

Adopted measures in Bulgaria under the Bill on the Measures and Actions during the State of Emergency announced by the Bulgarian National Assembly on 13.03.2020

I. Below is a list of the most significant measures related to the prevention of the spreading of COVID-19 on the territory of the Republic of Bulgaria. The *Bill on the Measures and Actions during the State of Emergency announced by the Bulgarian National Assembly on 13.03.2020 (the “Bill”)* was adopted in its final version at an extraordinary meeting of the National Assembly which took place on 23.03.2020 and was promulgated in the Bulgarian State Gazette on 24.03.2020.

The Bill enters into force as of 13.03.2020 with the exclusion of several provisions entering into force as of 24.03.2020 (e.g. considering seizure of forcible execution proceedings, penalty proceedings, measures as per the tax legislation – please see section III below, customs legislation).

II. The adopted most significant measures and actions during the State of Emergency in Bulgaria as per the Bill are:

1. Measures to be implemented by employers in case of State of Emergency:

- The employers are entitled upon an employer's order to stop the work at the company's premises entirely or partially and to send the employees to work from home without the employee's consent. In this case only the place of work is changed, all other terms and conditions of the employment contract shall remain the same;
- The employer shall be entitled to oblige the employee to use up to one half of his/her annual paid leave without the employee's consent;
- Upon an order of the employer a reduced working time for employees employed on a full-time basis could be implemented for the duration of the State of Emergency or for a part of this term;
- The employer is obliged to release in paid/unpaid leave after request of the employee some specific categories of employees (e.g. pregnant women, mother of a child under 12 years of age, employees with disability 50% or over 50%, employees under 18 years of age);
- The time of use of paid or unpaid leave due to the state of emergency shall be considered as a work experience;
- The employer is entitled to close the working premises or part of the working premises without ordering the employees to use half of their paid annual leave – in this case the employer must pay full remuneration for the days during which the premises are closed. This does not affect the labor law relationship with the employees;
- The employees are also entitled to receive their full remuneration if the work premises have been closed due to State of Emergency upon an order of the competent state authorities;
- For the duration of the Bill but for not more than 3 months the National Insurance Institute shall transfer onto the bank account of employers 60% of the insurance profit for January 2020 of their employees.

This compensation shall be paid by the National Insurance Institute subject to the following conditions: the employer meets certain criteria to be established by the Bulgarian Council of Ministers; the employer has filed an application with the Bulgarian Employment Agency; the employer has fully paid the remuneration of the respective employees for which the

compensation has been paid. Otherwise, the employer must pay back the compensation received.

2. Procedural measures. Seizure of terms. Payment of debts.

- Any pending judicial terms under civil, commercial, forcible execution and administrative court cases shall be seized for the duration of the State of Emergency. The above requirement is not applicable towards criminal court cases;
- Any statutory terms which lead to termination or to arising of rights of private individuals shall be seized for the duration of the State of Emergency;
- Injunctions are not imposed over bank accounts of natural persons and medical centers, over employment remunerations and pensions except for the cases when this is necessary for repayment of debt arising out of maintenance obligation, tort or employment relationship;
- The notary certifications and notary proceedings shall be limited only to the urgent cases for notary certification. The Bulgarian Notary Chamber shall ensure that there is one notary per 50 000 citizens to take over the urgent cases;
- The term of validity of the identification cards and driving licenses of Bulgarian citizens as the term of validity of residence permits of foreigners allowing them to reside permanently in Bulgaria which expires in the period 13.03.2020 – 31.10.2020 shall be extended with 6 months;
- For the duration of the State of Emergency the consequences of the late payment including penalty and default interest, advanced chargeability, cancellation of a contract shall not be applied.

3. With regard to taxes and tax related procedures the following most important measures have been proposed:

- The term for filing of Corporate Tax Return, payment of Corporate Income Tax (CIT) and tax on expenses for 2019 shall be extended from 31.03.2020 to 30.06.2020.
- Advance payment of CIT due for 2020 for the period January – June 2020:
 - Based on the estimated and declared advance tax for 2020 - provided the CIT return has been filed prior to the entering into force of this Bill.
 - Based on the estimated and declared advance tax for 2020 – provided the CIT return is filed till 15.04.2020
 - Based on the estimated and declared advance tax for 2020 with the section of advance tax completed only – provided the CIT return will be filed after 15.04.2020
- The term for filing of yearly financial statements shall be extended to 30.09.2020.
- The tax on real estate and tax on vehicles for 2020 shall be reduced with 5% if paid in full by 30.06.2020.
- The Personal Income Tax return of individuals, as well as, individuals performing commercial activity as Sole proprietorship and agriculture producers shall be extended to 30.06.2020
- For the period of the State of Emergency the absolute limitation term for collection of public liabilities of 10 years shall not be applicable.
- For the period of the State of Emergency the limitation of 1 year for completion of already started procedures of assessment of public liabilities shall not be applicable

- For the period of the State of Emergency” executive proceedings under the Tax Insurance Procedure Code shall not be initiated.
- Enforced collection of public liabilities shall be put on hold.