially recognised right. The law must protect the rights of both parties. Judicial enforcement in our country is of particular importance not only for the judicial system efficiency and the rule of law, but also for the financial and banking system, for the civil turnover and business, as well as for the budget of municipalities and the state. Also, for foreign investors, for whom the efficiency of the judicial system, and in particular of judicial enforcement, is of paramount importance as a guarantee for protection against unfair counterparties. Therefore, any intervention must be very careful and well thought out, i.e. to rely on more expert assessment of the real effects of change than on PR and populism.

Two years ago, in 2017, the Chamber of Private Enforcement Agents has gone through one of the most difficult legislative and public challenges since its founding - a key change in the Civil Procedure Code. Therefore, the Chamber of Private Enforcement Agents (CPEA) focuses all its resources on honest and open debate. To vague formulations and attempts to undermine the economic motivation for the functioning of our profession, we have opposed the motivated proposals for change by measuring the particular effect of their implementation.

Most of the amendments to the Civil Procedure Code (CPC) adopted in 2017 can be seen as a revolution in judicial enforcement and a huge step forward in purely procedural terms. Thanks to our efforts and the great support of our counterparts from the Baltic States, the new Civil Procedure Code (CPC) envisages a system of electronic auctions in Bulgaria. It was also possible to perform enforcement on a trademark, objects of industrial and intellectual property, which was a step forward in line with the development of a modern economy. The BCPEA can add to the list of achievements its role as an author and motivator of necessary changes are the implementation of enforcement on separate parts of commercial enterprises and the voluntary sale of real estate on electronic auctions. It is our success to secure the real protection of socially vulnerable debtors in the case of distraint on bank accounts through the introduction of an effective mechanism for the protection of all types of social payments and remuneration. Private enforcement agents in Bulgaria are already entitled to hand over private documents, which until now was entirely within the powers of notaries only. We have also made a very serious breakthrough in the collection of public claims by PEAs, removing the requirement for state authorities and municipalities to pay advance fees to PEAs. It has removed one of the major obstacles - spending of

public funds and related problems of all kinds. At the same time, we were able to talk the Parliament into not accepting the texts by which public enforcement agents in Bulgaria are able to collect public claims. We also did not allow the PEA system in Bulgaria to be greatly downplayed through the numerous legislative proposals regarding our Tariff.

2019 was the second full year in which the new Civil Procedure Code regulated our work (issue 86 of 27 October 2017, as amended, issue 96 of 01 December 2017, effective from 01 January 2018, as amended and supplemented, issue 102 of 22 December 2017, effective from 22 December 2017). During the past year, we continued to monitor and investigate the application of the newly adopted rules, and accordingly we have never stopped to actively participate in working groups and forums held to improve the legislation in the field of judicial enforcement.

MINISTRY OF JUSTICE

In 2019, although at a slow pace, interaction between the BCPEA and the Ministry of Justice continued in the form of formal and informal meetings and joint working groups. Cooperation with management, experts from the Inspectorate under the Judiciary Act and the financial inspectors of the Ministry of Justice is good. Members of our industry participated in several working groups within the Ministry of Justice.

As a major success for the past year, we can point at the adoption of amendments to the regulations on judicial enforcement.

At the beginning of 2019, changes to three of the most important regulations related to the activity of private judicial enforcement agencies were finalised: Ordinance No. 2 on Compulsory Insurance of Private Enforcement Agents, Ordinance No. 3 on Annual Reports of Private Enforcement Agents, and Ordinance No. 4 on Official Records of Private Enforcement Agents. Amending the ordinances was necessary and much anticipated by the industry for several years. The Expert Group at the Ministry of Justice, which also includes representatives of the Chamber of Private Enforcement Agents (CPEA), closed its work at the end of 2018, when the texts for amendments to the regulations above were successfully completed within a few months. BCPEA representatives within the group were Gueorgui Dichev, Alexander Dachev, Stoyan Yakimov, Maria Tsacheva and Nikola Popov. In March 2019, after reviewing the final texts, the BCPEA Council sent a formal letter stating it has no comments on the wording.

The Chamber considers it an indisputable success to update the regulations on judicial enforcement in 2019. The promulgation of ordinances became a fact in State Gazette, issue No. 51 of 28 June 2019. They have not been changed since 2006.

According to the amendments adopted to Ordinance No. 4 on Service Archive of Private Enforcement Agents, the recordkeeping books (ledger) are stored in electronic form in a manner and standard ensuring the exchange of information with the public administration. A unique identifier is generated for each entry in the ledger (the change is effective from 28 June 2020). **The changes already allow the PEA to destroy enforcement cases** - after the expiry of the archiving period, the private enforcement agent may keep an electronic copy of

the documents contained therein. The electronic copy certified by the electronic signature of the private enforcement agent at the time of its preservation is considered correct with the original of the document. Article 5, para. (5) of the aforementioned ordinance regulates the time limits for the storage of the files and other papers submitted to the official archive. After these deadlines, they shall be disposed of in compliance with the applicable regulatory requirements.

The changes in the Insurance Regulation (effective from 01 January 2020) are very important, according to which all PEAs will be obliged to be insured for a minimum of BGN 1.2 million, thus providing protection not only to the parties to the cases, but also to any third parties who may suffer performance damage.

The amendments to the Ordinance on the annual reports, in turn, lead to better accountability (optimising the form for filling in the annual reports) and full monitoring of the results and work of PEAs in cases for the benefit of the state, municipalities and the judiciary.

Private enforcement agents Stoyan Yakimov, Nedelcho Mitev and the Legal Support Working Group for the implementation of activities under the project "Development and implementation of an electronic information system" National Register of Constraints" funded by OP "Good Governance" through the European Social Fund Delyan Nikolov. The BCPEA claims that such a register is necessary, but should begin from scratch to start recording "new" distraints, and subsequently seek automatic migration of data from other registers for the distraints already present as entries. According to the PEA, access to the Registry should be free but recorded, i.e. to identify each user. Consumers should pay fees, and access to public authorities and public officials such as PEAs and notaries should be free of charge. The BCPEA analysis shows that the necessary information to be included in the Registry are vehicle owner names, personal ID, address, enforcement case details or details on any other case in connection with which the distraint is imposed, the authority to which the proceedings are being developed, the claimant in the case, the amount of the claim, the date of distraint and the order of entry, exact description of the vehicle - registration plate number, chassis number, engine number and/or other sufficiently identifiable features. Certificates containing complete information about the entered circumstances should be issued to the court, public authorities, persons exercising public functions entrusted thereto by the state (private enforcement agents, notaries), persons seeking information about themselves or persons authorised by notary verification thereby. When referring for a bankrupt company, the appointed bankruptcy trustee may also be entitled to such, as stated in the BCPEA Council opinion on the project. From the project onset, the Chamber believes it would be best to have the constitution entered into a constitutional act, and it will necessarily entail relevant amendments to the Civil Procedure Code (CPC) that should explicitly regulate it. In this way, the Registry will also receive its regulatory basis, which is not currently available. In the event of accepting the primary approach and the constitutional validity of entries in the Registry is adopted, it should link it to other databases, such as traffic police.

At the beginning of 2019, the work of the Ministry of Justice working group on discussing and preparing regulatory changes to the Judiciary Act and drafting legal changes in the area of legal capacity was completed. The Chamber's representative in this working group was PEA Stoyan Lazarov, member of the Committee on Legal Affairs and Control. The new Ordinance on legal capacity is now a fact (Promulgated in State Gazette, issue 13 of 12 February 2019) and shall enter into force on 01 January 2020.

In October 2019, in connection with a letter from the Minister of Justice, the Chamber appointed PEA Stoyan Yakimov and PEA Maria Tsacheva as its representatives to participate in a working group at the Registry Agency to review proposed regulatory changes prepared on project BG05SFOP001 "Upgrading the property register for integration with the cadastral register and providing additional e-services". By the end of the reporting year, meetings and discussions were held within the group members.

By the end of 2019, the Ministry had achieved and fully satisfactory for the BCPEA the result of work on a draft ordinance under Article 23 of the Special Pledges Act, namely: Ordinance No. 1 on keeping, storing and accessing the Central Register of Special Pledges.

Gueorgui Dichev, Stoyan Yakimov, Alexander Dachev are involved in another working group for drafting an ordinance that defines the requirements for a unified environment for the exchange of electronic distraint. Unfortunately for this project there is no significant movement towards positive results.

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

COUNCIL OF MINISTERS

In 2019, the Council of Ministers has proposed changes to the Administrative Procedure Code. On its own initiative, the Chamber of Private Enforcement Agents (CPEA) prepared and sent an opinion on the law amending and supplementing the Administrative Procedure Code (APC) to the Modernization of the Council of Ministers Administration Directorate. In an opinion to its director Krasimir Bozhanov, the changes were positively assessed and a recommendation was made to refine the legal definition of the term "internal administrative service", for to distinguish as far as possible with a change in the Private Enforcement Agents Act or in the APC as the individual PEA, as a person exercising public functions from those in which the PEA acts as a enforcement authority (which continue to be regulated by the CPC rules).

The Chamber position of the was that a distinction should also be made in the legal definition of the term "person performing public functions", stating that for the purposes of the APC proceedings, these are persons who act and perform administrative services outside the law provided for their public enforcement function.

AGREEMENTS WITH STATE INSTITUTIONS FOR COLLECTING PUBLIC RECEIVABLES

The Chamber of Private Enforcement Agents, through signed bilateral agreements, formally cooperates with state institutions to collect their public claims.

SUPREME JUDICIAL COUNCIL

Following the signing in 2018 of a new agreement with the SJC and in the reporting year 2019, the successful cooperation between the BCPEA and the SJC in collecting court claims in the Republic of Bulgaria continued. We pay particular attention to this agreement, despite some difficulties we encountered at the outset regarding its implementation. The new text agreed on changes in some texts on case initiation, reporting, statistics collection and optimisation of the PEA's work in these cases. For the first time, the two parties agreed to cooperate in 2015, but the real implementation of the claims started in 2016 and the first results were reported in 2017.

Three years after the signing of the **Agreement on Increasing the Recoverability of Public Receivables in favour of the Judiciary between the SJC and the BCPEA**, its effects are not only fiscal. As a result of the work of the Private Enforcement Agents (PEA), real enforcement of sanctions and penalties under the Criminal Code was achieved. The preventive function of enforcement is also triggered - an increasing number of debtors are aware that the debts are being collected, which makes them pay voluntarily and without the intervention of the PEA.

There is also another effect - **taxpayer-funded government debt collection is actually cut down**. According to the Agreement, the judiciary authorities do not pay fees and expenses to PEAs. They are collected by the debtors themselves, and in cases where the receivables are uncollectible, the costs remain at the expense of the PEA.

For the first half of 2019, PEAs raised BGN 504,000 in favour of the judiciary. The newly created cases are about 1500, and together with the cases pending in previous years, they are approximately 13,500 worth approximately BGN 44 million. It is noteworthy that, as a whole, enforcement cases in favour of the courts are less (probably in the case of public enforcement agents) and respectively collectability is falling.

Despite the relatively small number of individual receivables, the **SJC has registered an increase in the collection rate on an annual basis**. "We have an agreement with private enforcement agents - things are going well there. In some places, and with state enforcement agents, things are going well. *The problems are rather beyond the will of the judiciary,*" stressed SJC Chairperson Boyan Magdalichev in an interview with the media at the end of 2019."

ELECTRONIC MEDIA COUNCIL: On 11 June 2015, an agreement was also signed with CEM to recover its claims for state fees payable under the Tariff for Fees for Radio and Television Activities, as well as for penal provisions issued. Most Chamber members of Private Enforcement Agents (CPEA) have agreed to initiate enforcement cases with the CEM claimant. The list of their names has been deposited with CEM partners. From the beginning of the agreement to the end of the reporting year 2019, we have 270 enforcement cases initiated with the Council on Electronic Media as Claimant.

FORESTRY EXECUTIVE AGENCY AND STATE AGENCY FOR METROLOGICAL AND TECHNICAL SUPERVISION

The Chamber of Private Enforcement Agents has signed agreements with the Executive Agency for Forests and the State Agency for Metrological and Technical Supervision. The agreements are expected to raise the collectability of fines and property sanctions imposed by the two agencies that have entered into force.

MINISTRY OF INTERNAL AFFAIRS AND TRAFFIC POLICE

In 2019, members of the BCPEA Council Nedelcho Mitev and Stoyan Yakimov met with representatives of the Ministry of Interior - Traffic Police to ensure access of the Private Enforcement Agents (PEA) to the electronic database and information system of Traffic Police. Immediately after the meeting, the BCPEA Chairperson Gueorgui Dichev sent a letter to the Ministry requesting to include the industry members. The Chamber's request is reasoned by more expediency, increased collection rates and reduced costs for parties to the enforcement process. The inclusion of PEAs in the platform will not only facilitate the activities of PEAs, but will also reduce the work of the Ministry of Interior - Traffic Police, who issue paper copies. The BCPEA referred to the provisions of the Law on e-Governance and the draft amendments to the Administrative Procedure Code (APC). The BCPEA recalled that with the introduction of the RegIX inter-registry exchange system, enforcement agents have been granted access to a number of registers, but the Ministry of Interior has not yet granted permission. The recommendation of the Chamber of Private Enforcement Agents (CPEA) was that future access should be provided by the vehicle owner's PIN/UIC search and not by the vehicle's registration number.

The Chamber also declares its interest to be involved in the project "Creating a technological environment for receiving real-time data from the Central Register of Vehicles of the IAAA, NRA, municipal administrations and RIA, refactoring of AIS CBS, realisation of AIS PSC and development of new electronic services", as well as access to the administrative service "Issuance of a certificate of data on registered and unregistered vehicles". We informed the Ministry of Interior that the new website of the organisation is under construction, which will offer the functionality of *Registry of Private Enforcement agents* - designed and developed according to a technological model, corresponding to its use through Web API (Application Programming Interface). The application is a specific type of client-server interface that is described as a "contract" between the two parties - such that if the client requests a specific format, he will always receive a response in a specific format or initiate a specific action. In this way, the technological connection of all institutions will be established with the Registry of Private Enforcement Agents (PEA) in real time, where the reflected changes in the circumstances, subject to registration by law, could be traced.

In the end, we received an assurance from the Ministry of Interior that with the launch of our new website, the Chamber will be included in the electronic platform described above.

The use of legal capacity of another enforcement authority to collect public receivables, in addition to NRA public contractors, will create prerequisites for improving the collection, including small amounts of debt, such as fines. It was said in response to the Minister of

Finance to the Chamber in 2017, in connection with her proposal of the PEAs to collect fines imposed by the Ministry of Interior. In a letter to the Prime Minister Boyko Borisov and the Ministers of Finance and Interior, the BCPEA Chairperson Gueorgui Dichev had motivated the PEA readiness of the to assist the Ministry of Interior and the NRA free of charge, taking over the collection of the most severe cases of unpaid fines from violators.

The idea of the BCPEA to enhance prevention against road violators is not new. The industry has repeatedly paid attention to both the institutions and the public that the law enables PEAs to collect public claims of the state. Timely implementation will increase prevention. The letter to the members of the government stated that *if the government incurs expenses when collecting public liabilities from public contractors or public enforcement agents, i.e. all bona fide taxpayers again pay the bill of the bad debtors, the partnership with the PEA will cost nothing to the budget and the expenses will be covered by the offenders only.* The Chamber Chairperson gave an example of the successful cooperation with the SJC on the collection of the judiciary.

Former traffic police chief and road safety expert Alexi Stratiev even then recommended **that the state engage private enforcement agents so that the NRA does not have to prosecute numerous offenders** who do not want to pay for their wrongdoing. During a roundtable in Parliament in 2017, NRA representatives announced that out of a total of BGN 66.3 million, unpaid fines for road violations since the beginning of 2016, up to BGN 34 million have been handed over for enforcement. More than 40% of fines are up to BGN 50. The compulsory collection of a fine of BGN 50 goes to the state about BGN 300 and takes 3 years if all stages of the procedure are followed. More than half of the fines imposed on the offending drivers go to forced collection - the most difficult, expensive and time-consuming procedure for the state administration.

The Ministry of Finance responded positively to our proposal, but unfortunately to this day (two years later) the Ministry of Interior does not respond to the provided hand for assistance by the Chamber of Private Enforcement Agents (CPEA).

OMBUDSMAN OF THE REPUBLIC OF BULGARIA

The Chamber of Private Enforcement Agents has prepared an opinion on the Ombudsman's draft Law on the Insolvency of Individuals. The bill was discussed at a roundtable meeting in June 2019, with PEA Stoyan Yakimov included in it. In our opinion, it is stated that the over-indebtedness of individuals is a significant economic and social problem, and although there are no rules in European legislation to oblige Bulgaria to adopt such, it will certainly come to an appropriate legal framework at some point.

According to the Chamber's Council, the main weakness of the proposed project is the absence of any sanctions and that a balance should be struck between the interests of the debtors and the creditors. The bill was tabled by former Ombudsman Maya Manolova in parliament, but it was not debated until late last year.

BULGARIAN NATIONAL BANK

In 2019, the extremely successful cooperation of the BCPEA with the BNB continued. Since the beginning of 2017, the Registry of Bank

Accounts and Safety Vaults (RBASV) with the Bulgarian National Bank has been operational. This register resolved a number of problems for debtors, creditors and the PEA system. It is no longer necessary to impose blinds on the blind, or to accumulate unnecessary, sometimes excessive, costs of debt.

The foundations of the joint project for the RBASV were laid at the end of 2016. At that time, our representatives participated in several joint working groups organised by the BNB to draft the Ordinance on the Registry of Bank Accounts and Safety Vaults. The meetings were very beneficial, and our motives and comments on the specifics of the PEA's work were fully taken into account when drafting the final version of the Regulation wording.

Cooperation between the Chamber of Private Enforcement Agents and the Bulgarian National Bank could be defined as a benchmark for beneficial interaction and efficiency of work between the institutions. The Chamber teams and BNB still work in perfect harmonisation and perfect working relationships. The real results are not delayed. By the end of the reporting year 2019, all PEAs in the Republic of Bulgaria had electronic access to the Registry and actively used it in their daily activities. This is one of the services provided by the BCPEA for our members, which they consider to be the most useful for the last two years.

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

The successful partnership between the Chamber of Private Enforcement Agents and the National Association of Municipalities in the Republic of Bulgaria continues.

Over the last 6 years, the Chamber reports every year an increase in cases in favour of local authorities. Private enforcement agents regularly participate in annual meetings organised by the National Association of Municipalities in the Republic of Bulgaria. In 2019, representatives of the profession again participated in one expert forum of local authorities.

The XXII National Meeting of the Financiers from the Municipalities in the Republic of Bulgaria, organised by the NAMRB, was held 16-18 May 2019 in the resort of Sts. Constantine and Helena." Our representatives were deputy Chairperson of SCCHI Ivan Hadzhiivanov and PEA Darina Serbezova - Slavova from Varna. The forum brought together 350 financial, tax experts, accountants, internal auditors, financial controllers, mayors and municipal councillors. The NAMRB has repeatedly expressed satisfaction with the cooperation between the two institutions, as well as appreciating the expert participation of the Chamber's representatives in the forums. Thank-You Letters were also received in 2019 used by organisers of the National Meeting to reiterate that the professionalism, knowledge and expertise of the PEA provoked a rich and constructive discussion that was most useful to the participants.

REGISTRY AGENCY

The Chamber of Private Enforcement Agents (CPEA) in 2019 also participated in presentations of initiatives and projects organised by the Registry Agency.

At the proposal of the Minister of Justice, a working group on the project BG05SFOP001 "Upgrading the property register for integration with the cadastral register and providing additional e-services" was established in the Agency last year. PEA Stoyan Yakimov and PEA Maria Tsacheva represent the PEAs and take an active part in the activities of the group. At the end of the reporting year, the results can be summarised as follows: The foreclosures cannot be entered electronically in the Property Registry - this is the conclusion of all experts in the working group and in this sense the proposed texts in the Cadastre and Property Register Act were rejected by both the NRA and the Chamber of Private Enforcement Agents. Electronic access to certified copies of notarial acts will be provided electronically. Notarial inquiries and certificates of encumbrance will also be available electronically after the property register has been upgraded. The project is now nearly completed. Of the nine e-services planned under the project, five services are already operational (only written records and certificates of burden remain).

STATE AGENCY FOR ELECTRONIC GOVERNANCE (SEEG)

The activity of the State Agency for Electronic Governance (SEEG) is largely related to the activities of the state strategy for electronic governance and electronic exchange of information. The strategy envisages the state to provide the bodies and persons entrusted with public-law functions with the widest possible range of services and easier and quicker access to information from national registers.

In pursuance of the eGovernment and Electronic Exchange Strategy, the State has set up **a single RegIX Information Exchange System**, the management of which has been provided to the State Agency for Electronic Governance (SEEG). The system provides an opportunity to implement an interface for automated filing and servicing of standardized requests for administrative services electronically. The developed components allow users of information to automatically retrieve data from the main registers, including National Population Database, BULSTAT Register, Property Register, Trade Register, Register of duties to the customs administration, Register of the entered data controllers, Register of Bulgarian Identity Documents, Unified Register of Foreigners, Register of Secondary Schools and Kindergartens, Register of Diplomas and Certificates of Completed Primary and Secondary Education and Professional Qualification, the Bankruptcy Proceedings Register, the Registry of Debtors, etc.

The activity of each PEA and the overall development of the enforcement process is impossible without information, and often individual state or municipal institutions are also interested in receiving timely feedback on the stage at which a particular enforcement case is located and the security and enforcement actions performed. PEA has obligations under the Civil Procedure Code, related to the inevitable and thorough examination of the debtor's assets, an obligation to initiate a number of inquiries in the relevant offices - in the Registries, in the municipalities, the District Units of State Constriction Supervision and Control (SCSC), the State Control Board, the Ministry of Interior, the Ministry of Finance, BNB, etc.

Cooperation between SEEG and the Chamber of Private Enforcement Agents (CPEA) starts at the beginning of the reporting year. At a meeting in

January 2019, the two managements agreed to the group institutional inclusion of PEAs in the RegIX interregional exchange environment.

During the meeting between SEEG representatives and members of the Council of the PEA, the issue of systematisation of the Registries to which the PEAs have access was discussed. The Board of the Chamber of Private Enforcement Agents (CPEA) adopted a typed list of registers and forwarded it to the Chairperson of the State Security Administration Atanas Temelkov by letter dated 12 March 2019. The need for such systematisation of the Registries to which private enforcement agents have access and summarising them in the initial list (together with the legal bases for obtaining the requested information) was necessary in order to minimise the number of ineffective access requests of PEAs to the relevant registers and overloading the RegIX inter-registry environment. In this regard, the Chamber has also provided the Agency with a current list of active PEAs who have indicated their willingness to join the platform.

Our commitments made after the meeting were 100% realised. Unfortunately, by the end of 2019, the SEEG failed to meet their obligation to continue to administer the process of group inclusion of all PEAs in the inter-registry exchange environment. For the BCPEA, this delay is unjustified as we find no legal obstacles to its implementation, but only bureaucratic ones. At the moment, there is the only opportunity for each PEA to individually join RegIX by applying to the SEEG and following technological steps. Sometimes access is obtained with extremely long delays, which slows down the work of enforcement agents and undoubtedly maintains a higher cost of enforcement for the parties to the cases.

Negotiations between the BCPEA and the SEEG on the inclusion of all private enforcement agents in the unified information exchange system will continue in 2020.

STATE AGENCY FOR NATIONAL SECURITY (SANS)

The BCPEA and SANS have built a traditional cooperation. Regular meetings are held at least once a year, and they are conducted in good faith and aiming to improve cooperation between the two institutions in their commitments to implement the Anti-Money Laundering Act and its subordinate acts.

As early as 2018, a standard information and communication system was introduced in SANS with a secure Internet portal for electronic servicing of the state administration, business and citizens in implementing the measures for the prevention of money laundering and terrorist financing. A database and an Internet portal have been created through which 31 categories obliged under the Anti-Money Laundering Act (including private enforcement agents) to report suspicious transactions under Article 13, Para 2 of Rules on Implementation of Anti-Money Laundering Act, notification of payments under Article 11a of the Anti-Money Laundering Act and for amended or newly adopted internal rules for control and prevention of money laundering under Article 16 of the Anti-Money Laundering Act.

Anti-Money Laundering Act (AMLA) – amendments and supplements in 2019

Over the past two years, the law has undergone a number of amendments that the PEA should have complied with and implemented.

On 15 February 2019, the BCPEA Council reviewed the draft Sectoral Plan for conducting introductory and Life-Long Training of obliged persons under the Anti-Money Laundering Act. The plan was presented by Dragomir Yordanov, Executive Director of the European School of Enforcement. Regarding the training due to the SANS internal rules of secrecy, the Agency did not accept the option of conducting online seminars (webinars). Instead, they suggested holding several regional one-day seminars for taxpayers in major cities in the country.

At its meeting, the PEA Council adopted the *Introductory and Life-Long Training Plan* of the Chamber of Private Enforcement Agents, including Private Enforcement Agents and Officers at the PEA law offices, as and the European School of Enforcement under the Anti-Money Laundering Act for 2019. The plan was sent immediately to SANS, together with current lists of active PEAs and public enforcement agents in the country.

Subsequently, at its regular meeting held on 19 April 2019, the Chamber Council also adopted "*Uniform internal rules for private enforcement agents and the assistant - private enforcement agents in the Republic of Bulgaria for the control and prevention of money laundering and the financing of terrorism.*"

In the meantime, a procedure for adopting amendments to the Anti-Money Laundering Act was initiated at the National Assembly, which continued during the majority of 2019. The latest amendments to the Anti-Money Laundering Act were promulgated in State Gazette, issue No. 94 of 29 November 2019.

The National Risk Assessment prepared by SANS has been approved and is expected to be published on the SANS website and published in the media at any moment. The procedure and deadlines for the preparation of sectoral risk assessments (including for the PEAs) are determined by the Rules of Implementation of Anti-Money Laundering Act (Article 98, paragraph 6 of the Anti-Money Laundering Act).

The Chamber of Private Enforcement Agents (CPEA) prepares internal rules for anti-money laundering measures for all PEAs (Article 101, Paragraph 4 of the Anti-Money Laundering Act, Issue 42 of 2019, effective 28 May 2019). These internal rules shall be brought into compliance with the amendments to the law within 6 months of the publication of the results of the national risk assessment on the SANS website (§6, paragraph 1 of the Transitory and Final Provisions to the Anti-Money Laundering Act).

On this basis, the Chamber Council decided at its meeting on 31 May 2019 (announced at the National Conference of PEAs on 01 June 2019) to amend its decision of 15 February 2019 in the sense that the Anti-Money Laundering Act trainings envisaged in the BCPEA and ESE Training Plan under the Anti-Money Laundering Act will be implemented after the adoption of the new Internal Rules.

In 2020, the work of the competent institutions will continue to prepare the amendments and adopt a new Rules for Implementation of the Anti-Money Laundering Act, which is expected to be published for public discussion and possibly adopted by the Council of Ministers in the first months of 2020.

At the end of the reporting year 2019, SANS reaffirmed their commitment to assist in the preparation and adoption of the Internal Rules and in the conduct of trainings. Given the need to first adopt

and promulgate the National Risk Assessment and the Rules for Implementation of the Anti-Money Laundering Act, a reasonable timeframe for adopting the Internal Rules is April-May 2020 and for conducting the training immediately before or after the summer vacation.

COMMITTEE ON ANTI-CORRUPTION AND SEIZURE OF ILLEGAL ACQUISITION OF PROPERTY

The Committee on Anti-Corruption and Seizure of Illegal Acquisition of Property is an independent, specialised, permanent state body for the implementation of anti-corruption and seizure of illegal acquisition policy. It was created by the Law on Anti-Corruption and Seizure of Illegal Acquisition of Property (promulgated in State Gazette, issue No. 7 of 19 January 2018).

The Committee is the successor to the Committee for Seizure of Illegally Acquired Property, established by the Law on Seizure in favour of the State of Illegally Acquired Property (promulgated in State Gazette, issue 38 of 18.03.2012) and the Committee for establishment of property acquired from criminal activity (CEPACA), established by the Law on Seizure in favour of the State of Illegally Acquired Property (promulgated in State Gazette, issue 19 of 01 March 2005).

The Committee shall be the successor in title to the assets, liabilities, archive, information resource, rights and obligations of the Committee for the prevention and detection of conflicts of interest and to the Council of Ministers' Centre for the Prevention and Counteraction of Corruption and Organised Crime, of the relevant part of the assets, liabilities, the archive, rights and obligations of the Court of Auditors related to the activity under the repealed Law on Publicity of the Property of Persons Holding Higher Governmental and Other Positions, as well as of the relevant specialised directorate by the State Agency for National Security for combating corruption among senior public officials.

Law on Anti-Corruption and Seizure of Illegal Acquisition of Property

In connection with the Bill on Amendments to the Law on Anti-Corruption and Seizure of Illegal Acquisition of Property 854-01-90 of 17 December 2018, submitted by MPs Daniel Kirilov and Hamid Hamid on 19 March 2019. The Chamber of Private Enforcement Agents sent to the Committee on Legal Affairs in the 44th National Assembly a proposal and motives for the bill. With the document deposited, we formally demanded **the removal of private enforcement agents and notaries from the scope of the law**, since their placement among the addressees of the Law on Anti-Corruption and Seizure of Illegal Acquisition of Property was not justified by statute, the activities and financing of the two professions. The law itself regulates public relations arising from corruption conduct or the possibility of such by persons holding senior government positions and operating with public funds. Enforcement agents and notaries are not persons as quoted above, they do not exercise authority, do not dispose of public funds, and therefore there is no reason to be included in the scope of the law, the Chamber says in its opinion. The mechanical inclusion of this category of legal entities as addressees of the law is the result of a legislative error, which caused quite a few surprises and shocks within notaries and private enforcement agents and it is desirable to

be corrected in time by amending the law, the Chamber says in its opinion on the bill.

In its letter, the BCPEA emphasised that while exercising public powers conferred on them by the state, in terms of functionality and status, both categories of persons are outside the systems of government and the judiciary. Notaries and private enforcement agents are by law self-insured economic entities that do not operate or dispose of public property, do not exercise state power, are not included in the structure of public offices, do not exercise managerial functions, no legal implications follow from their actions and acts for an unlimited number of citizens, the BCPEA also stated. Moreover, in the relevant laws governing the status and powers of the two categories of persons (Notary and Notary Activity Act and Private Enforcement Agents Act), incompatibility provisions have been introduced establishing a prohibition on notaries and private enforcement agents from holding public office and in one way or another in any state or municipal government (Article 9 of the Notary and Notary Activity Act and Article 6 of the Private Enforcement Agents Act).

PEAs and notaries do not dispose of and budget public funds, do not receive remuneration at the expense of the state or municipal budget, but exercise the profession at their own risk and at their own expense like other private economic entities in the country. The Chamber further recalled that the legal framework for the activities of notaries and private enforcement agents contains a number of effective mechanisms for controlling the charging and documentation of the respective fees due to enforcement agents and notaries under the two quoted Tariffs.

Notwithstanding the aforementioned actions taken by the two industries together, their motives were not taken into account in the deliberations of the parliamentary Committee on Legal Affairs and subsequently in Parliament. The bill was passed and promulgated in this form.

Pursuant to the provisions of the law thus adopted, as a body of election or appointment, the BCPEA Council, by its decision, appointed a Committee of five basic and one Alternate Member under § 2, para. (5) of the Supplementary Provisions of the Law on Anti-Money Laundering and Seizure of Illegal Acquisition Property. During 2019, the body exercised its functions and powers to verify the declarations submitted by PEAs under Article 35, para. (2), subpar. (1) of the Law on Anti-Money Laundering and Seizure of Illegal Acquisition Property.

UNION OF LAWYERS IN BULGARIA



The Chamber of Private Enforcement Agents is a member of the Union of Lawyers in Bulgaria and participates in all joint initiatives. On 17 April 2019, on the occasion of the Constitution Day of the PEA, Stoyan Yakimov received the Honourable Mention of the Union of Lawyers for Professional Achievement. His prize was presented at a solemn assembly attended by Vice-Chairperson of the Republic of Bulgaria Ms. Iliana Yotova,

Minister of Justice Danail Kirilov, representatives of the judiciary, university professors and many lawyers.

Our colleague's award was at the proposal of the BCPEA Council. Stoyan Yakimov was a member of the Chamber's Disciplinary Committee for two terms, and is currently a second term member of the Chamber's Council and its Vice-Chairperson. Over the years, he has participated in many working groups within the Ministry of Justice for changes in laws and regulations. Through this activity, Yakimov has contributed enormously to the improvement of the legislation in the part of judicial enforcement. He has made a great deal of effort to discuss and work out the changes in the Civil Procedure Code (CPC) adopted in 2017, which have taken a revolutionary step in the electrification of enforcement. As a member of the Chamber Council, Yakimov maintains very good professional contacts with the state and public institutions, which are of great importance for raising the authority of the profession.

"PRAVEN SVYAT" ANNUAL AWARDS



Deputy Chamber Chairperson of Private Enforcement Agents Ivan Hadzhiivanov received the **"Private Enforcement agent of the Year"** award at the 11th annual "Lawyer of the Year" awards. The competition is organised by the Legal World (Praven Svyat) website and the International Law Centre, which awards the most prestigious legal awards in Bulgaria in the presence of SJC representatives, supreme

courts, ministers and top judges. The ceremony was held on 08 May 2019 at Grand Hotel Sofia in the capital city. Awards were presented in a total of 6 categories. Private Enforcement Agents Ivan Hadzhiivanov is from Ruse and was recognised for his overall activity and the highest number of completed cases with realised claims. Nominated in the category "PEA of 2018" were also PEA Stefan Gorchev and PEA Maria Tsacheva. The award was presented by PEA Stoyan Yakimov - Deputy Chamber Chairperson of Private Enforcement Agents (CPEA).

CHARITABLE CAMPAIGNS AND INITIATIVES

Since its inception, the Chamber of Private Enforcement Agents has supported and participated in charitable initiatives. Our institution has been a long-time donor to the Bulgarian Christmas campaign and other national and regional donor initiatives to assist people affected by disasters, accidents or in the performance of their duties. In 2019, we have followed this tradition.

3.3. Public Relations and Media

The open media policy of the Chamber of Private Enforcement Agents, which has proven positive over the years, continued in 2019. The

participation of Chamber representatives in thematic television and radio broadcasts has been frequent over the past year. The media is already more active and interested in enforcement, and the aim is not only to criticize private enforcement agents, but to make citizens aware of it and keep it informed.

Starting this process last year, he held a seminar with the line journalists, held in March, in which the Chamber Council participated. Reporters were not only aware of the Chamber's 2018 activity report, but also of the changes that have taken place between debtors and creditors. 90% of the debts are no longer collected by private enforcement agents, warns Chamber Speaker Gueorgui Dichev. Only 10% of the receivables in Bulgaria are assigned to us, while in the other cases, the creditors engage alternative debt collectors such as collecting companies, whose activity has no law, and there is no protection of the debtor, which is regulated by the Civil Procedure Code, Dichev said. He alarms citizens to be careful what they sign. The seminar was very well covered in websites, newspapers, radio and television broadcasts. The practice of conducting thematic meetings with journalists over the years has proven how useful they are to the Chamber's activities and public awareness.

There was great interest in the media during the international conference, held on 20 March 2019, on "Enforcement in support of citizens, business and effective justice". In addition to the briefings, interviews were conducted with the BCPEA Chairperson Gueorgui Dichev, Mathieu Chardon, First Vice Chairperson of the International Union of Judicial Officers, and Tamara Gutsunja, a member of the Executive Committee of the Chamber of Public Enforcement Agents in Serbia. The main focus in the media was the practice of the parties participating in the conference to collect the so-called. small debts without judgment. An idea that our Chamber has been promoting in the public domain for several years now.

It is part of the principle of the Private Enforcement Agents of the Chamber of Private Enforcement Agents (CPEA) on a regular basis and in case of an informational occasion to inform the public through the media about its activities and legislative initiatives.

It should be noted that televisions still tend to cover primarily private cases involving the name of a particular private enforcement agent. The negativity that has dominated the work of colleagues for years is already quite moderate. The media are obliged to seek information on a case-by-case basis from the Chamber of Private Enforcement Agents (CPEA), which is provided to them in a timely manner. It should be noted that journalists are increasingly keeping a balance in their material. So many cases of complaints from citizens to the media have not been published. Journalists are convinced that very often people are misleading and present only their point of view, which has nothing to do with reality.

Last year, too, there were many reports that collectors were posing as private enforcement agents and misleading citizens. This again required the Chamber to explain through the media and thus inform the public about this unfair practice on a case-by-case basis.

We have to take into account the lack of press conferences over the past 2019. The reason: there were no informational occasions that

aroused media interest. However, this form of communication will always be used when necessary.

Good practice has been introduced to publish PEA consultations on legal websites and print media, which continued this year. They seem to be of great interest as the readings reach several thousand.

In conclusion, it can be said that a mutual trust has already been established between journalists who cover the activities of private enforcement agents and the Chamber management. The reason is the timely provision of accurate and reliable information to the media on our part. Overall, in 2019, no material was published that would undermine the good name of the Chamber of Private Enforcement Agents. However, this cannot be said for individual lawyers, politicians and public figures who use some media, mainly on the Internet, to make their own PR at the expense of private enforcement agents.

3.4. Control over PEA activity

Private enforcement agents practice one of the most controlled professions. Permanent control over PEA is implemented by 8 institutions - Chamber of Private Enforcement Agents, Ministry of Justice with two separate inspectorates, Ministry of Interior, court, prosecutor's office, National Revenue Agency, State Agency for National Security, Committee for Personal Data Protection.

The Ministry of Justice and the Council of the Private Enforcement Agents (PEAs) independently carry out a policy of control and supervision over the activities of the PEAs and monitor the implementation of the law, the statute and the Code of Ethics. The inspections are carried out both on specific complaints and on the overall activity of the PEA's offices. Industry control through both bodies is strong and rigorous. We realise that in our professional organisation, as in most professional industries, individual members do not always follow the rules.

The Committee on Legal Affairs and Control of Activity is an auxiliary body to the Chamber Council within the meaning of Article 30, subpar. (5) of the Chamber Charter, with a term of three years. The Committee is composed of 25 members. It is chaired by a Chairperson and two vice chairmen. The Chamber Council appoints the Chairperson from among its members and he legally participates in the meetings of the Council. It is within the competence of the Civil Procedure Code (CPC) to perform: Methodological and organisational support for the activities of ongoing monitoring and subsequent control over the work in the offices of the PEAs (in view of the rules and norms for the operation of the PEAs laid down in the legislation); Checks at PEA's offices - thematic or on complaints and signals against PEAs to the Chamber Council, as well as carrying out ex-post control; Collection, systematisation and analysis of information on work in the offices of PEAs; Submitting opinions to the Chamber Council on General Legal Matters and those in the field of enforcement.

The Committee on Professional Ethics (CPE) is an auxiliary body to the Chamber Council within the meaning of Article 30, subpar. (5) of the Chamber's Statute, which is engaged in the implementation, interpretation and improvement of the Code of Ethics, with a term of

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

One of the key priorities in the work of the Civil Procedure Code (CPC)C in the reporting year 2019 was the conduct of a national online monitoring of the activities of the PEAs on the implementation of the new CPC since 2017 and the subsequent analysis of the lawfulness of enforcement. In the course of monitoring, which was carried out entirely electronically (specialised software - a questionnaire was commissioned by the Private Enforcement Agents), questionnaires were filled out by 178 PEAs out of 192 active PEAs in the middle of 2019. The analysis findings point to the main problem of law firms - case archiving. The survey reports that 100% of them keep an incoming and outgoing register, a register of recorded case, 90% being electronic. In the part for financial management and documentation of PEA activity, it is recorded that 96% of the offices keep accounting and 98% are registered under VAT. 100% of the offices issue bills under Article 79 of the Private Enforcement Agents Act. Some 55% of the PEAs pay the interest account, 39% pay it to the debtor, and 61% to the creditor, and at 81% - only upon request. Law offices has a high level of employee qualification - 22% are lawyers, 26% are recordkeepers, 16% are accountants, 26% are drafters and 10% occupy other positions.

For years the Chamber of Private Enforcement Agents has pursued a constant policy of increased control and uncompromising attitude towards those who violate the law or undermine the prestige of the profession. The figures show that - from 2016, the penalties imposed by the Chamber so far have been as follows: fines - 102, of which 27 amounting to more than BGN 5000, a warning of deprivation of rights - 4, deprivation of rights - 19.

The BCPEA's Council last year was and will be uncompromising to colleagues who deliberately committed wrongdoing. In 2019, the governing body of the Chamber requested that 15 disciplinary proceedings be initiated against PEAs. At the request of both the BCPEA Council and the Ministry of Justice at the same time, the number of requests for 2019 is 3. At its meetings held in 2019, the Council of the CPEA has taken eleven decisions to initiate disciplinary proceedings, both on complaints in 2018 and on appeals in 2019, as well as one decision on review, on the financial activity of a private enforcement agent. For its part, the Disciplinary Committee, although formally part of the CPEA, is in fact a fully independent body. The data suggest that the Supreme Court of Cassation overwhelmingly upholds the decisions of the disciplinary panels. To the same extent,

the motives for engaging in disciplinary responsibility and imposing disciplinary sanctions on a private enforcement agent also find their confirmation in the acts of the supervisory authority. PEA behaviour that violates the law and rules is not tolerated.

In 2019 In the Chamber of Private Enforcement Agents (CPEA), the number of complaints received was 548, and this year the long-standing trend for their high number remains. For the reporting period they are 18 more than in the previous 2018 - 530 (for comparison in 2017 - 654, in 2016 - 620, in 2015 - 522).

The Chamber takes its control activity extremely seriously, devoting considerable resources to reviewing each complaint. Much of each Council meeting is devoted specifically to addressing received signals and complaints. A significant number of citizens are not only aware of the rights and procedures, but also of the functions and PEA powers, unfairly blaming the PEAs for the actions of the other party in the process, for court decisions and court proceedings, for the interest accrued and the costs of court fees, attorneys and legal advisers for impounding social assistance benefits, pensions and bank account wages, etc. On the other hand, judicial enforcement is, by its nature, a highly conflictual activity in which it forcibly enters the personal and property sphere of one of the parties to the process and is normally dissatisfied. It should be noted that in the last few years, an average of 200,000 enforcement cases have been initiated annually in our country. Against this huge number of cases, only 0.09% of the cases in which PEAs work have received any complaints. This is the ratio of the number of complaints filed with the BCPEA and the Ministry of Justice versus the pending enforcement cases in the country.

Of course, for the BCPEA, every legitimate complaint is of great importance, every victim of a PEA violation deserves all of our attention, and that is why we devote so much resources and effort to our control activities.

The Chamber's records system contains in electronic form information for statistics, monitoring and control of the activity of the PEA. It is a useful tool for the control bodies of the Chamber to extract all available information about the activity of each private enforcement agent - cases, annulled actions by the court, appeals against him, disciplinary proceedings, found violations, penalties, recommendations, etc. The system also contains disciplinary practice as well as judicial practice and is used by the supervisory authorities and its individual modules - by all private enforcement agents.

3.5. International Cooperation

The Chamber of Private Enforcement Agents is a full member of the International Union of Judicial Officers (UIHJ), an organisation established in 1952 that currently brings together 98 countries worldwide.

UIHJ

The purpose of UIHJ is to represent its members before international organisations and to ensure good cooperation with national

professional organisations. The Union works to improve national procedural law and international treaties and makes every effort to promote ideas, projects and initiatives to assist the progress and promotion of the independent status of enforcement agents. UIHJ is a member of the United Nations Economic and Social Council. UIHJ is involved in the work of the Hague Conference on Private International Law, in particular in the planning of conventions concerning the execution of executive orders and the enforcement procedure. The UIHJ is a member of the Council of Europe's Permanent Observer status of the European Committee on the Effectiveness of Justice (ECEJ, CEPEJ). The UIHJ is also involved in criticisms and comments aimed at opening the European Judicial Network in civil and commercial law by the European Committee to the legal professions. In addition, UIHJ is currently involved in the work of the Justice Forum set up by the European Committee, as well as in its e-Justice project. Over the last few years, UIHJ has been working on an ambitious project aimed at creating a World Code of Enforcement Procedures, in collaboration with law professionals and university professors around the world. The code has already been drafted, adopted and circulated to the Member States. The Union also participates in exploratory missions to governments and international bodies.

The Bulgarian Chamber of Private Enforcement Agents has been a full member of the UIHJ since 2005 and regularly pays its annual membership fee to the World Organisation.

EUROPEAN UNION OF JUDICIAL OFFICERS (EUJO)

The European Union of Judicial Officers was established at the end of 2016 as the legitimate organisation of European chambers within the international union, but also in response to the European Parliament's Chamber of Judicial Officers s, which is not accepted by the majority of countries in the Union. Currently, 25 countries are members of the EUJO. The headquarters of the organisation are in Brussels. Its purpose is, in close coordination and under the guidance of UIHJ, to carry out the following activities: development, promotion and promotion of the profession of enforcement agent in the various Member States of the European Union; representation of the profession in the institutions of the European Union by expressing a common position; strengthening cooperation with the various legal professions; participation of representatives of the profession in relevant public consultations organised within the European Union; participation in projects funded by the European Union, especially as regards cooperation in the field of judicial enforcement; coordinating the enforcement profession within the European Union in order to promote world standards and best practices in enforcement; organising relevant training activities for enforcement agents within the European Union; representation within the European Union, after consultation with other international organisations and institutions or third countries; all relevant activities and services for the benefit of its members, directly or indirectly related to the objectives set.

The meetings of the Member States of the EUJO are normally preceded by the meetings of the Standing Council of the UIHJ and are held one day in advance. This year's European Union meeting was held on May 9 in Berlin. The Bulgarian Chamber of Private Enforcement Agents (CPEA) participated with its representatives Stoyan Yakimov and Anelia Glavanova. The main highlights of the Forum agenda were related to the

application of the provisions of Regulation 1393/2007 in the section on fees collected by electronic service of documents. The development projects managed by our European organisation in Brussels were also discussed.

Azerbaijan

In May 2019, an expert delegation from the Ministry of Justice of Azerbaijan met with the BCPEA management on the upcoming judicial reform in their enforcement proceedings and the introduction of private enforcement. The delegation was acquainted with the structure, the current regulatory framework and the problems in the executive derivative in Bulgaria with a view to adopting good practices. The BCPEA management answered a number of questions from its guests, introducing them to their experience as a representative organisation of private enforcement agents. We also organised a visit for our guests at the office of a private enforcement agent in Sofia to get acquainted in real time with the functions and activities of the PEA in Bulgaria.

Serbia



The traditional international football tournament for Central and South-eastern European enforcement agents took place in Belgrade on 7 and 8 June. It included teams of colleagues from the Czech Republic, Romania, Moldova, Montenegro, Northern Macedonia and, of course, Bulgaria. The hosts from Serbia participated with two teams - enforcement agents and representatives of the

Ministry of Justice. The winner of the tournament was the team of the Czech Republic, which beat its counterparts from Northern Macedonia.

The Bulgarian team played strongly, failed to qualify in the top three, but placed itself above the teams of Montenegro and Moldova.

The tradition of industry football championships has been going on for several years. In 2019, the Serbia hosted for the first time. The



tournament will also be remembered for being held at the first-class Partizan Belgrade Sports Complex. It was an extraordinary honour and enjoyable experience for everyone to play right there. The enforcement

agents showed professionalism and stamina, although temperatures in the Serbian capital reached 32 degrees.

In 2020, the football tournament will be held in Skopje at the invitation of the Chamber of our Macedonian counterparts.

Kosovo

On 16 July 2019, the BCPEA visited Kosovo Private Enforcement Agents Chamber on the occasion of Kosovo Enforcement Agents' Day and the fifth anniversary of the establishment of the organisation in Pristina. The event was attended by the Chairperson of the Bulgarian Chamber Gueorgui Dichev and Deputy Chairperson Stoyan Yakimov. The forum was also respected by the managements of the national chambers of Albania, Macedonia and Montenegro, as well as UIHJ Chairperson Mark Schmitz and Union First Secretary Jos Uitdehaag. During the solemn conference, participants had the opportunity to talk about the achievements of the profession in their countries and to express their views on the challenges of judicial enforcement in Kosovo. As a result of the visit, a Memorandum of Cooperation was signed between the Bulgarian and Kosovo Chambers in the field of legislation, exchange of information and information resources, practical experience, organisation of seminars, courses and initiatives.



Russian Federation



PEA Tanya Madzharova and PEA Delyan Nikolov presented the Bulgarian Chamber of Private Enforcement Agents at the 10th Anniversary Conference of Russian Enforcement Agents, which took place between 31 July and 02 August 2019 in Moscow. **Judicial Enforcement - Status and vectors of development** was the topic of the forum, which brought together representatives from over 50 countries. The opportunity to explore other people's experiences and to exchange views on the theory and practice of enforcement with representatives of professional communities from countries in Europe, Asia, Africa, North and South America was extremely valuable to us. Ministers and deputy ministers of justice from a number of countries, Chairpersons or judges of supreme courts, Chairpersons of

professional organisations, PEAs, public enforcement agents participated in the event. Forums organised by the Federal Enforcement

Agents Service (FEAS) in the Russian Federation are always distinguished for their perfect organisation and excellent selection of topics and content. Several of the main topics of focus at this year's conference are digitalisation of enforcement processes, work on digital assets in different countries, the practice of so-called administrative arrest.

From the presentations during the event, it became clear that most countries have been able to cope with the digitalisation of executive production and continue to refine processes in order to reduce time and efficiency.

Regarding digital assets, there is still no legislation in either country, but groups have been formed with the EU and to the UIHJ to develop such rules and proposals for legislation. With regard to administrative arrest - Germany, the Netherlands and Azerbaijan apply such a measure. It is used in cases where the debtor is sentenced to perform an act or omission and the fines have no effect. In this case, the enforcement agent submits evidence to the district court and the court has the right to arrest the debtor for 5 to 30 days.



"The future of judicial enforcement profession and its prospects for development affect not only us as professionals but also the entire society in which we perform our functions - for the benefit of the people, the economy and the state. We, enforcement agents, are well aware that change is the safest thing that awaits us, and therefore meetings such as your own are extremely timely and helpful. I am convinced this anniversary scientific and technical conference in Moscow will leave excellent impressions for all participants," said in a congratulatory address of the Chairperson of the Bulgarian Chamber Gueorgui Dichev to the Chief Justice of the FEAS of the Russian Federation Dimitri Aristov.

Permanent IASC Board

The Permanent Council of the International Union of Judicial Officers (UIHJ) meets in Paris from 27 to 30 November. A day earlier, representatives of European Member States also held a meeting of the European Union of Enforcement Agents (ESCI). Stoyan Yakimov and Anelia Glavanova represented the CSCE in both forums.

The ESCI addresses the important topic for us of introducing electronic service of documents in connection with the changes in

Regulation 1393/2007. The purpose of all members of the organisation is to speed up the process of adopting amendments. At present, only Denmark has legislation on electronic filing of documents and the Belgian Chamber is in talks with the Ministry of Justice. All other countries have yet to work on legislative texts in this direction.



During the meeting, the parties reported on current issues of enforcement in their respective countries. Among the highlights was the situation in Germany, where contractors have concerns about the activity of collecting companies, which are serious. Our German counterparts oppose this higher competence. The Czech Republic reports on legislative obstacles to the electronic service of documents. Their creditors receive more rights

than debtors and the balance in the system is disturbed. In Greece, they boasted that a secure electronic signature was finally introduced, allowing them to submit documents electronically. In Lithuania, since 01 August, they have a change in the tariff, which leads to a decrease in the revenues of the local offices. At the same time, there is a great deal of discussion with the justice department as to whether the creditor can choose the enforcement agent himself. A centralised system for the distribution of enforcement cases is still under consideration in Lithuania. An increasing number of cases are going to collectors in this Baltic country. Portugal has also reported a reduction in the number of cases.

The focus of the UIHJ Permanent Council was on digital assets. Globally, the problem is that digital assets have financial and economic value, but in most countries no legal framework has been adopted to enforce them. Examples were given of bitcoins, Facebook accounts, databases, airline miles / points to airlines, telephone applications (e.g. dropdocs, etc.).

Another important topic of the meeting was the lack of assistance from judicial enforcement. An example was also given of Belgium, where no assistance was provided in the small settlements of court enforcement. The problem, of course, is not only in Europe, but it also affects an increasing number of African countries where cases of violence against colleagues have been registered. In this regard, the UIHJ adopted a special statement on violence against enforcement agents, which contains an appeal to state institutions not to abstain from their absolute obligation to assist enforcement agents in the performance of their duties.

In Paris, the UIHJ increased its membership with 5 new countries - Kosovo, Argentina, Cambodia, Guinea-Bissau and Congo. Thus, 98 countries are already members of the international organisation. A Working Group has also been set up at UIHJ to prepare a draft amendment to the Statute, which will be in two directions - on the rules for admission of States to the organisation and exclusion of Member States that do not pay their membership fees.

The meeting discussed current and future projects. Some of them have the possibility of involving Bulgarian universities. The Chamber of Private Enforcement Agents will examine whether the European Enforcement School can be a partner in the Training Platform project for the development of training modules / courses, as well as in the FAB III project related to document service trainings between European countries.

ENABLE

The ENABLE project aims to formulate practical solutions for overcoming the e-justice procedures and pilot projects in eight EU Member States (Belgium, Bulgaria, Estonia Latvia, Lithuania, the Netherlands, Greece and Portugal). the existing barriers to the exchange of information and the intangible exchange in the judicial and extrajudicial phase of the exercise of rights. A common focus of the various project studies is the procedures and practices related to certification, electronic exchange of papers, electronic signature and electronic service of documents. The project is being implemented jointly by the Centre for European Constitutional Law (Greece), the International Union of Judicial Officers, Aristotle University of Thessaloniki and the financial support of the European Union Justice Programme.

Over the past two years, an analysis of the state of e-justice in Bulgaria, the existing problems and good practices providing solutions to overcome them, as well as the role of enforcement agents in the field of e-justice have been prepared.

3.6. Services provided to Chamber members

In 2019, the Chamber of Private Enforcement Agents continued to maintain and develop the complex of electronic and other services it offers to its members.

3.6.1. Development of Electronic Environment and Technology

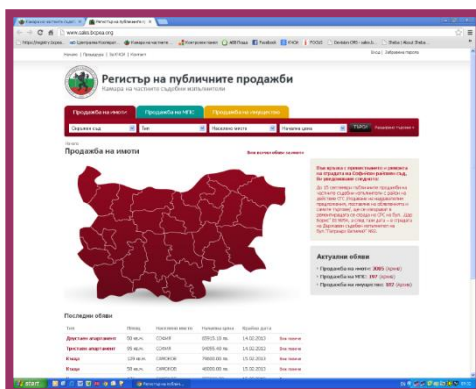
Since its creation, a major priority in the activity of the Chamber of Private Enforcement Agents (CPEA) has been the electronic access to information on debtors, as well as the execution of enforcement actions electronically. With our own resources and resources, we have created and continuously develop the Debtor Registry and the Public Sales Registry, which have significantly improved transparency and public awareness. The Debtor Registry is now an indispensable tool in the economic life of the country. A huge number of citizens, financial and public institutions, courts, investigative bodies and prosecutors receive authentic and legitimate information about pending enforcement cases against legal and natural persons. The Public Sales Registry facilitates business and citizens in seeking and executing property purchase transactions. The sales website has millions of visits from consumers in the country and abroad, and the Chamber has even requested the mayor of the municipality to publish references to the auctions of the municipalities as the prices achieved by PEAs are much higher of these for sale by the respective municipality. It is no coincidence that we are positive that the amendments to the Civil Procedure Code (CPC) adopted in 2017 ultimately regulate the conduct of electronic auctions and voluntary sales of properties by debtors through a future electronic platform. We hope that in the new 2020 we

will launch these important projects not only for the profession but for the whole society.

As a confirmation of our will and support for the Government of the Republic of Bulgaria's initiative to introduce e-justice, the Chamber of Private Enforcement Agents holds continuous meetings and discussions with organisations and colleagues from the international community in whose countries these electronic systems are successfully operating. The Chamber's initiative does not always meet the response and commitment of the executive and legislative branches of the Republic of Bulgaria, represented by the Ministry of Justice and the Committee on Legal Affairs at the National Assembly, but we hope that in 2020 the leaders of these two reputable institutions will show their real support for our technology projects for the electronification of enforcement procedures, proving with real action that e-justice is a priority in the work of their teams.

The Chamber contributes considerable human and financial resources to automating its processes, work and information resources, including in terms of statistics, disciplinary and case law, the activities of not only the administration and bodies, but also of each individual member of the industry. The Chamber operates and successfully uses a centralised information system for integrated processing of statistical information from the 6-month and annual reports of the PEA. The PEA's electronic statistics system for work facilitates our organisation's work. For the PEAs and the administration of the Chamber, the need to prepare, send and manually process the reports of the PEAs on paper was completely eliminated. For the third consecutive year, the Chamber administration has been successfully using a single electronic records system. The huge archive of documents of the Chamber of Private Enforcement Agents (CPEA) has been digitized and transferred as a database in the system, which database is successfully implemented and upgraded in our daily administrative activity.

3.6.1.1. Public Sales Registry



The launch of the first Public Sales Registry website was in the summer of 2009. At the end of 2011, a new web-based registry was successfully implemented to meet the growing demands of private enforcement agents and external clients. An important success for the BCPEA, which ensured its successful development, was achieved in late 2012 and early 2013. By a decision of the SJC, regarding the amendment of Article 487, para. (2) of the Civil Procedure Code (CPC), the

Central Register of Public Sales has established itself as a basic and mandatory electronic database for the sales conducted under the Civil Procedure Code (CPC) by private enforcement agents in the country. Since its establishment, the Chamber has continuously monitored the work of the Registry of Public Sales over the years, most recently in 2017, several modifications were made to improve its functionality. In light of the new changes in the Civil Procedure Code, there is already a need for us to replace the current PEA's public sales platform with a new one - more up-to-date and significantly enriched in

functionality. It is currently being developed under a contract with Information Services AD signed in the reporting year 2019 and will be launched in 2020.

For the past twelve months of 2019, Register of Public Sales has been visited by **690,790** unique IPs, but at least twice as many unique visitors have been access to the website due to the fact that many computers are used by more than one person, and that behind some IPs there are multiple individual users (for example, a corporate client with many computers and users). This is a decrease of **7.16%** on unique page visitors, compared to 2018, when this number was **744,069**. In general, the registry page remains popular with users. In 2019, **41,026** property sales announcements were published in the Public Sales Registry of the Chamber of Private Enforcement Agents (versus 41,174 in 2018). From them: for real estate 36,190 listings (versus 37,024 in 2018); for vehicles - 2099 number of advertisements (versus 1 606 in 2018) and movable property - 2737 advertisements (versus 2544 for 2018). Here we make the following important clarification - the number of advertisements published does not mean real sales, nor that so many properties are subject to execution, in many cases, several sales are made on the same property due to lack of bidders.

A total of 36,190 real estate listings posted on our website in 2019 versus 37,024 for the previous 2018. In district courts, they are allocated as follows:

| | | | | | | |
|-------------------|-----------------------|---------------------|--------------------|------------------|-----------------------|-----------------|
| Sofia City | Sofia District | Blagoevgrad | Burgas | Varna | Veliko Tarnovo | Vidin |
| 2968 | 1411 | 1718 | 4223 | 2490 | 1580 | 922 |
| Vratsa | Gabrovo | Dobrich | Kyustendil | Kardzhali | Lovech | Montana |
| 535 | 968 | 1536 | 462 | 638 | 1673 | 612 |
| Pazardzhik | Pernik | Pleven | Plovdiv | Razgrad | Ruse | Silistra |
| 1945 | 337 | 1320 | 2030 | 435 | 1097 | 238 |
| Sliven | Smolyan | Stara Zagora | Tragovishte | Haskovo | Shumen | Yambol |
| 942 | 1421 | 1157 | 342 | 1908 | 838 | 444 |

The number of visitors mentioned above has logged into the website, i.e. 3,157,878 times and viewed a total of 32,643,125 pages. The average number of pages viewed by one visitor is **10** each visit, with visitors spending an average of about 7 Protocol on each visit. The website was visited daily by about **1892** visitors (versus **2038** in 2017).

3.6.1.2. Central Debtors Register

The Central Debtor Registry was created as a centralised database back in 2011. The original system was in operation from early 2011 to September 2014. All new Central Debtor Registry software was commissioned, implemented and went operational as of October 2014. It continues to work today. In 2017, certain upgrades were made to the current software, but they only showed that this registry also needed to be completely updated. This will be in 2020, after the BCPEA Council has implemented and finalised a procedure for selecting a contractor for the new platform. The implementation of this important draft of the Chamber of Private Enforcement Agents is yet to be signed.



Since the Central Debtor Registry establishment in 2011, the price of issued reports has remained unchanged. It has necessitated its price update, given the fact that the Registry needs serious maintenance and updating of the software, the cost of which is constantly increasing. By a decision of the Chamber Council, taken at a regular meeting held on 11 January 2019. (Protocol No. 197), new prices for the issued Central Debtor Registry reports for citizens and companies came into force (from BGN 12.00 to BGN 18.00 including VAT). Accordingly, the prices of the reports issued by the corporate clients of the Registry were updated - at differentiated price tariffs, adopted by a decision of the BCPEA Council at the same meeting.

At the time of preparation of this report, according to data from the Debtor Registry, pending cases in the country are 1,198,634, and the total number of closed and closed cases is approximately 930,000.

The registry is in constant daily use by consumers - private judicial enforcement, businesses, citizens and corporate clients. CRD's corporate clients are mainly credit and financial institutions, insurance and leasing companies, commercial companies. The Registry is very popular and of great benefit to them as they can check in advance the status of the persons applying for a loan at the conclusion of contracts, a preliminary check of the trading partners. In recent years, the number of reports issued has increased significantly compared to the first years since the creation of the Central Debtor Registry. In 2019, a total of 42,005 reports were issued from the Central Debtor Registry, of which 9 114 from different companies and citizens and 32 891 pcs. - from our corporate clients (versus 61,405 reports issued in 2018; in 2017 - a total of 59 514 reports issued; in 2016 - 22,510 reports issued; in 2015 - 21,184 reports issued; 2014 - 29,126 reports issued). In addition, institutions such as the Police, the Prosecutor's Office and the Court regularly require the BCPEA to provide information from the Central Debtor Registry on pending enforcement cases against persons being the subject of investigations in pre-trial proceedings or parties to civil and commercial litigation. The trend eloquently demonstrates the confidence of the institutions in the Registry and their need to use this service.

In the administration of the BCPEA, there is one employee with the relevant education and qualification under a permanent employment contract who is responsible for the direct monitoring and non-

technical support of the Central Debtor Registry. It reduces our external service costs and improves the communication of the Chamber's team with Industry members and Central Debtor Registry clients on registry issues and issues. Monitoring the functionality of the Central Debtor Registry by a Chamber employee greatly improves and facilitates the day-to-day operation of the system.

For 2019, there is an increase in the revenue from the Central Debtor Registry compared to the one set in the annual budget (about 30% above projected revenues). However, in spite of the increased revenue, the increased costs of maintaining the system and servicing its users are also compared.

3.6.1.3. BCPEA Recordkeeping System

The Chamber has successfully implemented and operates a single record keeping system. Through the electronification of work processes, the productivity and internal organisation of work in the administration of the Chamber are promoted, and the functions of all its bodies are optimised. The digitalization of the workflow in our organisation helps us effectively manage the content of both paper and electronic documents. The system automates workflows, defines and easily creates tasks for the Chamber's staff and its bodies. The system is designed to successfully integrate into the existing IT environment. With it we can obtain optimal exchange of information and documents with third-party systems, with easy administration. The created digital archive facilitates access to the archival documents without endangering their physical condition. The case file system provides the ability to work with electronic copies of disciplinary cases and files. The Module "Disciplinary and Case Law", including decisions of the Disciplinary Committee, decisions of district courts and decisions of the Supreme Court of Cassation, can sort and search documents by different criteria - what disciplinary sanctions are imposed in disciplinary cases depending on a particular violation of laws and regulations, rules of the Code of Ethics or the Charter of the BCPEA. This creates a kind of disciplinary archive, which could be of help to the sanctioning authorities in their activity of finding violations and enacting their acts, respectively to private enforcement agents in their activity. Through information available in the database on complaints, disciplinary proceedings, claims for damages, insurance, etc. data for each private enforcement agent, the system enables the collection of data quickly by electronic means and systematisation; to automatically inform the PEA of the default within his/her obligations, etc.

3.6.1.4. Implementation of Personal Data Protection System of Chamber and Offices of PEA

In accordance with the requirements of REGULATION (EU) 2016/679 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 - in force since 25 May 2018 - a Personal Data Protection System has been developed and implemented in the BCPEA. A Data Protection Officer has also been appointed (the employee has completed a certified training course for Data Protection Officer).

For all Chamber members, an identical model of the system and the related procedures and documents for the PEA's office were designed and provided.

3.6.1.5. Electronic distrains

In spite of the efforts we have made, we finished yet another year hoping that the legislature will finally show the political will to adopt the necessary changes to the Civil Procedure Code that will make it possible to put electronic restraints into practice. In the draft of the Law amending and supplementing the Civil Procedure Code, submitted at the end of 2015, very good and working texts were written. Together with the Ministry of Justice we have prepared in advance raw form and draft for the Ordinance under Article 450a of the Civil Procedure Code (CPC), so we have reason to be optimistic. Electronic distraint is an alphabetical example of the administration's "capabilities" discussed above. Given that implementation fees are reduced in some cases 30 times, it is absurd not to introduce electronic distrains for 6-7 years in some cases.

3.6.2. TRAINING. EUROPEAN SCHOOL OF ENFORCEMENT

The European School of Enforcement (ESE) was established by a decision of the Chamber Council of Private Enforcement Agents of 14 October 2016 and was registered as a Foundation for Public Benefit Activities by a decision of the Sofia City Court of 17 November 2016. in company case No. 734/2016

In 2019, the Foundation's activities have evolved in the following areas:

1. Training Activity

During the reporting period, ESE organised several events directly or jointly with the Chamber of Private Enforcement Agents:

➤ International Conference on "Judicial Enforcement for Citizens, Business and Effective Justice. Current Trends in Europe", jointly with the Chamber of Private Enforcement Agents. More than 80 PEAs and their employees and representatives of various interested institutions, as well as representatives of the International Union of Judicial Officers, Lithuania, France, Greece, Northern Macedonia and Serbia, participated in the main programme of the conference. The additional programme mainly involved international participants in the conference;

➤ Training on Topical Issues of Enforcement: Practical problems in the implementation of the PPA; OPGC Interpretative Decision No 4/2017 of 11 March 2019", which was attended by 74 PEAs and their employees;

➤ Pilot training on "Effective Customer Communication. Successful Conflict Management", which was attended by 8 PEAs and their staff. The training was aimed mainly at employees of the PEA's law offices and was highly appreciated by the participants and will therefore be regularly provided in 2020, on a regional basis;

➤ Lecture on "Some Aspects of the Supreme Court of Cassation Case Law on Disciplinary Proceedings against PEAs" delivered by a Judge at the Supreme Court of Cassation at the Chamber's Autumn Conference;

➤ Specialised training at the request of an external client (bank), attended by 17 of its employees;

➤ International training on "European Law and Legal English" was launched in partnership with the Academy of European Law (ERA). The first training in Zagreb was held with three Bulgarian participants. The second is scheduled to take place in Brussels with two participants. The feedback is positive and confirms the benefits of

involving ESE and the Chamber as project partners. Trainings and recruitment continue for 2020.

There are several issues that need to be addressed in 2019:

1) The policy of reducing and optimising the fees for participation in PEA training continued to be applied so that the training became more accessible to the main school audience. This approach also affects financial results. At the same time, not all ESE learning activities in 2019 generate revenue.

2) The created teaching capacity of PEAs was used in the training of PEAs and external clients.

3) The trend of conducting specialised trainings on request of external clients continued. Representatives from other legal professions continued to participate in some of the ESE training.

2. Publications

During the reporting period, the ESE became more involved, in cooperation with the Chamber of Private Enforcement Agents (CPEA), in the preparation and publication of materials in the field of enforcement:

➤ The materials from the international conference were translated into Bulgarian and English, published and distributed in a bilingual edition in paper and electronic form, respectively, and uploaded to the websites of the Chamber and the ESE;

➤ The videos from the conference, translated into Bulgarian, were uploaded on the ESE website;

➤ Written material was prepared on the subject "Some notes on enforcement in connection with TR No. 4 of 11 March 2019 in Interpretation Case No. 4/2017 of the Supreme Court of Cassation" with a Supreme Court of Cassation as author. It is to be published in the Judicial Enforcement compendium in 2020;

➤ Written material on "Some Aspects of the Supreme Court of Cassation Judicial Practice in Disciplinary Proceedings against PEAs" is being prepared, as a follow-up to the lecture of the PEA Autumn Conference. It is to be published in the Compulsory Enforcement Collection in 2020.

3. International activities and projects

The implementation of the European Law Academy (ERA) training project in the field of European Law and Legal Terminology in English in other EU Member States, to which the ESE is a partner.

ESE submitted a project proposal to the Active Citizens Bulgaria Fund for training on the topic "Maintaining the best interests of the child in enforcement cases related to parental conflicts", which successfully passed the administrative compliance assessment but was not included in the list to fund the second session of the Fund for 2019.

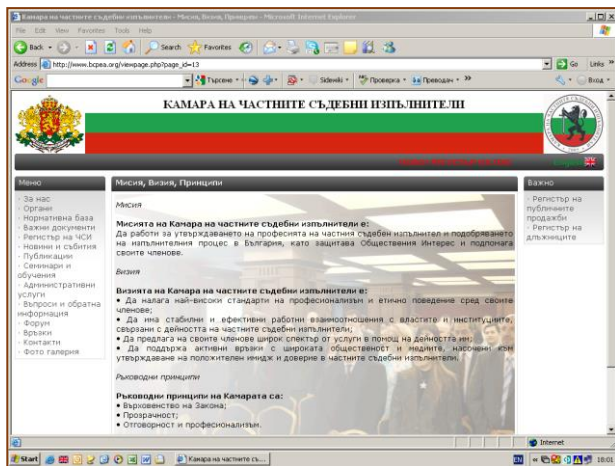
4. Financial results

The main source of funding for the Foundation during the reporting period is participation fees in the trainings it organises. The financial result of the Foundation's activity as of 15 January 2020 is BGN 9,669.68.

3.6.3. Information and Administrative Services

The analysis of results for the past 2019 shows that the Chamber members, with a few exceptions, are satisfied with the ways of using the communication tools. Some of them point out that the information could be more comprehensive and timelier (especially regarding the protocols received by the Private Enforcement Agents (PEAs) by e-mail from the meetings of the Council of the BCPEA). PEAs have reliable feedback with the administrative team and the management of the PEA and can obtain advice and support on issues and issues related to the day-to-day work of the office. They appreciate the correct, adequate and professional service they receive during the year.

Each member of the Chamber is responsible for building the image of the profession. The professional activity and morale of each PEA has a direct impact on the activity and authority of its colleagues. PEA has the right to request up-to-date information and quality services, but it also has the obligation to follow the rules and policies adopted by the governing bodies of the Chamber.



The BCPEA website is technically and morally outdated. That is why one of our technological priorities over the past 2019 was to create an entirely new website for the Chamber. A contract was concluded with Information Services AD for the development, implementation and training of users of an information system, which includes a website, a register of public sales and a register of the active PEAs and a Web service interface for integration with other information

systems. By the end of the year, the first phase of the project was completed - the website of the Chamber of Private Enforcement Agents (CPEA). The website will come into operation after the corresponding real-time tests, which will continue until the end of January 2020.

In the section "Case Law", and especially in our records system, we publish judgments given by the courts of the Republic of Bulgaria regarding enforcement. After 14 years of effective work of private enforcement agents, solid case law has already been accumulated in the form of judicial enforcement acts - unfortunately, some of which is controversial and, at times, inadequate. We publish these decisions to the benefit of the parties to the enforcement process, as well as to harmonize the practice of the courts throughout the country. We have already collected and summarised the existing disciplinary and case law, and it has been made available for use by Chamber members in the current system of record keeping and process management of the BCPEA.

The Important Documents section of the EU Legislation section contains all the major European directives, regulations, procedures and instructions concerning the cross-border enforcement of judgments and the obligations of enforcement agents in Bulgaria arising from our membership in the European Community. The Q&A section of the website contains additional information for citizens. The PEA team has the practice of almost immediately responding to inquiries from citizens,

companies and Chamber members on various issues related to the activities of the PEA.

As early as 2018, it was a good practice to publish PEA consultations on legal websites and magazines - Lex.bg, Legal Law and Society and Law, as well as scientific publications by Chamber members. This activity continued in the reporting year 2019, as it turned out that the materials caused great interest not only among professionals. Readings reach thousands of legal website users. Readers are grateful and point out that the articles are very helpful.

We keep active 24/24 hours around the clock in both national registers - Public Sales Registry and Central Debtor Registry. Very good are the assessments of PEAs who participated in the annual survey regarding these services: **5.26** for the PEA website; **5.49** for the Debtor Registry and **5.32** for the Sales Register. (versus 5.25 for the Chamber website; 5.43 for the Central Debtor Registry and 5.37 for the Registry of Public Sales in 2018). The quality of the materials produced by the Chamber for 2019 was rated at **5.33** (versus 5.30 in 2018).

In order to maximise the awareness of its members about all publications in the media covering the activity of private enforcement agents, this year the Chamber renewed the contract with the Bulgarian Telegraph Agency for the service "Electronic Press clipping" - tracking of a given topic in the issues of BTA, online and print editions in national and regional media. Through the Chamber subscription for this service, the Chamber of Private Enforcement Agents receives on its official e-mail the fullest possible information from the national and regional media on the topic of "judicial enforcement". Important publications of key importance for the activities of the PEAs are sent to all members of the industry by a Protocol and Public Relations Officer at the PEA. The Chamber management believes that this initiative makes sense and hopes that we will be of service to the members in 2020 as well.

During the reporting period, the Chamber continued to perform standard administrative services for its members - entries and deletions from the Registry of Private Enforcement Agents, changes in the circumstances of the Registry, administration of the Central Debtor Registry and other registers maintained by the Chamber of Private Enforcement Agents (CPEA), collection, compilation and analysis of statistics and information on the activity of the PEA, issuance of certificates, official notes and other documents, issuance of service cards, covers and signs, distribution of the issues of the PEA, document circulation, administration of complaints and, overall administration of the disciplinary process in disciplinary proceedings and support to the work of the Chamber of Private Enforcement Agents (CPEA), organisation of national and regional forums, and many others. In order to be informed as much as possible of the decisions of the Chamber of the BCPEA at its meetings, as well as the results of their implementation, all Chamber members regularly receive by e-mail the Protocol of the meetings in their entirety. The Protocols are sent by the administrative secretary of the Chamber of Private Enforcement Agents (CPEA), after their signature by all members of the Council - on average one month after the respective meeting. This causes some delay in sending them, but for the time being, no other, more effective mechanism for informing colleagues is proposed.

3.6.4. Services under development

One of the main priorities for the development of the Chamber next year will be the electronification of court enforcement procedures. This is also the direction in our activity that most private enforcement agents in Bulgaria want to see tangible progress.

The introduction of electronic enforcement actions such as attachments and auctions will be key to the progress of the profession in the years to come. We will therefore make every effort and potential to continue with these projects in 2020, despite the difficulties and obstacles that accompany these processes. Unfortunately, they are all related to close cooperation and interaction with government bodies and institutions, which is why progress is slower than we would like. The initiative to introduce the electronic lock system is entirely in the hands of the executive and the legislature. The activity is regulated by law. We hope that in 2020 it will finally become a fact. Bringing the project to a successful end will prove the will of the state to introduce a modern European approach to enforcement procedures, which will result in a reduction of about 30 times the fees for citizens and businesses.

In light of the new changes in the Civil Procedure Code, it will be important to improve the electronic registers of the BCPEA. The Chamber's new website and the PEA's electronic register are already a fact. We are about to implement the second stage of the project with Information Services AD, namely the development of an entirely new Register of Public Sales. The current website is now completely outdated and unfit for fast and efficient operation. Its core modules and functionalities need to be improved and optimised in order to fully meet the higher requirements of Register of Public Sales users.

The third stage of the joint project is dedicated to the development of a new website of the Debtor Registry, which, by decision of the Chamber of Private Enforcement Agents of December 2019, will already bear a new name - Integration Platform for Enforcement Cases (IPIS). The current Central Debtor Registry software product also needs a major upgrade, as in the field of information technology, software and information platforms are aging rapidly, they need to make technical changes in keeping with the times we live.

We will continue to intensify our good cooperation with the State Agency for Electronic Governance (SEEG) to ensure access to the maximum number of private enforcement agents to the electronic environment for interregional exchange (RegIX). The opportunity created for the implementation of internal electronic administrative services is a prerequisite for achieving one of the main goals of eGovernment - comprehensive administrative services for citizens and businesses.

The awarding of the widest possible range of public receivables to be collected by the PEAs should be a leading factor in the efforts of the management of the PEA in 2020 as well. We will continue to work responsibly to collect public claims of the state and municipalities, to optimise control over compliance with the law and the Code of Ethics, including in terms of unfair competition and increased work with institutions and the media. We will build on our proactive media policy and efforts to promote an adequate public image of the PEA. The assignment of PEAs to new powers, in line with European best

practices, should also be the focus of priorities for the Chamber's management.

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

- Adoption of uniform criteria for risk assessment, supervision and verification of offices accordingly;
- Close interaction with the Inspectorate of the Ministry of Justice with a view to effective control and harmonization of norms in the search for disciplinary responsibility.
- Use of electronic monitoring and control tools. We already have good practice in this regard and should only upgrade it with even more effective tools for conducting electronic checks. This will save time and time for all colleagues from the BCPEA supervision and control bodies.

In the coming 2020, the ESE learning activities should be intensified and enriched in the form of training programs and seminars. As part of these efforts, we expect an expansion of the highly demanded distance learning form (webinars) by the Chamber members, through which the system of professional development of PEAs and their employees goes to a qualitatively new stage - a modern, state-of-the-art and European approach.

Last but not least, we strive to increase the quality and quantity of the services provided by the Chamber to its members, including through adequate facilities.

R E P O R T
on
Disciplinary Committee Activity
of the Chamber of Private Enforcement Agents for 2019



Dear Colleagues,

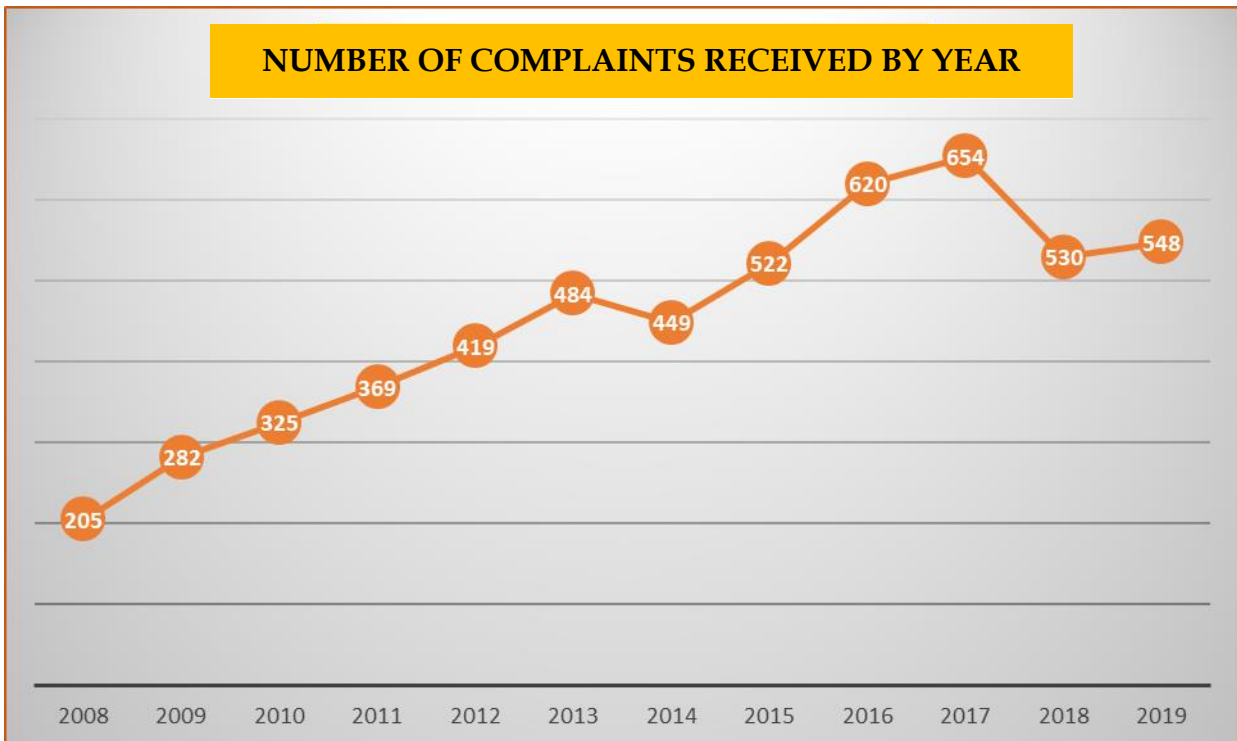
We bring to your attention a report on the activities of the Disciplinary Committee at the Chamber of Private Enforcement Agents, for 2019.

Traditionally, we will first provide statistics on complaints received, followed by a brief report on the activities of the Disciplinary Committee and disciplinary proceedings.

I. Statistical data on Complaints.

In 2019 In the Chamber of Private Enforcement Agents (CPEA), the number of complaints received was 548, and this year the long-standing trend for their high number remains.

In the previous 2018. their number was 530, in 2017. - 654, in 2016 - 620, in 2015 - 522, and in 2014 - 449. For greater contrast to previous years, the complaints received in 2013 are 484; in 2012 - 419, in 2011. were 369 in 2010. - they are 325, in 2009. - 282 in 2008 as well. - 205. We also present a quantitative breakdown of complaints received by year.



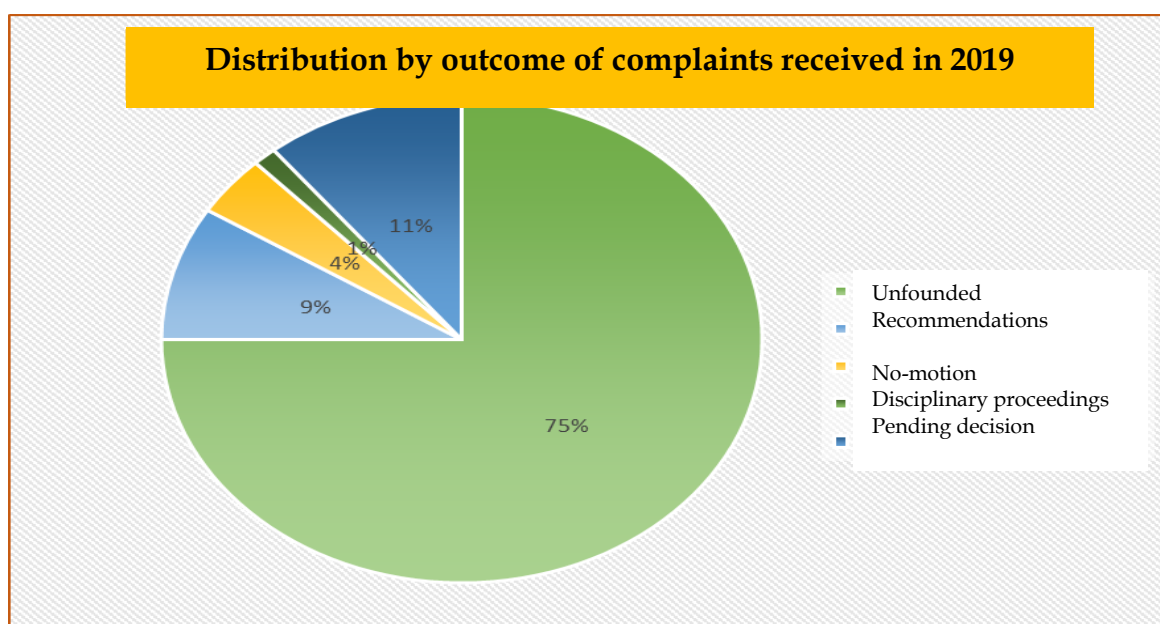
Compared to previous years, the complaints received in 2019 are in the following percentage increase:

- compared to 2008 - 167% increase;
- compared to 2009 - 94% increase;
- compared to 2010 - 69% increase;
- compared to 2011 - 49% increase;
- compared to 2012 - 31% increase;
- compared to 2013 - 13% increase;
- compared to 2014 - 22% increase;
- compared to 2015 - 5% increase;
- compared to 2016 - 12% decrease is reported;
- compared to 2017 - 16% decrease is reported;
- and compared to the previous 2018 - 3% decrease is reported.

The continuous trend of a large number of complaints does not mean a large number of well-founded complaints. From the entries in 2019, 548 complaints, **411** were unfounded, recommendations were given on **49**, no action was taken on **22**, on **7** it was decided to institute disciplinary proceedings; in 2020, **59** is pending.

Ten complaints were withdrawn in the past year. According to the decision of the Chamber Council of Private Enforcement Agents of 02 October 2015 all received reports/complaints about the illegal actions of the PEA are considered by the procedure of the Chamber for the administration of complaints, whether or not they have been withdrawn. All these ten complaints withdrawn were unfounded.

In absolute terms, the data are as follows: **75%** of all complaints received in 2019 were unfounded; **8.94%** recommendations were made; without viewing - **4.01%**; **1.28%** of these, the Board of the Chamber of Private Enforcement Agents has decided to initiate disciplinary proceedings, and **10.77%** of the complaints received is to be considered by the Chamber Council of Private Enforcement Agents in 2019.



We also present the distribution of complaints by outcome.

Compared to the previous 2017 and 2018, the analysis shows that there is an increase in the number of unfounded complaints and a decrease in the other results, namely:

| | 2017 | 2018 | 2019 |
|------------------------------------|--------|--------|--------|
| Unfounded | 66.83% | 72.08% | 75.00% |
| Recommendations | 10.70% | 8.68% | 8.94% |
| Disciplinary proceedings initiated | 3.06% | 1.89% | 1.28% |
| No action taken | 4.74% | 3.58% | 4.01% |
| Pending consideration | 14.67% | 13.77% | 10.77% |
| | 100% | 100% | 100% |

The analysis presented shows the trend of a large number of complaints filed in 2019. Statistics show that an average of 46 complaints are received per month, nearly 11 per week and over two complaints every business day!

This year the trend continues with the previous year 2018. - most complaints were received in March - 59, and at least in December - 29.

It is interesting to note that against 25% of those operating in 2019, private enforcement agents have no complaints in the Chamber against their actions. Over 21% of those operating in 2019 private enforcement agents have had one complaint against their activity in the past year. Nearly 34% had less than five complaints; just over 15% had between five and nine complaints and less than 5% had more than 10 complaints.

According to the regions of activity, the data are as follows: Undoubtedly, the largest number of complaints were filed against PEAs with Sofia City Court area of action - nearly 40.33% of the complaints received in 2019; follow Plovdiv District Court area of action - nearly 10%; Varna District Court - almost 7%. It should be noted that this year there is an area of action without complaint, as in 2018 - Six complaints have received less than 5 complaints for the whole region.

A brief reference should also be made to the activities of the Committee on Legal Affairs, as regards the consideration and adjudication of complaints received in the Chamber of Private Enforcement Agents. In 2019, close to 600 complaints were allocated to Committee members, with an average of 25 complaints per Committee member.

II. Disciplinary Committee activity statistics for 2019

From 2006 to the end of 2019, the Disciplinary Committee of the Private Enforcement Agents (PEA) had initiated a total of **436** disciplinary proceedings against private enforcement agents. According to Article 70, para. (1) of the Private Enforcement Agents Act the

procedure is initiated at the request of the Minister of Justice or by a decision of the Chamber Council. The data are as follows:

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

2007 - 4 disciplinary cases - three by the Chamber Council, **one** by the Minister of Justice;

2008 - 15 disciplinary cases - five by the Chamber Council, **nine** by the Minister of Justice and **one** at the request of both organ;

2009 - 21 disciplinary cases - fifteen by the Chamber Council, **six** by the Minister of Justice;

2010 - 21 disciplinary cases - ten by the Chamber Council, **eleven** by the Minister of Justice;

2011 - 17 DD - seven by the Chamber Council, **nine** by the Minister of Justice and **one** at the request of both organ;

2012 - 16 disciplinary cases - eleven by the Chamber Council, **five** by the Minister of Justice;

2013 - 30 disciplinary cases - ten by the Chamber Council, **eighteen** by the Minister of Justice and **two** at the request of both authorities;

2014 - 75 disciplinary cases - twelve by the Chamber Council, **fifty-seven** by the Minister of Justice (four of which were set up in parallel judicial and financial reviews), and **six** at the request of both authorities;

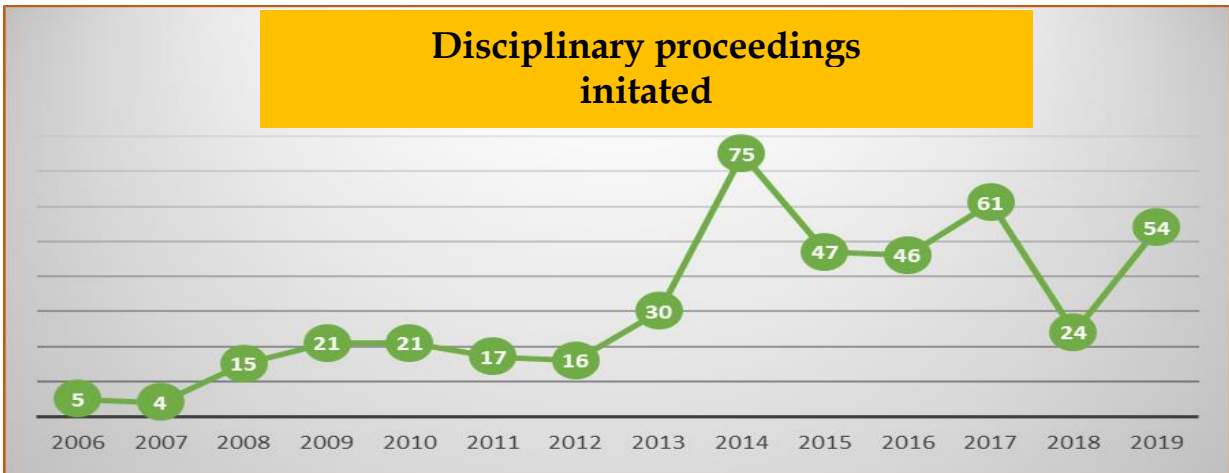
2015 - 47 disciplinary cases - fourteen by the Chamber, **twenty-eight** only at the request of the Minister of Justice, **five** at the request of both authorities;

2016 - 46 disciplinary cases - twenty-six by the Chamber, **sixteen** at the request of the Minister of Justice, **four** at the request of both authorities;

2017 - 61 disciplinary cases - twenty-six by the Chamber, **twenty-seven** at the request of the Minister of Justice and **eight** at the request of both authorities.

2018 - 24 disciplinary cases - twelve by the Chamber Council, **nine** at the request of the Minister of Justice and **three** at the request of both bodies.

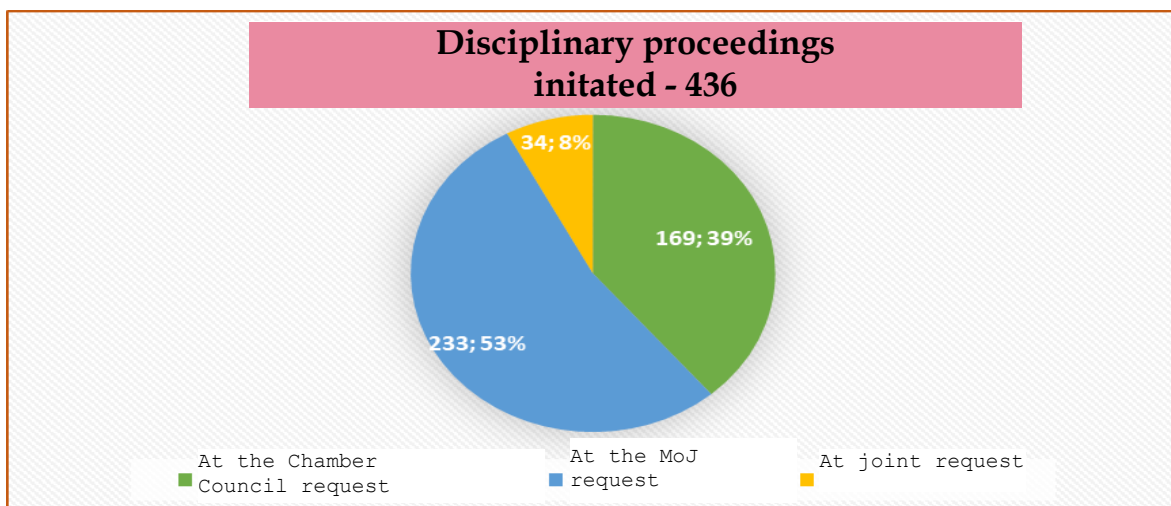
2019 - 54 disciplinary cases - fifteen by the Chamber, **thirty-six** only at the request of the Minister of Justice and **three** at the request of both authorities.



For clarity, we also present the data in tabular form:

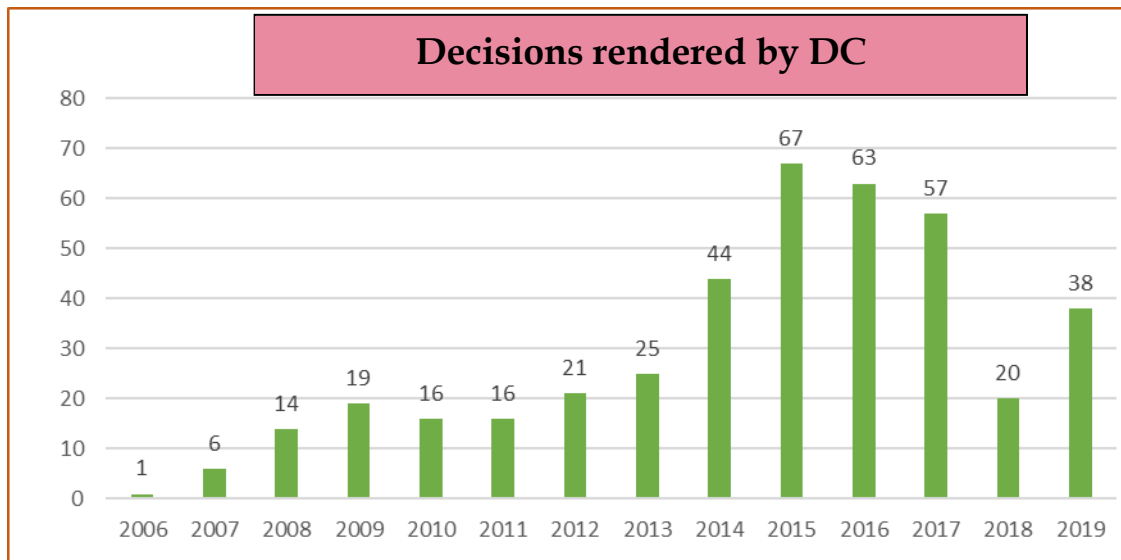
| | At CPEA Council request | At MoJ request | Joint request | TOTAL |
|---------------|-------------------------|----------------|---------------|------------|
| 2006 | 3 | 1 | 1 | 5 |
| 2007 | 3 | 1 | | 4 |
| 2008 | 5 | 9 | 1 | 15 |
| 2009 | 15 | 6 | | 21 |
| 2010 | 10 | 11 | | 21 |
| 2011 | 7 | 9 | 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 |
| 2019 | 15 | 36 | 3 | 54 |
| TOTAL: | 169 | 233 | 34 | 436 |

Statistics show that of the total of 436 disciplinary proceedings initiated, by a decision of the Chamber Council, 169 proceedings were initiated (almost 39%), at the request of the Minister of Justice - 233 (over 53%) and 34 were initiated at the request of from both bodies (nearly 8%).



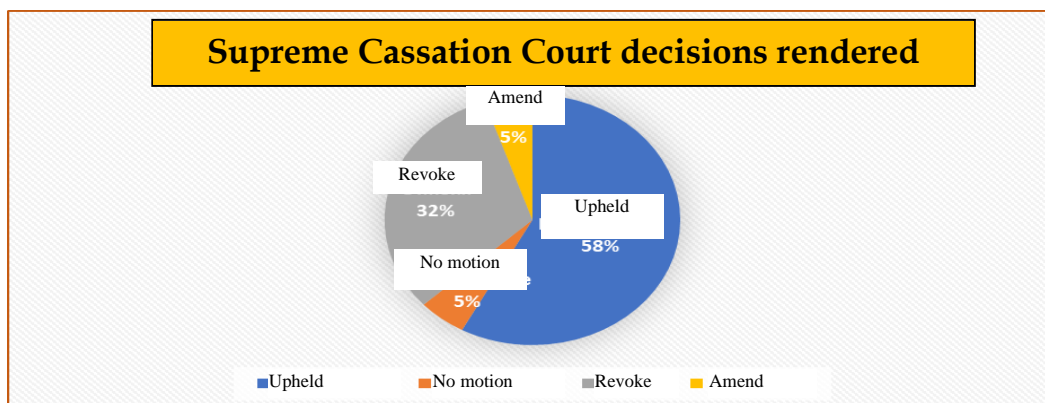
The Disciplinary Committee has delivered a total of **375 decisions**. By years the statistics are as follows:

- ✓ 2006 - **one** decision was issued.
- ✓ 2007 - **six** decisions were issued.
- ✓ 2008 - **fourteen** decisions were issued.
- ✓ 2009 - **nineteen** decisions were made.
- ✓ 2010 - **sixteen** decisions were issued.
- ✓ 2011 - **sixteen** decisions were issued.
- ✓ 2012 - **twenty-one** decisions were issued.
- ✓ 2013 - **twenty-five** decisions were issued.
- ✓ 2014 - **forty-four** decisions were issued.
- ✓ 2015 - **sixty-seven** decisions were issued.
- ✓ 2016 - **sixty-three** decisions were issued.
- ✓ 2017 - **fifty-seven** decisions were issued.
- ✓ 2018 - **twenty** decisions were issued.
- ✓ 2019 - **thirty-eight** decisions were issued.



In the past 2019, the Supreme Court of Cassation has ruled on 19 decisions, the results being as follows:

- leaving in force - 11;
- cancelling - 6;
- amending - 1;
- leaving the complaint without consideration - 1.



The data suggest that the Supreme Court of Cassation overwhelmingly upholds the decisions of the disciplinary panels. To the same extent, the motives for engaging in disciplinary responsibility and imposing disciplinary sanctions on a private enforcement agent also find their confirmation in the acts of the supervisory authority.

The Chamber Council of Private Enforcement Agents at its meetings held in 2019 has taken eleven disciplinary proceedings, both on complaints in 2018 and on complaints in 2019, and one review decision on the financial activity of a private enforcement agent.

In 2019, the Minister of Justice received a total of **31** requests for disciplinary proceedings, with **27** disciplinary proceedings initiated only at the request of the Minister, **2** are jointly with Council decisions and combined in one proceeding, **one** request is withdrawn and only **one** request is pending disciplinary proceedings in 2020.

According to the formed only during the reporting year of 2019 on 54 disciplinary proceedings, the Disciplinary Committee issued 22 decisions, representing almost 41% of disciplinary proceedings initiated in 2019. Of the 22 judgments delivered, **four** came into force (two were not appealed to the Supreme Court of Cassation, one confirmed by the Supreme Court of Cassation and one cancelled by the Supreme Court of Cassation), **six** of which are scheduled or scheduled by the Supreme Court of Cassation in 2020. and the other 12 are under appeal. It should be noted that in one disciplinary proceeding two decisions were issued - under Article 71, para. (3) of the Private Enforcement Agents Act and under Article 73, para. (1) of the PEA.

In the remaining **32** proceedings: **sixteen** of them were declared to be resolved by the disciplinary teams, **seven** are scheduled and a disciplinary meeting is scheduled for **ten**.

The Disciplinary Committee has a tendency to impose a fine, with thirteen out of all 38 decisions issued in 2019 has pronounced such a penalty. For 2018, the tendency in the decisions of the disciplinary panels was to reject the requests of the two bodies under Article 70, para. (1) of the PEA. There is a new trend this year - imposition of a reprimand. When reviewing disciplinary panels imposing such a penalty in a particular disciplinary panel, this type of penalty is preferred. For example, by nine of the decisions passed in 2019 a reprimand was imposed.

According to seven of the rulings delivered in 2019, the requests were rejected - **five** by the Minister of Justice and **two** by the Chamber Council of Private Enforcement Agents. Of these seven claims rejected, one was not appealed to the Supreme Court of Cassation but the other six were: two are pending appeal, two were declared by the Supreme Court of Cassation, one was confirmed by the Supreme Court of Cassation and one was overruled by the Supreme Court of Cassation (disciplinary sanction "reprimand"). When a request for disciplinary action is rejected (both by the Minister of Justice and by the Chamber Council of Private Enforcement Agents), specific disciplinary panels which make such an act are also observed.

Of the 38 rulings made in 2019, three of them were subject to disciplinary sanction "debarment" for a different period of time; with one the production was stopped, with two of the decisions were

terminated; with one decision on disciplinary proceedings was upheld; one decision has a combined penalty and a decision has been made one decision under Article 71, para. (3) of the PEA Act.

The effective decisions in 2019 are 22, the result of which is as follows:

1. Reprimand: 2.
2. Fines - 6, including:
 - up to BGN 1000.00 - 1;
 - over BGN 1000 - below BGN 5000.00 - 4;
 - over BGN 5000.00 - 1;
3. Warning of temporary debarment - 0.
4. Debarment - 4:
5. Rejected request for disciplinary proceedings - 6.
6. Return to Disciplinary Committee - 1.
8. Discontinued - 1.
9. Article 71, para. (3) of PEA Act - 1.
10. Combined sanction - 1.

Disciplinary Committee held **68** meetings in 2019.

The substantial increase in requests for disciplinary proceedings by the Minister of Justice (4 times more than in 2018) reflects directly on the effectiveness of the Disciplinary Committee, especially regarding the deadlines for adjudication.

In 2019, - **38** The decisions were made as follows:

- ✓ to **1 month** - 13 decisions or more than 34% of the issued decisions in 2019.
- ✓ from **1 to 3 months** - 8, which is 21% of the decisions passed in 2019.
- ✓ from **3 to 6 months** - 13 or more than 34% of the decisions passed in 2019.
- ✓ over **6 months** - 4 or nearly 11% of the decisions passed in 2019.

These data suggest that there is an objective need to address the issue of enhancing the capacity of the Disciplinary Committee, including, but not limited to, increasing its staff. This would be an expression of forward-thinking planning of the processes within the competence of the committee, given the complex nature of the cases that decide the disciplinary panels, the voluminous facts and the increasing legal complexity of the cases.

An analysis of the Committee's activities during the reporting period shows that some of the key infringements are:

1. Violations of the rules for public sale, including regular publicity of sales.

2. Violations in the preparation of distributions under Article 460 and Article 495 of the Civil Procedure Code or lack of allocations where due.

3. Infringements in the delivery of papers in enforcement cases and inappropriate notification of parties and participants in the proceedings of the execution.

4. Violations of local competence in initiating enforcement cases.

5. Violations and unjustified delay in the administration of appeals received and unjustified delays in adjudication of requests and requests received in enforcement cases.

6. Non-provision of materials and assistance in the investigation of complaints.

7. Violations of the order for disbursement of received amounts of execution, as well as incorrect determination of the amount of fees.

8. Failure to carry out due diligence on the ownership of the property on which it is being executed, execution on non-securitized property, execution on another's property.

Almost all of the requests, both from the Chamber Council of Private Enforcement Agents and the Minister of Justice, have been made for a number of violations.



Todor Lukov,

Chairperson of Disciplinary
Committee

of the Chamber of Private Enforcement Agents

REPORT

on the activities of the Committee of Supervision and Control with the Chamber of Private Enforcement Agents for 2019.



Dear Colleagues,

In 2019, our PEA profession turned 14 years. The legal and economic framework in the country has remained dynamic, with the economic growth in the last few years having had a relatively favourable effect on the general environment for the existence of the profession. Only the wave of populism has no days off and continues to disturb the normal legal and social environment.

Last year, representatives of the Chamber of Private Enforcement Agents (CPEA) took part in the working groups of the Ministry of Justice and in the committees of the National Assembly in discussing and preparing amendments to laws and regulations.

The control over the activities of the PEAs continued to improve, with the Civil Procedure Code (CPC) and the Civil Procedure Code (CPC) conducting joint monitoring electronically at the offices of the PEAs during the year, and the results of this review were presented at the Conference of the PEAs held on 02 November 2019 in the village of Starosel. It is noteworthy that over the last few years the total cost of handling and administering complaints and correspondence received by the Chamber has increased (increased number of complaints, involvement of Chamber staff, Council members and reviewers, correspondence on each complaint, part of which also develop in disciplinary proceedings). In 2019, there is a markedly increased sanctioning activity by the Ministry of Justice Inspectorate through a significantly increased number of requests for disciplinary proceedings, some of which without a clear legal and factual basis. As a result of this process, the time and other resources of the Disciplinary Committee of the BCPEA have been increased.

In 2019, the work on the development of e-services offered by the BCPEA continued. During the year, a contract was concluded with Information Services EAD to develop a new register of public sales (www.sales.bcpea.org) and the BCPEA website (www.bcpea.org). Given the timing of payments under this contract and the expectation of a new Central Debtor Registry, in 2020 it will be necessary to increase the cost of developing new registers, but with the clear aim of facilitating and improving the work of all PEA law offices.

Over the past year, many PEAs have gained access to RegIX, an interregional data exchange environment maintained by the State Agency for Electronic Governance. This is a good start in the integration of data exchange between PEA law offices and state / municipal administrations.

In 2019, the largest expenditures of the Chamber of Private Enforcement Agents (CPEA) are in the main directions of the Chamber's activity - maintenance of capacity (personnel and resources), communications, IT technologies and others, in accordance with the budget approved by the General Assembly by directions. In view of the overall economic growth in the country, expenditures in this direction inevitably increase. Over the last three years, the cost of sending CDC inquiries to state and judicial authorities has increased (the CDC pre-trial inquiries have increased progressively - in 2017 - by 210; in 2018 - 354; in 2019 - 694).

The Control Committee continued with the succession of good practices in controlling the financial activities of the PEA. The members of the Control Committee performed control activities, divided into areas corresponding to the spheres of activity of the Council of the BCPEA. During the year, two meetings of the Control Board were held, and no violations were found or reported in the work of the Chamber Council in the exercised control powers under Article 64 of the Private Enforcement Agents Act. During the period, no signal was received to verify the Chamber's private enforcement budget or to manage the property of the Chamber. Last year, members of the Control Board continued to look for optimisation options for the management of the BCPEA resources.

In accordance with successive decisions of the General Assembly between 2015 and 2019, as well as decisions of the SCACI between 2013 and 2019, it was agreed that no property would be purchased for the needs of the BCPEA administration and for training. According to the decision of the Control Committee, the office of the BCPEA is foreseen to be repaired next year, which is foreseen in the budget for 2020 and is to be completed in the same year.

In 2019, the development of accurate and correct accounting of the income and expenses of the Chamber's activities continued, with the results of the good cooperation with AFA Consultants OOD, which took over the accounting services of the Chamber of Private Enforcement Agents 6 years ago.

The Control Committee considers that **the activities of the Chamber Council in 2019 are lawful, effective and meet the main priorities.**

During the reporting period, a total of **11** meetings of the Control Committee were held, of which **11** were regular, no meetings were held during the year, with a total of **753**. decisions, of which **181** on operational, current and economic matters and **572** on appeals.

Meetings are held regularly and with the necessary quorum, decisions are taken in accordance with the Statute and the internal rules of the Chamber.

The members of the Council are assigned to committees and are responsible for the relevant area. At each meeting, they shall be informed of the implementation of previous decisions taken, ensuring that the deadlines for their implementation have been observed. For all material costs borne by the Chamber, relevant decisions are made by the Control Committee.

It should be noted the active work of all members of the Control Committee on individual issues assigned to them and in the consideration of received complaints. Concerning specific projects and emerging cases, the high commitment of the majority of Control Committee members working on the respective project/topic/issue is evident. There has also been some progress in allocating specific tasks and topics to the organisational plan, as a step to overcome the excessive concentration of activities predominantly in line managers and gaps in adopting the project principle in planning and implementing the projects and tasks of the CPEA. There is still much to be desired in the implementation of the project principle in the implementation of specific activities, which reflects on the more accurate planning of budget expenditures for the respective year and puts some of the administration and bodies of the CPEA to the test.

Where necessary, the Control Committee has set out recommendations and notes that the members of the BCPEA Board have taken into account to some extent or have taken into account in their discussions and decisions.

During this period **the Chamber continued to function as an autonomous and financially viable entity.** The total revenue for the Chamber for 2019 is BGN 668,038. The income from business activities is in the amount of BGN **271,246**, and from non-economic activities is BGN **396,792**. In 2019, the BCPEA finishes financially with a positive result. In the revenue side of the budget last year, the Chamber of Private Enforcement Agents (CPEA) managed to achieve positive growth, which offset the rising costs and the final financial result for the Chamber was positive.

As a registered person under the VAT Act for business activities, the Chamber of Private Enforcement Agents (CPEA) regularly reported and paid the VAT due, as well as used a partial tax credit in the applicable cases.

In analysing the expenditure incurred, **the Control Committee finds that they are reasonable and expedient**, according to the budget adopted and voted on and in accordance with the decisions of the Chamber Council.

All expenses incurred are in the total amount of BGN **606,974** and the main expenses are under contracts, salaries fund for the administration, insurance, maintenance of the Chamber websites, supplies, general assembly, donations, membership in international organisations, seminars, trainings, tax payments and more. There are no significant unanticipated costs in 2019 that will have a significant impact on the BCPEA's finances.

In 2019, the financial result of the Chamber is a profit of BGN 88 thousand, which means after tax payment will increase the reserve of the Chamber.

In 2019, the cost-sharing between economic and non-economic activity is comparable to previous years - 41% for economic activity and 59% for non-economic activity.

At the end of fiscal 2019, the financial position of the Chamber is stable, with reserves totalling just over BGN 800 thousand. A possible outlook for the coming 2020 is to maintain the Chamber's revenue level, but an objective increase in the cost of IT and other external services, which may lead to a larger planned deficit, which should be covered in the event of its occurrence from the reserves (in the last 5 years the overall financial result for the Chamber is positive).

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

The Chamber of Private Enforcement Agents is a stable financial organisation and continues to develop in an ascending line, which contributes to better protecting the rights and interests of the profession, citizens, business and society.

Stefan Gorchev,



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