VALUE ADDED TAX ACT

In force from 01.01.2007

Prom. SG. 63/4 Aug 2006, amend. SG. 96/28 Nov 2006, amend. SG. 105/22 Dec 2006, amend. SG. 108/29 Dec 2006, amend. SG. 37/8 May 2007, amend. SG. 41/22 May 2007, amend. SG. 52/29 Jun 2007, amend. SG. 59/20 Jul 2007, amend. SG. 108/19 Dec 2007, amend. SG. 113/28 Dec 2007, amend. SG. 106 /12 Dec 2008, amend. SG. 12/13 Feb 2009, amend. SG. 23/27 Mar 2009, amend. SG. 74/15 Sep 2009, amend. SG. 95/1 Dec 2009, amend. SG. 94/30 Nov 2010, amend. SG. 100/21 Dec 2010, amend. SG. 19/8 Mar 2011, amend. SG. 77/4 Oct 2011, amend. SG. 99/16 Dec 2011, amend. SG. 54/17 Jul 2012, amend. SG. 94/30 Nov 2012, amend. SG. 103/28 Dec 2012, amend. SG. 23/8 Mar 2013, amend. SG. 30/26 Mar 2013, amend. SG. 68/2 Aug 2013, amend. SG. 98/12 Nov 2013, amend. SG. 101/22 Nov 2013, amend. SG. 104/3 Dec 2013, amend. SG. 109/20 Dec 2013, amend. SG. 1/3 Jan 2014, amend. SG. 105/19 Dec 2014, amend. and suppl. SG. 107/24 Dec 2014, suppl. SG. 41/5 Jun 2015, amend. SG. 79/13 Oct 2015, amend. SG. 94/4 Dec 2015, amend. and suppl. SG. 95/8 Dec 2015, amend. SG. 58/26 Jul 2016, suppl. SG. 60/2 Aug 2016, amend. SG. 74/20 Sep 2016, amend. and suppl. SG. 88/8 Nov 2016, amend. SG. 95/29 Nov 2016, amend. and suppl. SG. 97/6 Dec 2016, amend. SG. 85/24 Oct 2017, amend. and suppl. SG. 92/17 Nov 2017, amend. SG. 96/1 Dec 2017, amend. and suppl. SG. 97/5 Dec 2017, amend. and suppl. SG. 24/16 Mar 2018, suppl. SG. 65/7 Aug 2018, amend. and suppl. SG. 98/27 Nov 2018, amend. SG. 24/22 Mar 2019, suppl. SG. 33/19 Apr 2019, amend. and suppl. SG. 96/6 Dec 2019, amend. and suppl. SG. 100/20 Dec 2019, amend. SG. 101/27 Dec 2019, suppl. SG. 102/31 Dec 2019, amend. SG. 14/18 Feb 2020, suppl. SG. 18/28 Feb 2020 , amend. SG. 52/9 Jun 2020, amend. and suppl. SG. 55/19 Jun 2020, amend. and suppl. SG. 71/11 Aug 2020 , amend. and suppl. SG. 104/8 Dec 2020, amend. and suppl. SG. 107/18 Dec 2020, amend. SG. 17/26 Feb 2021, amend. SG. 111/31 Dec 2021, amend. and suppl. SG. 14/18 Feb 2022, amend. and suppl. SG. 18/4 Mar 2022, amend. and suppl. SG. 52/5 Jul 2022, amend. SG. 58/23 Jul 2022

Part one.
GENERAL PROVISIONS

Purpose of the Act

Art. 1. This Act shall regulate the levying with value added tax (VAT).

Subject of levying

Art. 2. With value added tax shall be levied:

1. any taxable supply of goods or services against payment;

2. any intra-community acquisition against payment with a place of performance on the territory of the state, carried out by a person, registered under this Act or by a person, for whom an obligation for registration has occurred;

3. any intra-community acquisition of new vehicles against payment with a place of performance on the territory of the state;

4. any intra-community acquisition of excise goods against payment with a place of performance on the territory of the state, when the recipient is a tax liable person or a tax non-liable legal person, who has not been registered under this Act;

5. the import of goods.

Tax liable persons

Art. 3. (1) Tax liable person shall be any person carrying out independent economic activity regardless of the objectives and the results thereof.

(2) (The phrase "as well as performing profession as freelance, including as private bailiff and notary" is declared anti-constitutional by Decision No 7 of 2007 of the Constitutional Court - SG 37/07; suppl. – SG 108/07, in force from 19.12.2007) Independent economic activity shall be the activity of manufacturers, traders and persons, providing services, including in the sphere of mining activity and agriculture, as well as performing profession as freelance, including as private bailiff and notary. Independent economic activity shall also be any activity, carried out regularly or by profession, including the exploitation of material or non-material property with objective to receive regular income from it.

(3) It is not considered to be independent economic activity:

1. (amend. and suppl. - SG 96/19, in force from 01.01.2020) the activity, carried out by natural persons upon employment legal relationship, a legal relationship equated to employment or any other legal relationship that creates a relationship similar to that of an employer and an employee in terms of working conditions, wages and responsibilities of the employer;

2. (amend. – SG 108/06, in force from 01.01.2007) the activity of the natural persons, who are not sole traders, for the activity, carried out by them, regulated by law, regarding management and control of legal persons.

(4) Tax liable person shall also be every person who casually carries out intra-community supply of a new vehicle against payment.

(5) (amend. – SG, 97/16, in force from 01.01.2017) The state, the state bodies and the bodies of local government shall not be tax liable persons with regards to all activities and supplies, carried out by them in their capacity as a body of state or local government power, including in the cases where fees, instalments or remunerations are collected for these activities or supplies, except for:

1. the following activities and deliveries:

a) (amend. – SG 41/07) electronic communication services;

b) water, gas, electricity or steam supplying;

c) transport of goods;

d) harbour and airport services;

e) transportation of passengers;

f) sale of new goods, manufactured for sale;

g) supplies carried out with purpose of regulating the agricultural production market;

h) organisation and carrying out trade fairs, exhibitions;

i) storage activity;

j) activities of organisations for trade notification, advertising services, including letting out advertising surfaces;

k) tourist activities;

l) (suppl. – SG 94/10, in force from 01.01.2011, amend. - SG 96/17, in force from 02.01.2018, amend. - SG 17/21) managing stores, canteens and other trade sites, letting out buildings, parts of them and trade areas, as well as awarding or granting of a concession;

m) radio and television activity of commercial nature;

n) (new – SG 54/12, in force from 01.01.2013) services provided by a state bailiff.

2. Supplies except for those under item 1, which will lead to significant violation of the competition

rules.

(6) (new – SG 95/09, in force from 01.01.2010) Any tax liable person that also carries out tax exempt supplies and/or supplies or activities other than independent economic activity, and also any tax non-liable legal person, registered for value added tax proposes, shall be tax liable persons for all received services.

Tax non-liable legal person

Art. 4. (amend. – SG 95/09, in force from 01.01.2010) Tax non-liable legal person shall be a legal person who is not tax liable within the meaning of **Art. 3, Para 1 - 5** and who carries out intra-community acquisition of goods.

Goods

Art. 5. (1) Goods within the meaning of this Act shall be any chattel or immovable property, including electric power, gas, water, thermal or refrigeratory energy and others similar, as well as the standard software.

(2) Money in circulation and foreign currency, used as payment instruments, shall not be considered as goods within the meaning of par. 1.

Supply of goods

Art. 6. (1) (Amend. - SG 96/19, in force from 01.01.2020) Supply of goods within the meaning of this Act shall be the transfer of right to ownership of goods or other property right over the goods as well as any other right to dispose of the goods as the owner.

(2) For the purposes of this Act, as supply of goods shall also be considered:

1. the transfer of right to ownership of goods or other property right over the goods as a result of request or act of state body or a body of local government or on the grounds of law, against compensation;

2. the actual provision of goods upon contract, in which is explicitly provided transfer of the right to ownership of the goods under postponement condition or term;

3. (amend. – SG 101/13, in force from 01.01.2014) the actual providing goods upon leasing contract, in which the transfer of right to ownership of the goods is explicitly provided; this provision shall apply also when in the leasing contract only option for transfer of the ownership of the goods has been agreed and the sum of the due installments under the leasing contract, except for the interest under **Art. 46, par. 1, item 1** shall be identical with the market price of the goods as of the date of supply;

4. the actual provision of goods to a person who acts on his/her behalf at someone else’s expense.

(3) For the purposes of this Act, as supply against payment shall also be considered:

1. (amend. – SG 101/13, in force from 01.01.2014, amend. – SG, 97/16, in force from 01.01.2017, suppl. - SG 96/19, in force from 01.01.2020) the separating or the provision of the goods for personal use or exploitation to the tax liable person, to the owner, to his/her employees and officials for more generally purposes other than the independent business of the tax liable person provided that at its production, import or acquisition, tax credit has been partially or completely, or proportionally deducted at the level of use for independent economic activity;

2. (amend. – SG, 97/16, in force from 01.01.2017) the free of charge transfer of ownership or other property right over the goods to third parties, when at its production, import or acquisition, tax credit has been partially or completely deducted, or proportionally at the level of use for independent economic activity;

3. (new – SG 106/08, in force from 01.01.2009; suppl. – SG, 97/16, in force from 01.01.2017, suppl. - SG 96/19, in force from 01.01.2020) sending or transporting goods, which have been produced, extracted, processed, purchased, acquired or imported on the territory of the state by a tax liable person in the course of his/her economic activity, when being sent or transported for the purposes of this economic activity from or for his/her account from the territory of the state to the territory of another Member State, in which the person has not been registered for the purposes of VAT. This shall not apply to the transfer of goods under on-demand warehousing regime.

(4) Paragraph 3 shall not be applied regarding:

1. (suppl. – SG 95/09, in force from 01.01.2009) provision for the purposes of the economic activity of the person of special, work, uniform and official wear and personal protection means by the employer to his/her employees and officials, including to those with management contracts;

2. free of charge provision of goods of negligible value with advertising purpose or at provision of samples;

3. (new – SG 95/15, in force from 01.01.2016) separation or supply of goods for personal use or use by the taxable person, the owner, its employees or for purposes other than the independent economic activity of the taxpayer as a result of extreme necessity or force majeure.

4. (new - SG 88/16, in force from 01.01.2017) donating foodstuffs to the operator of a food bank when, at the time of donation, all of the following conditions are met:

a) one unit of foodstuff is of negligible value;

b) (amend. - SG 52/20, in force from 09.06.2020) the operator of a food bank is entered in a register under Art. 103 of the Foodstuffs Act;

c) (amend. - SG 52/20, in force from 09.06.2020) the foodstuff is listed under Art. 96, para. 2 of the Foodstuffs Act;

d) (amend. - SG 52/20, in force from 09.06.2020) the term under Art. 96, para. 3 of the Foodstuffs Act, by which time the foodstuff can be delivered, has not expired;

e) (amend. - SG 52/22, in force from 01.07.2022) the operator of a food bank, before making the donation, has provided electronically to the National Revenue Agency the required information, the content and file format of which is determined by an order of the Executive Director of the Agency;

f) (amend. and suppl. - SG 52/22, in force from 01.07.2022) the total amount of donated food to the operator of a food bank for the current calendar year does not exceed 1 percent of the total amount of the taxable supplies of foodstuff during the calendar year preceding the current one and for each donation, a document was drawn up with the specified type, quantity, unit and total value of the food products, certifying their delivery to the relevant food bank operator;

g) (amend. - SG 52/22, in force from 01.07.2022) the person donating food has no enforceable public obligations at the end of the month in which the goods were donated, and the obligations are not reflected in his tax-insurance account or are not reflected as submitted for enforcement at the National Revenue Agency.

(5) (New – SG 101/13, in force from 01.01.2014, amend. – SG 98/18, in force from 01.01.2019) Transition of the right of disposal from the assignor to the assignee within the meaning of **Art. 32, par. 3** of the Registered Pledges Act shall not be regarded as a supply of goods for the purposes of this Act.

(6) (New – SG, 97/16, in force from 01.01.2017). Para. 3, p. 2 shall also apply in cases of performing free intra-community supply of goods, where in its production, acquiring or import a tax credit has been deducted completely, or partially.

(7) (new - SG 96/19, in force from 01.01.2020) Para 3, item 3 does not apply when the person has evidence specified in the rules on the implementation of the Act that intra-Community acquisition is taxed in the Member State where the goods arrive or end their shipment. When para. 3, item 3 was applied to the delivery and the person proves subsequently that the intra-Community acquisition was also taxed in the Member State where the goods arrive or end their shipment the person corrects the result of the application of para. 3 item 3. The documents certifying these circumstances and the procedure for making the correction

shall be laid down in the rules on the implementation of the Act.

Intra-community supply of goods

Art. 7. (1) (suppl. - SG 96/19, in force from 01.01.2020) Intra-community supply of goods shall be the supply of goods, transported by or at expense of the provider – a person, registered under this Act, or of the recipient from the territory of the state to the territory of another Member State, when the recipient is a tax liable person or a tax non-liable legal person, registered for the purposes of VAT in another Member State and submitted his VAT ID to the provider.

(2) Intra-community supply of goods shall also be the supply of new vehicle, sent or transported by or at expense of the provider or of the recipient from the territory of the state to the territory of another Member State, regardless of the fact whether the recipient is tax liable person or tax non-liable legal person.

(3) Intra-community supply of goods shall also be the supply of excise goods, sent or transported by or at expense of the provider – a person, registered under this Act, or of the recipient from the territory of the state to the territory of another Member State, when the recipient is tax liable person or tax non-liable legal person, who is not registered for the purposes of VAT in another Member State.

(4) Intra-community supply of goods shall also be the sending or transportation of goods, produced, derived, processed, purchased, acquired or imported on the territory of the state by a person, registered under this Act in the frameworks of his/her economic activity, when the goods are sent or transported for the purposes of his/her economic activity by or at his/her expense from the territory of the state to the territory of another Member State, in which the person is registered for the purposes of VAT.

(5) Intra-community supply shall not be:

1. the supply of goods, for which the provider applies a special procedure for levying under **Chapter Seventeen**;

2. the supply of goods which are mounted or installed by or at expense of the provider;

3. the supply of goods under **art. 18**;

4. the supplies of goods under **art. 31, items 1, 2 and 7** and **art. 34**;

5. (amend. – SG 94/10, in force from 01.01.2011) the supply of gas through a natural gas system placed on the territory of the European Union or through a network connected to such system, the supply of electrical energy or of heating or cooling energy through heating or cooling networks;

6. the supplies by a person registered under this Act – intermediary in three partite operation, to the acquirer in three partite operation;

7. (amend. – SG, 104/20, in force from 01.07.2021) intra-Community distance selling of goods;

8. (amend. – SG 94/12, in force from 01.01.2013) sending or transportation of goods from the territory of the state to the territory of another Member State with a purpose of evaluation or processing of these goods, which work shall be carried out in the other Member State, under the condition that after implementing the work the goods shall be sent back to the sender on the territory of the state;

9. the sending or transportation of goods from the territory of the state to the territory of another Member State with purpose the same goods to be used for performing services on the territory of the other Member State, under condition that after carrying out the services, the goods shall be returned back to the sender on the territory of the state;

10. the sending or transportation of goods from the territory of the state to the territory of another Member State, if the following conditions are simultaneously present:

a) the import of the same goods from a third country or territory into the territory of another Member State would be subject to the provisions for temporary import with full exemption from import customs duties;

b) the goods shall be returned back to the sender on the territory of the state no later than 24 months since their sending;

11. (new - SG 96/19, in force from 01.01.2020) the delivery under para. 1, where the provider has

not submitted the VIES declaration under **Art. 125** or where the VIES declaration submitted does not contain the exact details of the relevant delivery, unless the provider can justify the reason for the omissions or errors made by him, including when the person has rectified them in a subsequent VIES declaration.

(6) (Amend. – SG 113/07, in force from 01.01.2008) When the conditions under par. 5, items 8-10 fall out, it shall be considered, that by this moment intra-community supply against payment has been made.

Service

Art. 8. Service within the meaning of this Act shall mean anything that has value and is different from goods and money in circulation and from foreign currency, used as payment instrument.

Supply of service

Art. 9. (1) Any performance of a service shall be considered as supply of service.

(2) As supply of service shall also be considered:

1. the sale or transfer of rights to non-material property;

2. the undertaking of obligation not to perform activities or not to exercise rights;

3. any physical or intellectual labour, including treatment, within the meaning of production, construction or installment of material asset with stuff and materials, provided by the consignor in disposition of the executor;

4. the implementation of a service by a holder/user for:

a) repair improvement of asset, rented or provided for use.

b) improvement of asset, rented or provided for use.

(3) As supply of service against payment shall also be considered:

1. (amend. – SG 101/13, in force from 01.01.2014, suppl. - SG 96/19, in force from 01.01.2020) the provision of service for the personal needs of the tax liable person, of the owner, of the employees and the officials or more generally for purposes others than the independent economic activity of the tax liable person for the implementation of which goods, for the production, import or acquisition of which tax credit has been partially or fully deducted, are used;

2. (amend. – SG 101/13, in force from 01.01.2014, suppl. - SG 96/19, in force from 01.01.2020) free of charge provision of service for personal needs of the tax liable natural person, of the owner, of the employees and the officials more generally for purposes others than the independent economic activity of the tax liable person;

3. (new – SG 94/12, in force from 01.01.2013) free of charge provision of a service by a keeper/user for improvement of an asset which is rented or allocated for use.

(4) Paragraph 3 shall not be applied to:

1. the free of charge provision of transport service from the residence to the place of work and backwards by employer for his/her employees and officials, including for those upon contract for management, when it is for the purposes of the economic activity of the person;

2. (amend. – SG 94/12, in force from 01.01.2013) the free of charge provision of a service by a holder/user for repair of asset, rented or allocated for use;

3. (revoked – SG 94/12, in force from 01.01.2013);

4. free of charge implementation of service of negligible value with advertising purpose;

5. (new – SG 95/15, in force from 01.01.2016) providing a service for personal use of the taxable person, the owner, its employees or for purposes other than independent economic activity of the taxpayer as a result of extreme necessity or force majeure.

(5) (New – SG, 97/16, in force from 01.01.2017). Para. 3, p. 1 shall not apply to used goods, for which the right to tax credit under **Art. 71a**, **71b** and **73b** has been applied.

Lack of supply of goods or services

Art. 10. (1) It shall not be considered as supply of goods or services a supply from the transforming person towards the acquirer, from the transferor or from the contributor as a result of:

1. transformation of a trade company by the procedure of **chapter sixteen** of the Commerce Act;

2. transferring a company by the procedure of **art. 15** or **60** of the Commerce Act;

3. carrying out a non-monetary instalment in a trade company;

4. (new – SG 94/12, in force from 01.01.2013) transformation of budget organizations, state owned or municipal undertakings, as a result of which the newly established organizations or undertakings are universal successors of the transformed ones;

5. (new – SG 101/13, in force from 01.01.2014, amend. – SG, 97/16, in force from 01.01.2017) provision for use of properties by the state and municipalities to applicants for the needs of private kindergartens, schools under the **Pre-school and School Education Act** and their subsequent transfer to the state and municipalities by applicants in case of closure of the kindergartens and schools.

(2) In the cases under par. 1, the person who receives the goods and the services shall also be successor to all rights and obligations under this Act, related to them, including to the right of deduction of tax credit and to the obligations for carrying put correction of the used tax credit.

(3) Paragraph 2 shall also apply in the cases, when goods or services have been acquired by inheritance or legacy by a person, tax liable under this Act.

(4) The procedure and the necessary documents for applying paragraphs 2 and 3 shall be specified with the **Regulation for Implementation of the Act**.

Lack of Supplies of Goods or Services in Other Cases

Art. 10a. (New – SG, 97/16, in force from 01.01.2017) (1) It shall not be considered supply of goods or services the import of goods or services by a partner in order to achieve the common purpose on a contract for creating non-personalized company and in condition, that remuneration has not been explicitly negotiated.

(2) For the received goods or services under Para. 1, imported for common use for the non-personalized company shall not occur rights and liabilities under this act. The partner, who introduces the goods or services, shall fulfil all the rights and liabilities under this act in relation to their use by non-personalized company, including the right to deduction of tax credit and of the obligation for carrying out correction of the used tax credit.

(3) Where the goods and services under Para. 1 are used by the non-personalized company, as well as for performing supplies, for which there is right to deduction of tax credit, also for supplies or activities, for which there is no such right, the partner shall charge tax or shall make a correction of the used tax credit under the law, by using the coefficient under **Art. 73** for the year of occurrence of the amendment, charged on the base of the turnover of the non-personalized company.

Lack of supply in case of gratuitous construction, improvement or repair of elements of technical infrastructure - public state or public municipal property

Art. 10b. (new - SG 96/19, in force from 01.01.2020) (1) It shall not be considered as supply a gratuitous provision by a tax liable person of elements of technical infrastructure built, upgraded or repaired at his own expense that are legally public state or public municipal property and used by the tax liable person in the course of his or her independent economic activity including where the elements of the technical infrastructure are accessible for use by other entities.

(2) The tax liable person is entitled to deduction of tax credit under the general rules of this Act, when the expenses incurred for construction, improvement or repair of elements of technical infrastructure under para. 1 are part of the person's total expenses and / or are an element in determining the cost of taxable supplies for consideration of goods or services rendered in the course of that person's economic activity.

(3) Para. 1 shall not apply to the constructed, upgraded or repaired elements of a technical infrastructure under para. 1 for which a remuneration has been agreed, including when the remuneration is determined in whole or in part in goods or services.

Provider and recipient

Art. 11. (1) Provider within the meaning of this Act shall be the person who carries out the supply of goods or services.

(2) Recipient within the meaning of this Act shall be the person who receives the goods or services.

Leviable supply

Art. 12. (1) Taxable supply shall be any supply of goods or services within the meaning of **art. 6** and **9**, when it has been carried out by tax liable person under this Act and has a place of performance on the territory of the country, as well as the supply, taxable with zero rate, made by tax liable person, unless otherwise provided by this Act.

(2) The supply, on which the recipient is a person liable for payment under **chapter eight**, shall not be subject to taxation by the supplier.

Intra-community acquisition

Art. 13. (1) (suppl. - SG 96/19, in force from 01.01.2020) Intra-community acquisition shall be the acquisition of right to ownership of goods and any other right to dispose of the goods as the owner, as well as the actual receipt of goods in the cases under **art. 6, para. 2**, which is being sent or transported to the territory of the state from the territory of another Member State, when the provider is a tax liable person, who is registered for the purposes of VAT in other Member State.

(2) As intra-community acquisition shall also be considered the acquisition of new vehicle, which is being sent or transported to the territory of the state from the territory of another Member State, regardless of the fact whether the provider is a tax liable person for the purposes of VAT in other Member State.

(3) (amend. – SG 106/08, in force from 01.01.2009) As intra-community acquisition shall also be considered the receiving of goods on the territory of the state by a tax liable person, which will be used for the purposes of his/her economic activity, when the goods have been sent or transported by or at his/her expense from the territory of another Member State, in which the person is registered for the purposes of VAT and where the goods are produced, derived, processed, purchased, acquired or imported by him/her in the frameworks of his/her economic activity.

(4) It shall not be intra-community acquisition:

1. the acquisition of goods, for which the provider applies special procedure for levying second hand goods, works of art, articles for collections and antique articles, determined by the legislation of the respective Member State;

2. the acquisition of goods which are mounted or installed by or at the provider’s expense;

3. the acquisition of goods under **art. 18**;

4. the acquisition of goods under **art. 31, items 1, 2 and 7** and **art. 34**;

5. (amend. – SG 94/10, in force from 01.01.2011) the acquisition of gas through a natural gas system placed on the territory of the European Union or through a network connected to such system, the

supply of electrical energy or of heating or cooling energy through heating or cooling networks;

6. the acquisition of goods by a person registered under this Act – acquirer in three partite operation, from an intermediary in three partite operation;

7. (repealed – SG, 104/20, in force from 01.07.2021, new - SG 14/22, in force from 18.02.2022) the acquisition of goods dispatched or transported from the territory of another Member State for the purpose of intra-Community distance sales of goods with a place of performance on the territory of the country;

8. (amend – SG 94/12, in force from 01.01.2013) the receipt of goods, sent or transported from the territory of another Member State with purpose of evaluation or processing of these goods, which shall be performed on the territory of the state, under the condition, that upon accomplishment of evaluation or the processing, these goods shall be returned back to the sender on the territory of the other Member State;

9. the receipt of goods, sent or transported from the territory of another Member State with purpose of using the same goods for carrying out services on the territory of the state, under the condition that after the performance of the services, the goods shall be returned back to the sender on the territory of the other Member State;

10. the receipt of goods, sent or transported from the territory of another Member State to the territory of the state, if the following conditions are simultaneously present:

a) (amend. - SG 58/16) the import of the same goods on the territory of the state would become subject to the provisions of temporary import with full exemption from customs duties;

b) the goods are returned back to the sender on the territory of other Member State not later than 24 months from their sending.

(5) (amend. – SG 113/07, in force from 01.01.2008) When the circumstances under par. 4, items 8-10 fall out, it shall be considered that by this moment there has been made intra-community acquisition.

(6) (new – SG 106/08, in force from 01.01.2009) Paragraph 3 shall also apply where the person is not registered for the purposes of value added tax in the Member State of the import of the goods, where the sending or transportation starts, if these goods are imported from the importing Member State by or on behalf of the person.

Remote sale of goods

Art. 14. (1) (Amend. – SG, 104/20, in force from 01.07.2021) (1) Intra-Community distance selling of goods within the territory of the European Union shall be the supply of goods, for which the following conditions have been simultaneously met:

1. the goods are sent or transported by the provider or on his behalf, including where the supplier indirectly intervenes in the dispatch or transport of the goods from the territory of a Member State, other than that, in which the dispatch or transport of the goods to the consignee ends;

2. the recipient of the supply is a non-taxable person; a taxable person is also considered to be a taxable person or a non-taxable legal person, who is not obliged to charge VAT on the intra-Community acquisition of the goods in the Member State, where the transport ends;

3. the goods are produced in the territory of the European Union or are released for free circulation with the exception of:

a) new vehicles, or

b) goods, which are mounted and/or installed by or at the provider’s expense, or

c) goods, which are subject of special order of charging the margin of the price for second hand goods, works of art, collections articles and antique articles.

(2) The sale of excise goods shall be an intra-Community distance sale of goods under Para. 1, items 1 and 3, when the recipient is a non-taxable natural person or a person under **Art. 173, Para. 5 and Para. 6, item 1**.

(3) Distance selling of goods, imported from third countries or territories shall be supply of goods, for which the following conditions have been simultaneously met:

1. the goods are dispatched or transported by, or on behalf of the supplier, including where the supplier indirectly intervenes in the dispatch or transport of the goods from third countries or territories to the consignee in a Member State;

2. the recipient of the supply is a non-taxable person; a taxable person is also considered to be a taxable person or a non-taxable legal person, who is not obliged to charge VAT on the intra-Community acquisition of the goods in the Member State, where the transport ends;

3. the goods are not:

a) new vehicles, or

b) goods, which are assembled and / or installed by, or on behalf of the supplier, or

c) goods, subject to a special price margin procedure for second-hand goods, works of art, collectors' items and antiques;

4. the goods are dispatched or transported from third countries or territories at the time of their delivery.

(4) The cases, in which the goods are considered sent or transported by the supplier or on his behalf, including when he intervenes indirectly in the dispatch or transportation of the goods, for the purposes of this article shall be those, within the meaning of Art. 5a of the Implementing Regulation (EU) 2019/2026 of 21 November 2019, amending Regulation (EU) № 282/2011 as regards the supply of goods or services facilitated by electronic interface, and special arrangements for taxable persons, providing services to non-taxable persons, making distance sales of goods and certain domestic supplies of goods (OJ L 313/14 of 4 December 2019), hereinafter referred to as the "Implementing Regulation (EU) 2019/2026 ".

Deliveries, that are facilitated by an electronic interface

Art. 14a. (New – SG, 104/20, in force from 01.07.2021) (1) An electronic interface is a device or program, that allows communication between two independent systems or a system and an end recipient and may include a website, portal, platform, application interface, and other similar means.

(2) A taxable person, operating an electronic interface shall be considered to facilitate the delivery of goods, when the use of the electronic interface allows the consignee and the supplier offering goods for sale to make contact, which leads to the delivery of goods through that electronic interface. The taxable person, operating an electronic interface is a person, other than the supplier, offering the goods for sale and the consignee.

(3) Goods, packed together and sent simultaneously by the same consignor to the same consignee and covered by the same transport contract shall be a consignment.

(4) A main supplier shall be a taxable person, who supplies goods or makes distance sales of goods, imported from third countries or territories, using an electronic interface.

(5) Deliveries, that are facilitated by an electronic interface shall be the deliveries of:

1. intra-Community distance sales of goods in the territory of the European Union by a taxable person, not established in the territory of the European Union and the recipient is a non-taxable person;

2. distance selling of goods in the territory of the European Union, imported from third countries or territories in the form of consignments with an intrinsic value, not exceeding the BGN equivalent of EUR 150 by a taxable person, whether established or not established in the territory of the European Union, and the recipient is a non-taxable person;

3. domestic distance sales of goods are the deliveries of goods under **Art. 14, Para. 1, item 3** where the dispatch or transport begins and ends in the territory of the same Member State, in which the non-taxable person is established, has his permanent address or habitual residence, by a taxable person, not established in the territory of the European Union;

4. intra-Community distance sales of goods in the territory of the European Union, where the main

supplier is a taxable person, established in the territory of the European Union and / or distance sales of goods in the territory of the European Union, imported from third countries or territories in the form of consignments with an own value, exceeding the BGN equivalent of EUR 150.

(6) The taxable person under Para. 2, when it facilitates the performance of the delivery under Para. 5, items 1 - 3 of the goods, shall be considered as a supplier and a recipient, assuming that there are two deliveries at the same time:

1. delivery between main supplier and recipient - the taxable person, who manages the electronic interface;

2. delivery of the goods, subject of the delivery under item 1, between the taxable person, who manages the electronic interface and the recipient - the non-taxable person.

(7) The tax event for the supplies of goods under Para. 6 shall arise and the tax becomes due at the moment of acceptance of the payment.

(8) The moment of acceptance of the payment under Para. 7 shall be determined according to Art. 41a of Implementing Regulation (EU) 2019/2026.

(9) For the taxable person, who manages an electronic interface and facilitates the delivery under Para. 5, which is considered to be a supplier, where it does not apply a EU regime and a distance selling scheme for goods imported from third countries or territories for supply, the rules for the purposes of value added tax of the Member State concerned, where the recipient is established, has a permanent address or habitual residence shall apply.

(10) A taxable person, who manages an electronic interface, when registered on the grounds **of Art. 154**, **156** or 157a, shall be obliged to keep an electronic register under **Art. 159d** for the deliveries under Para. 5, for which it is considered as a supplier, and for the deliveries of telecommunication services, radio and television broadcasting services or services performed electronically, in which he participates and is considered to act on his own behalf in accordance with Art. 9a of Council Implementing Regulation (EU) № 1042/2013 of 7 October 2013, amending Implementing Regulation (EU) № 282/2011, as regards the place of supply of services (OJ L 284/1 of 26 October 2013), hereinafter referred to as "Implementing Regulation (EU) № 1042/2013".

(11) A taxable person, who manages an electronic interface, when he is not registered on the grounds of Art. 154, 156 or 157a, shall be obliged to keep an electronic register, which shall contain summarized information for the respective tax period for the supplies under Para. 5, for which it is considered as a provider, and for the supplies of telecommunication services, radio and television broadcasting services or services, carried out electronically, in which he participates and is considered to act on his own behalf in accordance with Art. 9a of Implementing Regulation (EU) № 1042/2013. The contents of the summarized information shall be determined by the Rules on the application of the Act.

(12) A taxable person, who manages an electronic interface for supplies under Para. 5, for which it is not considered a supplier, and for the supplies of telecommunication services, radio and television broadcasting services or services, performed electronically, in which he does not participate and is not considered to act on his own behalf in accordance with Art. 9a of Implementing Regulation (EU) № 1042/2013, shall keep records of these goods and services.

(13) The information from the registers under Para. 10 and 11 and the reporting under Para. 12 shall be provided upon request by a revenue authority electronically or on an electronic medium in a file format, specified in the Rules on application of the Act.

(14) The persons under Para. 10, 11 and 12 shall keep the reporting under Para. 12 and the information in the electronic registers under Para. 10 and 11 for a period of 10 years from the end of the year, in which the delivery was made.

(15) A taxable person, who manages an electronic interface shall not facilitate the delivery of goods, when the conditions of Art. 5b of Implementing Regulation (EU) 2019/2026 have been fulfilled.

(16) (New - SG 14/22, in force from 18.02.2022) Paragraph 7 shall not apply to supplies under Para. 6, item 1 of distance sales of goods imported from third countries or territories, regardless of whether the regime under Art. 157a is applied.

(17) (New - SG 14/22, in force from 18.02.2022) Paragraph 7 shall not apply to supplies under Para. 6, item 2 of distance sales of goods imported from third countries or territories, when for these supplies the regime under Art. 157a is not applied.

(18) (New - SG 14/22, in force from 18.02.2022) In the cases under Para. 6, the dispatch or transportation of the goods refers only to the supply made by the taxable person who manages the electronic interface to a recipient-non-taxable person.

Three partite operation

Art. 15. Three partite operation shall be the supply of goods between three persons, registered for the purposes of VAT in three different Member States A, B and C, for whom the following circumstances are simultaneously present:

1. a person, registered in a Member State A (transferor) carries out supply of goods to a person, registered in a Member State B (intermediary), who after that carries out supply of the goods to a person registered in a Member State C (acquirer);

2. the goods shall be transported directly from A to C;

3. the intermediary shall not be registered for the purposes of VAT in the Member States A and C;

4. the acquirer charges VAT as a recipient of the supply.

On-demand warehousing regime

Art. 15a. (new - SG 96/19, in force from 01.01.2020) (1) A tax liable person may transfer goods, forming part of his/her business assets from the territory of one Member State to the territory of another Member State under the on-demand warehousing regime.

(2) The transfer under para. 1, under the warehousing-on-demand regime, shall not be delivery of goods for consideration when the following conditions are simultaneously met:

1. the goods have been consigned or transported by the tax liable person or on his behalf by a third party from the territory of one Member State to the territory of another Member State for the purpose of subsequent delivery to another tax liable person in the Member State in which the goods arrived or their transportation were completed if there is a contract between the two tax liable persons, which provides for the transfer of ownership or any other right to dispose of the goods as owner;

2. the tax liable person who transfers the goods is not settled and has no permanent establishment in the territory of the Member State in which the goods arrive or their transportation ends;

3. the tax liable person for whom the goods are intended to be delivered has been identified for VAT purposes in the Member State in which the goods arrive or their transportation ends and person`s VAT identification number, issued to him by that Member State, is provided to the taxable person referred to in item 2, at the time the goods arrive or their transportation ends;

4. the goods are entered in the register under **art. 123, para. 5** at the moment when the tax liable person under item 2 starts dispatching or transporting them;

5. the VAT ID of the taxable person referred to in item 3, issued to him by the Member State in which the goods arrive or their transportation is completed is included in the VIES declaration for the tax period of the dispatch or transportation of the goods by the tax liable person under item 2.

(3) When the conditions of para. 2, at the time of transfer of the right to dispose of the goods as the owner of the tax liable person under para. 2, item 2 provided that the transfer takes place within 12 months of the arrival or completion of the transportation of the goods, it is considered that there is:

1. intra-Community supply of goods by the tax liable person under para. 2, item 2 in the Member State from which the goods are dispatched or transported;

2. the intra-Community acquisition of goods by the tax liable person under para. 2, item 3, to which those goods are delivered in the Member State in which the goods arrive or their transportation ends.

(4) Where, within 12 months of the arrival or completion of the transportation of the goods in the Member State in which the goods arrived or their transportation ends, the tax liable person under para. 2, item 3 shall be replaced by another tax liable person subject to all other applicable conditions of para. 2 and entering the replacement by the tax liable person under para. 2, item 2 in the register under **Art. 123, para. 5** , the on-demand warehousing regime shall continue to apply until that period has expired.

(5) It is not a supply of goods the return of the goods to the Member State from which they were sent or transported when the right of ownership or any other right to dispose of the goods as the owner was not transferred within the 12-month period after the arrival or completion of the transportation of the goods and their return is entered in the register under **Art. 123, para. 5** by the person under para. 2, item 2.

(6) When within the 12-month period after the arrival or completion of the transportation of the goods any of the conditions under par. 2 and 4 is no longer fulfilled, at this point it is considered that there is:

1. the intra-Community supply of goods by the tax liable person referred to in para. 2, item 2, in the Member State from which the goods are dispatched or transported;

2. the intra-Community acquisition of goods by the taxable person referred to in para. 2, item 2, in the Member State in which the goods arrived or were transported.

(7) Where, within the 12-month period after the arrival or completion of the shipment, the goods have not been delivered and no circumstances under par. 5, 9 or 10, have not occurred it is considered that the conditions of para. 2 have not been fulfilled on the day following the expiration of the 12-month period, at which point para. 6 shall apply.

(8) (amend. - SG 14/20) When within 12 months from the arrival or completion of the transportation the goods are delivered to a person other than the taxable person under para. 2, item 3 or para. 4 it is considered that the conditions of para. 2 were not fulfilled immediately prior to this delivery, as at this point para. 6 shall apply.

(9) Where, within the 12-month period following the arrival or completion of the transportation, the goods are dispatched or transported to a country other than the Member State in which the goods originally arrived or the transportation ended, it is considered that the conditions of para. 2 have not been fulfilled immediately prior to commencement of this shipment or transportation, as at this point para. 6 shall apply.

(10) Where, within the 12-month period following the arrival or completion of the shipment, the goods are destroyed, missing or scrapped, it is considered that the conditions of para. 2 and 4 have not been fulfilled on the date of occurrence of the respective circumstance or if it is impossible to determine this date, the date of its establishment as at this point para. 6 shall apply.

(11) The tax event for intra-Community delivery and intra-Community acquisition under para. 6 arises on the date of the relevant circumstance. In such cases, **Art. 51, para. 3** and **Art. 63, para. 3** shall apply.

Import of goods

Art. 16. (1) (amend. - SG 58/16) Import of goods within the meaning of this Act shall be the entering of non-Union goods on the territory of the country.

(2) Import of goods shall also be the placing of goods under the free movement procedure after passive improvement procedure.

(3) (amend. – SG 94/10, in force from 01.01.2011; amend. – SG 101/13, in force from 01.01.2014, amend. - SG 58/16) Import of goods shall also be the entering of Union goods on the territory of the country from third territories, which are part of the customs territory of the European Union.

(4) Import of goods shall also be any other event, as a result of which customs obligation occurs.

(5) (amend. - SG 58/16, amend. - SG 96/19, in force from 01.01.2020) Paragraphs 1, 2, 3 and 4 shall not apply when, at entering the territory of the state, the goods have obtained the status of temporarily stored goods or are placed in a free zone or under customs regimes – customs storing, inward processing, temporary import with full exemption from import duties, external transit, the import shall be considered as implemented only, when the goods are released for free circulation.

Part two.
LEVYING THE SUPPLIES

Chapter one.
PLACE OF PERFORMANCE

Place of performance regarding the supply of goods

Art. 17. (1) (Suppl. - SG 96/19, in force from 01.01.2020) Place of performance regarding supply of goods, which is not sent or transported, shall be the place where the goods is situated at the transfer of the ownership and any other right to dispose of the goods as the owner or at the factual provision of the goods under **art. 6, par. 2**.

(2) Place of performance regarding the supply of goods, which is being sent or transported by the provider, recipient or by a third person, shall be the location of the goods by the moment, when the supply is sent, or its transportation towards the recipient starts.

(3) Place of performance regarding the supply of goods by an intermediary in three partite operation to an acquirer in three partite operation shall be the Member State where the acquirer in the three partite operation is registered for the purposes of VAT.

(4) Place of performance regarding the supply of goods, which is being mounted or installed by or at the provider’s expense, shall be the place where the goods is mounted or installed.

(5) (New – SG, 104/20, in force from 01.07.2021) Place of performance in the case of delivery of goods by the importer, designated as the payer of value added tax, for which the dispatch or transport of the goods begins in the territory of a third country or territory is in the territory of the Member State of importation of the goods. The place of performance of the subsequent delivery shall be in the territory of the Member State of importation of the goods.

Place of performance in case of supply of goods, restaurant and catering services, carried out on board of ships, airplanes or trains (Title amend. – SG 95/09, in force from 01.01.2010)

Art. 18. (1) The place of performance regarding supply of goods, restaurant and catering services, carried out on board of ships, airplanes or trains during transportation of passengers, shall be on the territory of the state, when:

1. the transportation of the passengers starts on the territory of the state and ends up on the territory of another Member State without stopping on the territory of a third state or territory, or

2. the transportation of the passengers starts on the territory of the state and ends up on the territory of a third state or territory with stopping on the territory of another Member State, or

3. (amend. – SG 94/10, in force from 01.01.2011) the transportation of the passengers starts on the territory of a third state or territory and ends up on the territory of another Member State and the first stopping on the territory of the European Union is made on the territory of the state, or

4. the transportation of the passengers is carried out between two points on the territory of the state.

(2) (amend. – SG 95/09, in force from 01.01.2010) The place of performance regarding supply of

goods, restaurant and catering services, carried out on board of ships, airplanes or trains during transportation of passengers, shall be specified by the procedure of par. 1, items 2 and 3, only regarding the part of the transportation of passengers, carried out between the territory of the state and the other Member States.

(3) (amend. – SG 95/09, in force from 01.01.2010) Except for the cases under par. 1 and 2, the place of performance regarding supply of goods, restaurant and catering services, carried out on board of ships, airplanes or trains during transportation of passengers, shall be outside the territory of the state.

Place of performance regarding the supply of natural gas and electric power

Art. 19. (amend. – SG 94/10, in force from 01.01.2011) The place of performance regarding the supply of gas through a natural gas system placed on the territory of the European Union or through a network connected to such system, the supply of electrical energy or of heating or cooling energy through heating or cooling networks, shall be:

1. the place, where the seat of business or the permanent site of the recipient of the delivered goods is situated, and when there is not such seat or site – the permanent address or the custom residence of the recipient – trader of natural gas, of electrical energy or of heating or cooling energy;

2. the place where the goods is being effectively consumed – when the recipient is a person, different from the person under item 1;

3. the place, where the seat of business or the permanent site of the supply of the goods of the recipient under item 2 is situated, and when there is not such seat or site – the permanent address or the custom residence of the recipient under item 2 – if the entire gas quantity, electrical energy or heating or cooling energy or part of it are not effectively used by the recipient and have become subject of a subsequent supply.

Place of performance of the supply regarding remote sale

Art. 20. (Amend. – SG, 104/20, in force from 01.07.2021) (1) Place of performance in case of delivery of intra-Community distance sale of goods under **Art. 14, Para. 1** and **Art. 14a, Para. 5, item 1**, in connection with the delivery under **Art. 14a, Para. 6, item 2** is the place, where the goods are located at the moment, when the sending or transportation of the goods to the consignee ends

(2) (Suppl. - SG 14/22, in force from 18.02.2022) The place of performance in case of delivery of distance sales of goods, imported from third countries or territories under **Art. 14, Para. 3** and **Art. 14a, Para. 5, item 2**, in connection with the delivery under **Art. 14a, Para. 6, item 2** in a Member State, other than the one, in which the dispatch or transport of the goods to the consignee ends, shall be the place, where the goods are located at the moment, when the dispatch or transportation of the goods to the consignee ends, provided that the tax on these goods is declared in accordance with Art. 159a.

(3) The place of performance in case of delivery of distance sales of goods under **Art. 14, Para. 3** and **Art. 14a, Para. 5, item 2**, in connection with the delivery under **Art. 14a, Para. 6, item 2**, imported from third countries or territories in the Member State, in which the dispatch or transportation of the goods to the consignee ends, shall be in that Member State, provided that the tax on these goods is declared in accordance with **Art. 159a**.

(4) The place of performance upon delivery of goods under **Art. 14a, Para. 6, item 1** shall be the location of the goods at the moment, when the consignment is sent or its transportation begins.

(5) The place of performance of the delivery under **Art. 14a, Para. 5, item 3** in the cases of internal distance sale of goods shall be determined under **Art. 17, Para. 1**.

Place of performance in case of supply of goods and services at Vidin-Kalafat Border Combined Bridge

Art. 20a. (new – SG 101/13, in force from 01.01.2014) (1) The place of performance of provision of service for which a toll fee shall be collected for crossing Vidin-Kalafat Border Combined Bridge shall be:

1. in the territory of the Republic of Bulgaria where the travel direction is from Bulgaria to Romania;

2. in the territory of Romania where the travel direction is from Romania to Bulgaria.

(2) For the purposes of determination of the place of performance of the supply of goods or services, intra-community acquisition and import of goods related to maintenance or repair of Vidin-Kalafat Border Combined Bridge, it shall be accepted that the middle of the bridge is the territorial border between the Republic of Bulgaria and Romania. The supply of goods or services, intracommunity acquisition and import of goods, related to maintenance or repair of Vidin-Kalafat Border Combined Bridge shall be with a place of performance in the territory of the country. The supply of goods or services, intracommunity acquisition and import of goods, related to maintenance or repair of a part of the bridge in the territory of Romania shall be with a place of performance in the territory of Romania.

Threshold for determining the place of performance in the case of supplies of intra-Community distance sales of goods and supplies of telecommunications services, radio and television broadcasting services and electronically supplied services

Art 20b. (New, SG, 104/20, effective from 01.07.2021) (1) **Art. 20, Para. 1** and **Art. 21, Para. 6** shall not apply when the following conditions have been simultaneously met:

1. the provider, including the one, who operates the electronic interface, is established, has a permanent address or habitual residence in the territory of only one Member State;

2. telecommunications services, radio and television broadcasting services and electronic services have been provided to non-taxable persons, who are established, have a permanent address or habitual residence in Member States, other than the Member State referred to in point 1, or goods in the case of intra-Community distance sales are dispatched or transported from the territory of the country under point 1 to another Member State;

3. the total value excluding VAT of supplies under item 2 does not exceed in the current calendar year and has not exceeded in the previous calendar year EUR 10,000 or their equivalent in the national currency of the Member State, in which it is established, he has permanent address or habitual residence under item 1; the national currency equivalent is determined at the exchange rate, published by the European Central Bank on 5 December 2017.

(2) The place of performance of the delivery under Para. 1 shall be in the Member State, in which the supplier is established.

(3) The place of performance of the delivery, which exceeds the specified threshold under Para. 1, item 3 during the respective calendar year shall be determined under **Art. 20, Para. 1** and **Art. 21, Para. 6**.

(4) The supplier, for whom the conditions under Para. 1 are present, may choose to determine the place of performance of the delivery under **Art. 20, Para. 1** and **Art. 21, Para. 6**. In such cases, the choice shall apply until the end of two calendar years from the beginning of the calendar year, following the year of the choice.

(5) (Amend. - SG 14/22, in force from 18.02.2022) The right to choose under Para. 4 by a supplier, who is established, has a permanent address or habitual residence only on the territory of the country, shall be exercised under **Art. 156, Para. 16** or under the rules for registration for the purposes of value added tax of the Member State concerned in which:

1. the recipient is established, has a permanent address or habitual residence - with supply of telecommunications services, radio and television broadcasting services and services provided electronically;

2. the dispatch or transport of the goods to the consignee ends - with supply of intra-Community distance sales of goods.

(6) A provider, who is established, has a permanent address or habitual residence only in the territory of one Member State, shall exercise the right of choice under Para. 4 under **Art. 96, Para. 9**.

(7) In determining the threshold under Para. 1, item 3, the deliveries of internal distance sales of goods by a taxable person, who manages an electronic interface, for which a supplier is considered shall not be included.

Place of performance, regarding the supply of services

Art. 21. (amend. – SG 95/09, in force from 01.01.2010) (1) The place of performance regarding the supply of service, where the recipient is a tax non-liable person, shall be the place, where the independent economic activity of the provider is established. Where such services are provided at a permanent site, located elsewhere the place of establishment of the independent economic activity of the provider, then the place of performance shall be the place, where the said site is located. Where there is no place of establishment of independent economic activity or permanent site, the place of performance of the supply shall be the place of the permanent address or the customary residence of the provider.

(2) The place of performance regarding the supply of service, where the recipient is a tax liable person, shall be the place, where the recipient has established his independent economic activity. Where such services are provided at a permanent site, located elsewhere the place of establishment of the independent economic activity of the recipient, then the place of performance shall be the place, where the said site is located. Where there is no place of establishment of independent economic activity or permanent site, the place of performance of the supply shall be the place of the permanent address or the customary residence of the recipient.

(3) Where the recipient referred to in Para 2 uses the services exclusively for personal needs or for the needs of his employees, the place of performance shall be determined as prescribed by Para 1.

(4) The place of performance regarding the supply of service shall be:

1. the place where the real estate is located when the service is related to real estate, including in case of:

a) assignment of rights to use, of expert services and services of intermediaries, related to the real estate;

b) services for preparation and coordination of construction works related to the real estate as: architectural, engineering, supervisory and others;

c) accommodation at hotels, camps, caravan parks, vacation camps and others.

2. the place where the passengers' transport is carried out, proportionally to the distance covered;

3. (amend. – SG 94/10, in force from 01.01.2011) the place where the event actually takes place – in cases of services of granting entrance (against entrance tickets or payment, including subscription entrance) to cultural, artistic, performance, sporting, scientific, educational, entertaining or similar events (including fairs and exhibitions) and services accompanying the entrance, if the service is rendered to a taxable person;

4. (amend. – SG 94/10, in force from 01.01.2011) the place of actual performance of a service, provided to a tax non-liable person, in case of:

a) services and accompanying services related to cultural, artistic, performance, sporting, scientific, educational, entertaining or similar events (including fairs and exhibitions), including the activity of organising them;

b) services, connected with the transport processing of goods;

c) services of assessment, expertise or work on a movable article;

5. the place of the physical performance of services – in case of supply of restaurant and catering services.

(5) The place of performance regarding the the supply of service shall be the place of establishment or of the permanent address or the customary residence of the recipient, where the following circumstances are available simultaneously:

1. (amend. – SG 94/10, in force from 01.01.2011) the recipient is a tax non-liable person established or having a personal address or customary residence outside the European Union;

2. the services being delivered are:

a) provision or transfer of rights over license, patent, copyright, trade mark, know-how or other similar right over the industrial or intellectual property, as well as the transfer of rights over program product, different from standard software;

b) advertising services;

c) services, carried out by consultants, engineers, consultancy bureaus, accountants, lawyers and other similar services, including the services regarding the making, processing or further work on software;

d) data processing and information providing;

e) bank, financial, insuring, insurance and re-insurance services, except for letting out safes;

f) personnel providing;

g) letting out chattels, except for all kinds of vehicles;

h) (revoked – SG 105/14, in force from 01.01.2015);

i) (revoked – SG 105/14, in force from 01.01.2015);

j) (revoked – SG 105/14, in force from 01.01.2015);

k) (amend. – SG 94/10, in force from 01.01.2011) services regarding the provision of access to a natural gas system placed on the territory of the European Union or to a network connected to such system, to the electrical energy system or to the heating or cooling networks or transfer services or distribution through these systems or networks and the supply of other services directly related to them;

l) undertaking obligation for not performing activities or not exercising rights under letters "a" – "k"

m) intermediary services, carried out by a person, acting on behalf of and at expense of another person, in connection with the services under letters "a" – "l".

(6) (amend.– SG 105/14, in force from 01.01.2015) The place of performance in case of provision of telecommunication services, of services for radio and television broadcasting and of services being provided electronically, the recipient to which is a tax non-liable person, shall be the place where this person is settled, has got a permanent address or usual residence.

(7) (revoked – SG 105/14, in force from 01.01.2015).

(8) (New – SG 98/18, in force from 01.01.2019, repealed – SG, 104/20, in force from 01.07.2021)

(9) (New – SG 98/18, in force from 01.01.2019, repealed – SG, 104/20, in force from 01.07.2021)

(10) (New – SG 98/18, in force from 01.01.2019, repealed – SG, 104/20, in force from 01.07.2021)

(11) (New – SG, 98/18, in force form 01.01.2019, repealed - SG, 104/20, in force from 01.07.2021)

Place of performance for the supply of service in goods transportation (Title amend. – SG 95/09, in force from 01.01.2010)

Art. 22. (amend. – SG 95/09, in force from 01.01.2010) (1) (amend. – SG 94/10, in force from 01.01.2011) The place of performance regarding the supply of service for transport of goods within the European Union, provided to a tax non-liable person, shall be the territory of the Member State, where the transportation starts.

(2) (amend. – SG 94/10, in force from 01.01.2011) The place of performance in case of supply of service for transportation of goods outside the European Union, provided to a tax non-liable person, shall be the place of carrying out the transportation, proportionally to the covered distance.

(3) (amend. – SG 94/10, in force from 01.01.2011) The place of performance in case of supply of service for transportation of goods inside or outside the European Union, provided to a tax liable person, shall be determined according to the order specified in **Art. 21, Para 2 and 3**.

(4) (amend. – SG 94/10, in force from 01.01.2011) For the purposes of the law forwarding, courier and postal services, different from the services referred to in **Art. 49**, provided in connection with transportation of goods inside or outside the European Union, shall be considered adequate to services of transportation of goods inside, respectively outside, the European Union.

(5) (amend. – SG 94/10, in force from 01.01.2011) Forwarding service under par. 4 shall be the service of arranging, carrying out or servicing of transportation of goods inside or outside the European Union and the included activities of transport handling, documents processing, warehousing and insurance.

(6) (amend. – SG 94/10, in force from 01.01.2011, revoked - SG 96/19, in force from 01.01.2020)

Place of Performance in Case of the supply of a Service for Rental of All Types of Vehicles (Title amend. – SG 95/09, in force from 01.01.2010)

Art. 23. (amend. – SG 95/09, in force from 01.01.2010) (1) Place of performance in case of supply of service for short term rental/short term lending of vehicles shall be the place, where the vehicles are physically delivered to the recipient.

(2) Short term rental/short term lending of vehicles under Para 1 shall be the uninterrupted possession or use of the vehicle for less than 30 days and in respect of vessels – less than 90 days.

(3) The following cases shall not be deemed short term rental/short term lending:

1. the cases of stipulated automatic extension of the possession/use, where no action was taken by any of the parties;

2. where at least two subsequent time restricted contracts for 30, respectively 90 days for vessels, without interruption or less than two days interruption, regarding the same vehicles together exceed the maximum term of 30/90 days; this is not applicable, when the extension is due to clearly established circumstances beyond the control of the parties to the supply;

3. when the stipulated term exceeds 30 day, respectively 90 days for vessels, but it was early terminated due to clearly established circumstances beyond the control of the parties to the supply and therefore its actual duration corresponds to short term rental.

(4) (new – SG 94/12, in force from 01.01.2013) The place of execution for provision of a service for leasing or allocation for use of vehicles, which is different from short-term lease or short-term allocation for use of vehicles to a non-taxable person, shall be the place where the recipient is based or has a permanent address or usual residence.

(5) (new – SG 94/12, in force from 01.01.2013) The place of execution for provision of a service for leasing or allocation for use of a sea vessel, which is different from short-term lease or short-term allocation for use of a sea vessel for entertainment and for sport purposes or for personal needs to a non-taxable person, regardless the provision of par. 4, shall be the place where the sea vessel for entertainment is actually delivered at the disposal of the recipient under this supply, where this service is actually provided by the supplier from the place of location of its business activity or from a permanent facility, located in this place.

Place of Performance of Intermediary Services (Title amend. – SG 95/09, in force from 01.01.2010)

Art. 24. (amend. – SG 108/06; amend. – SG 113/07, in force from 01.01.2008; amend. – SG 95/09, in force from 01.01.2010) The place of performance regarding supply of service, provided by intermediary, acting on behalf of and at expense of another person, to a tax non-liable person, shall be the place of the

main supply, in relation to which the mediation was provided.

Chapter two.
TAX EVENT AND TAX BASE

Chargeable event and chargeability of tax

Art. 25. (1) Chargeable event within the meaning of this Act shall be the supply of goods or services, carried out by persons tax liable under this Act, the intra-community acquisition, as well as the import of goods under **art. 16**.

(2) (amend. - SG 96/19, in force from 01.01.2020) The chargeable event shall occur on the date when is transferred the right of ownership of the goods or other property right, as well as any other right to dispose of the goods as the owner or on the date, when the service has been supplied.

(3) Except for the cases under par. 2, the chargeable event shall occur on:

1. (suppl. – SG 108/07, in force from 19.12.2007, amend. - SG 96/19, in force from 01.01.2020) the date of the actual provision of the goods under **art. 6, par. 2**, except for the cases of para. 9;

2. the date of keeping aside or providing the goods under **art. 6, par. 3**;

3. the date of starting the transport under **art. 7, par. 4**;

4. the date, on which the provider receives the payment – at sale of goods via order by mail, or via electronic way;

5. the date of drawing out the coins or chips – at carrying out supplies via vending machines or other similar devices activated with coins, chips or others similar;

6. (amend. – SG 94/12, in force from 01.01.2013, amend. - SG 96/19, in force from 01.01.2020) the date of the actual returning of the asset along with the improvement by a holder/user upon termination of the lease contract or termination of the use of the asset using where the improvement of leased or provided for use asset is not provided as a condition and/or obligation under the contract;

7. (new – SG 95/15, in force from 01.01.2016) the last day of the month in which the service under **Art. 9, para 3 items 1 and 2** is provided.

(4) (Amend. – SG 108/06, in force from 01.01.2007, amend. – SG, 97/16, in force from 01.01.2017, amend. – SG 97/17, in force from 01.01.2018) For any supply with periodic or continuous performance, with the exception of supplies under **art. 6, par. 2**, each period, for which payment is agreed upon, shall be considered a separate supply, and the chargeable event for it shall occur on the date, on which the payment has become due. In the case of supply of goods or services, for which a step by step performance has been agreed upon, the completion of each step shall be considered as a separate supply, and the chargeable event for it shall occur on the date of performance of the relevant step.

(5) (New – SG 95/09, in force from 01.01.2010, suppl. – SG, 97/16, in force from 01.01.2017) Paragraph 4, first sentence, shall not apply to supplies with continuous performance with duration exceeding one year, for which there is no due payment for a period exceeding one year. For such supplies, the chargeable event shall be deemed to occur at the end of each calendar year, whereby for the calendar year of suspension of supplies the chargeable event shall occur on the date of suspension of supplies.

(6) (Prev. Para. 5 – SG 95/09, in force from 01.01.2010) On the date of occurrence of the chargeable event under par. 2, 3 and 4:

1. the tax under this Act shall become chargeable for the leviable supplies and an obligation shall occur for the registered person to charge it, or

2. grounds shall occur for exemption from charging tax concerning the exempt supplies and the supplies with a place of performance outside the territory of the country.

(7) (Amend. – SG 113/07, in force from 01.01.2008; suppl. – SG 106/08, in force from 01.01.2009; prev. text of Para 06 – SG 95/09, in force from 01.01.2010) Where, before the occurance of chargeable

event under par. 2, 3 and 4, a full or partial down payment for a supply has been made, the tax shall become chargeable at receiving the payment (for the amount of the payment), except for any payment received in connection with intra-community supply. In such cases, it shall be presumed that the tax is included in the amount of the payment that has already been made.

(8) (Prev. Para. 7 – SG 95/09, in force from 01.01.2010) When a person not registered under this Act receives payment in advance for a taxable supply and actually carries out this supply after the date of his/her registration under this Act, it shall be considered that the payment received in advance contains the tax, which is to become chargeable on the date, on which the tax for the supply becomes chargeable.

(9) (New – SG 108/07, in force from 19.12.2007; prev. text of Para 08 – SG 95/09, in force from 01.01.2010) The chargeable event for the supply under **Art. 6, par. 2, item 4** of newspapers, magazines, books, and other printed matter, music audio- and video recordings and movie records on electronic or technical carriers shall arise on the date that comes first:

1. the date, on which the principal/trustee receives the payment from the commissioner/agent under **Art. 127**, or

2. the last day of the quarter, following the tax period, during which the actual handing over of the goods of **Art. 6, par. 2, item 4** took place.

(10) (New - SG 96/19, in force from 01.01.2020) Tax event under par. 1 is also the re-exportation of goods intended for the continental shelf and the exclusive economic zone in which the State exercises sovereign rights, jurisdiction and control in accordance with **Art. 42** and / or **Art. 47** of the Act on the Sea Waters, the Internal Water Ways and the Ports of the Republic of Bulgaria, which upon their introduction into the territory of the country were temporarily stored goods or placed in a free zone or under customs regimes - customs warehousing, inward processing, temporary importation with full relief from import duties, external transit.

(11) (New - SG 96/19, in force from 01.01.2020) The tax event under para. 10 arises and the tax becomes chargeable on the date on which the goods are placed under re-export regime.

(12) (New - SG 96/19, in force from 01.01.2020) In cases where the goods arrive directly in the continental shelf and exclusive economic zone, in which the State exercises sovereign rights, jurisdiction and control in accordance with **Art. 42** and / or **Art. 47** of the Act on the Sea Waters, the Internal Water Ways and the Ports of the Republic of Bulgaria, from a third country or territory or from another Member State, when there is no intra-Community acquisition for the goods, the tax event arises and the tax becomes chargeable on the date on which the goods arrive in the continental shelf and the exclusive economic zone.

Tax base regarding supply on the territory of the country

Art. 26. (1) Tax base within the meaning of this Act shall be the value over which the tax is charged or not charged depending on whether the rupply is taxable or exempt.

(2) (Amend. – SG 94/12, in force from 01.01.2013) The tax base shall be determined on the basis of everything that the remuneration includes, which is received by or owed to the supplier in connection with the supply, by the recipient or by another person, determined in BGN levs and BGN cents, excluding tax under this Act. Any payments of penalties and interests of a compensation nature shall not be considered as remuneration for the supply.

(3) The tax base under par. 2 shall be increased with:

1. all other taxes and fees, including excise when such are due for the supply;

2. all subsidies and funding directly connected to the supply;

3. the incidental costs charged by the recipient's supplier, such as commission, packaging, transport, insurance and other directly related to the supply;

4. the value of the common or usual packaging materials or containers, if they are not subject to returning or if the recipient is not a tax liable person; if these packing materials or containers are returned by the recipient, the tax base shall be reduced by their value at their returning back.

(4) In the tax base of the supply shall be considered included:

1. the value of the service regarding subsequent warranty service of the goods;

2. the value, kept by the recipient as a guarantee for good performance.

(5) The tax base shall not include:

1. the sum of the commercial discount or reduction, if they are provided to the recipient on the date of occurrence of the chargeable event; if they are provided to the recipient after the date of occurrence of the chargeable event, the tax base shall be reduced at their providing;

2. the value of the common or usual packing materials or containers, if the recipient is a tax liable person and these materials or containers are subject to returning; if they are not returned back in a 12-month period since their sending, the tax base shall be increased with their value at the end of this period;

3. the expenses of the leaser and leaseholder, related to using goods under the conditions and within the term of contract for financial leasing as: expenses for proprietary insurance, insurance Civil responsibility and like, for the whole or part of the term of the contract, expenses for proprietary taxes and fees, eco-fees and fees for registration;

4. the sums paid to the provider for covering the expenses made on behalf and at the expense of the recipient, when these sums are explicitly indicated in the accounting records of the provider; the provider shall have in his/her disposition proofs for the actual amount of the sums and shall not have right of tax credit regarding the tax, which may have become due during making the expenses.

(6) (Amend. – SG 113/07, in force from 01.01.2008; suppl. – SG 94/13, in force from 01.01.2013) Where the values necessary for calculating the tax base are specified in foreign currency, the tax base shall be determined on the basis of the equivalence in BGN of this currency at the rate, stated by the Bulgarian national bank at the date, on which the tax has become chargeable. The equivalent in BGN of the currency may be determined by the last exchange rate, published by the European Central Bank as of the time when the tax becomes chargeable. The conversion between currencies different from the EURO shall be done by using the exchange rate of each of these currency towards the EURO.

(7) (prev. text of Para 06 – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011; amend. – SG 94/13, in force from 01.01.2013; amend. – SG 101/13, in force from 01.01.2014) Where the remuneration is specified completely or partially in goods or services, without the parties having expressed it in money, the tax base of every supply as of the date of occurrence of the chargeable event shall be the tax base of acquisition or the cost of the goods supplied, and in the case of import – the tax base of import or of the incurred direct expenses for the performance of the provided service. Where the tax base cannot be determined following this procedure, the tax base shall be the market price.

(8) (New – SG 101/13, in force from 01.01.2014) In the cases referred to in **Art. 27, par. 3, item 1,** the tax base of every supply under par. 7 as of the date of occurrence of the chargeable event shall be the market price of the goods or services supplied.

(9) (New – SG 95/09, in force from 01.01.2010; prev. par. 8 – SG 101/13, in force from 01.01.2014) With supplies under **Art. 25, Para 5,** the tax base shall be determined proportionally of the number of months of the respective calendar year compared to the total number of months of performance of the supply, including the month of discontinuing the supply.

(10) (New – SG 98/18, in force from 01.01.2019) The tax base of the supply of goods or services provided against a multi-purpose voucher shall be equal to the amount paid for the voucher or, if lacking information on this amount, equal to the monetary value stated on the voucher itself, or in the related documentation, without the tax under this law, related to the delivered goods or services.

Specific cases in determining the tax base

Art. 27. (1) (Amend. – SG 99/11, in force from 01.01.2012, amend. – SG 98/18, in force from 01.01.2019) The tax base of supply of goods under **Art. 6, Para. 3**, determined at the beginning of the month, in which the goods is distributed or delivered, shall be the tax base at acquisition or the cost value of

the goods, and in the case of import - the tax base at importation less the cost of waste in the light of the normal economic life of the goods. Where the tax base cannot be determined in this way, the market price shall be the tax base.

(2) (Amend. - SG 101/2013, in force from 01.01.2014, amend. and suppl. – SG 95/15, in force from 01.01.2016, amend. – SG, 97/16, in force from 01.01.2017, amend. – SG 97/17, in force from 01.01.2018, amend. - SG 96/19, in force from 01.01.2020) The tax base for the supply of services under art. 9, par. 3, items 1 and 2 shall be the sum of the direct expenses made, connected with its implementation. When calculating the amount of direct expenses for the used goods that are or could be fixed assets, shall be taken into account as a part of the tax value on which tax credit is deducted partially or completely, calculated for each tax period by straight-line method for the immovable properties for 20 years from the beginning of tax period in which the right to the tax credit has been exercised, or from the beginning of a tax period, during which the right to tax credit, or from the beginning of the tax period, during which the factual use has begun in case, that the property has not been used for more than a year after the tax period, during which the right to tax credit has been exercised and for the other goods for a period of 5 years, starting from the beginning of the tax period, during which the right to tax credit has been used. The cost of wear and tear with an established right in rem over goods shall be determined for the period for which the right has been established, but not more than the relevant years under the preceding sentence. The tax base of supply of services under **Art. 9, Para. 3, p. 3** shall be the sum of the made direct costs, decreased by costs for wasting, in consideration of the usual economic life of the improvement of leased or provided for use asset, and if the sum of the direct costs cannot be established – the tax base shall be the market price.

(3) The tax base shall be the market price for the following supplies:

1. (amend. – SG 99/11, in force from 01.01.2012) supply between related persons, where the tax base calculated pursuant to **Art. 26**:

a) is lower that the market price, the supply shall be taxable and the recipient shall not be entitled to deduct a tax credit or shall be entitled to a partial tax credit or to reimbursement of the tax paid under **Art. 81**;

b) is lower that the market price, the supply shall be tax exempt and the supplier shall not be entitled to tax credit deduction or shall be entitled to a partial tax credit or to reimbursement of the tax paid pursuant to **Art. 81**;

c) is higher than the market price, the supply shall be taxable and the supplier shall not be entitled to tax credit deduction or shall be entitled to a partial tax credit or to reimbursement of the tax paid pursuant to **Art. 81**;

2. (suppl. – SG 108/07, in force from 19.12.2007; revoked – SG 101/13, in force from 01.01.2014) supply of goods and/or services under art. 111;

3. (revoked – SG 94/13, in force from 01.01.2013);

(4) (New – SG 94/13, in force from 01.01.2013) For supplies under contracts for a construction concession, for services or for extraction, where the payment has been determined entirely or partially in goods or services (the payment is made fully or partially in goods or services), as of the date of occurrence of the chargeable event:

1. for the supply by the concession grantor to the concessionary, the tax base shall be the agreed payment, including the one determined in goods or services subject to compliance with the provisions of **Art. 26, par. 2, 3, 4 and 5**; the payment, determined in goods or services, shall be equal to the amount of the agreed investment, excluding the compensation, where such is payable by the concession grantor to the concessionary according to the concession agreement;

2. for the supply by the concessionary to the concession grantor the tax base shall be equal to the tax basis of acquisition or to the cost of the provided goods, an in cases where the goods are imported – to the tax basis of its import or to the incurred direct expenses, related to the implementation of the provided service, and if it cannot be determined this way, the tax basis shall be the market price of the provided goods or services.

(5) (New – SG 101/13, in force from 01.01.2014) The tax base of supply of goods and/or services under **Art. 111**, determined as of the beginning of the month, in which the registration of the person has been terminated, shall be the tax base of acquisition or the cost of the goods, and in case of import – the tax base of the import or of the incurred direct expenses for acquisition of the service, less the expenses for wearing due to the usual economic life of the goods or services. Where the tax base cannot be determined following this procedure, the tax base shall be the market price.

(6) (New – SG 95/15, in force from 01.01.2016) In the cases of **art. 9, para 3, items 1 and 2** where goods and / or services are also used for independent economic activity for the purposes of calculating direct costs under para 2, sentence first, second and third, the tax base shall be allocated proportionately according to the degree of use of the product and / or service for personal needs of the owner, the employees or for purposes other than independent economic activity.

Chapter three.
EXEMPTION WITH THE RIGHT TO DEDUCT TAX CREDIT (TITLE AMEND. - SG 52 OF 2022, IN FORCE FROM 01.07.2022)

Supply of goods sent or transported outside the territory of the European Union (Title amend. – SG 94/10, in force from 01.01.2011)

Art. 28. Leviable supply with zero tax rate shall be:

1. the supply of goods which are sent or transported from a place on the territory of the country to a third country or territory, by or at the supplier’s expense;

2. the supply of goods which are sent or transported from a place on the territory of the country to a third country or territory by or at the supplier’s expense, if the recipient is a person who is not settled on the territory of the country; this provision shall not be applied when the goods are intended for filling up, equipping and supplying boats and aeronautical vehicles, which are used for sporting and entertaining purposes or for personal needs.

International transport of passengers

Art. 29. (1) Leviable supply with zero rate shall be the transport of passengers, when the transport is carried out:

1. from a place on the territory of the country to a place outside the territory of the country, or

2. from a place outside the country to a place on the territory of the country, or

3. between two places on the territory of the country, when it is a part of transport under items 1 and 2.

(2) (Suppl. - SG 97/17, in force from 01.01.2018) For transport of passengers under par. 1 shall also be considered the transport of goods and motor vehicles, when they are part of the passenger’s luggage. Not part of the luggage of a passenger shall be motor vehicles, with which contracts for the transport of goods are executed, with respect of their drivers.

International transport of goods

Art. 30. (1) (prev. Art. 30 – SG 108/07, in force from 19.12.2007) Leviable supply with zero rate shall be the transport of goods, when the transport is caried out:

1. from a place on the territory of the country to the territory of a third country or territory, or to the territory of the islands, forming the autonomy areas Azores and Madeira, or

2. from the territory of third state or territory or from the territory of the islands, forming the autonomous regions of Azores and Madeira, to a place on the territory of the country, or

3. between two places on the territory of the country, when it is a part of transport under items 1 and 2.

(2) (New – SG 108/07, in force from 19.12.2007) For the purposes of the law, forwarding, courier and postal services, different from the services referred to in **Art. 49**, provided in connection with transportation of goods under par. 1, shall be considered adequate to services of international transportation of goods under par. 1.

(3) (New – SG 108/07, in force from 19.12.2007) Forwarding service under par. 2 shall be the service of arranging, carrying out or servicing of international transportation of goods under par. 1 and involved in that activities of transport handling, documents processing, warehousing and insurance.

(4) (New – SG 108/07, in force from 19.12.2007) Where a forwarder operates under the terms and conditions of a forwarding agreement and provides forwarding service with regard to provision of a service of international transportation of goods under par. 1, the provision of **Art. 127** shall not apply.

Supply Related to International Transport

Art. 31. (Amend. – SG 95/09, in force from 01.01.2010) Leviable supply with zero rate shall be:

1. (amend. – SG 108/07, in force from 19.12.2007) the supply of goods for supplying with spare parts, fuels and lubricant materials, food, beverages, water and other provisions, intended for use on board of aeronautical vehicles, used by aviation operator, carrying out mainly international flights;

2. the supply of goods for the supply of spare parts, fuels and lubricant materials, food, beverages, water and other provisions, intended for use on board of

a) (amend. – SG, 97/16, in force from 01.01.2017) vessels, intended and used for transportation of goods or passengers in the high sea, with the exception of the used for sport and entertainment purposes or for personal needs;

b) (suppl. – SG, 97/16, in force from 01.01.2017) passengers or vessels, intended and used for carrying out trade, industrial or fishing activities in the high sea;

c) vessels, used to rescue human life and property in the sea;

d) (amend. – SG, 97/16, in force from 01.01.2017, amend. - SG 14/22, in force from 18.02.2022) vessels with military destination falling under Code on CN 89061000, leaving the state territory and sailing in destination for ports or anchoring outside the territory of the sate;

e) vessels used for shore fishing excluding their supply with provisions.

3. (amend. – SG 105/14, in force from 01.01.2015) the supply of services regarding the construction, maintenance, repair, modification, transformation, assembling, equipping, gearing, transport and destruction of airplanes and vessels, except for those under item 2, letter "d"; this shall not concern airplanes, except those referred to in Item 1, and vessels used for sporting and entertaining purposes or for personal needs;

4. (amend. – SG, 97/2016, in force from 01.01.2017) the leasing of aircraft used by an aviation operator carrying out predominantly international flights and of sailing vessels under p. 2, with the exception of the ones under letter “d”;

5. (amend. – SG, 97/16, in force from 01.01.2017) procession of aircraft used by an aviation operator, carrying out predominantly international flights and of sailing vessels under p. 2, with the exception of the ones under letter “d”;

6. the provision of services, connected with the transport processing of passengers or goods, including of transport containers, transported by:

a) (amend. – SG, 97/16, in force from 01.01.2017) vessels, under p. 2, with the exception of the ones under letter “d”;

b) aeronautical vehicles used by aviation operator carrying out mainly international transport or

mobile rolling stock, where the services are carried out in relation to international transport;

7. (amend, - SG, 97/16, in force from 01.01.2017) the supply of aeronautical vehicles, used by an aviation operator, carrying out predominantly international flights and of sailing vessels under p. 2, except for those under letter “d”;

8. (amend. – SG 94/10, in force from 01.01.2011) the supply of services, for which fees are being collected as per **Art. 120, para 1** of the Civil Aviation Act, provided by airport operator- concessionaire in relation to aeronautical vehicles in international journey, including within the European Union.

9. (amend, - SG, 97/16, in force from 01.01.2017) the supply of services under **Chapter Nine** of the Merchant Shipping Code, rendered to vessels, under p. 2 with the exception of those under letter "d";

10. the supply of services of rescuing human lives and properties in the sea;

11. (new – SG 94/10, in force from 01.01.2011) the supply of services for air traffic management and air navigation services, rendered on aircrafts, used by an aircraft operator flying mainly international routes.

12. (new – SG 98/18, in force from 01.01.2019) other supply of services to meet the immediate needs of:

a) vessels referred to in item 2, with the exception of those referred to in letter “d”;

b) aircraft used by an aviation operator operating mainly international voyages, or rolling stock when services are provided in connection with international transport.

Supply related to the international goods traffic

Art. 32. (1) (Amend. – SG 108/06, in force from 01.01.2007) Leviable supply with zero rate shall be the supply of non-community goods, except for the ones indicated in the **Appendix No 1**, for which the circumstances under **art. 16, par. 5** are present.

(2) (Amend. – SG 113/07, in force from 01.01.2008) Leviable supply with zero rate shall be the supply of services of unloading, loading, reloading, stacking, lashing of goods and/or customs clearance, where they are provided with regard to supply of goods leviable with zero rate under par. 1, except for the exempt ones within the meaning of the law.

Spply concerning the processing of goods

Art. 33. Leviable supply ith zero rate shall be the performance of services, representing work with goods, as treatment, processing or repair of goods, when the following circumstances are simultaneously present:

1. (amend. – SG 94/10, in force from 01.01.2011) the goods have been acquired or imported for the purposes of carrying out such work on the territory of the European Union;

2. after finishing the work the goods are sent back or transported to third state or territory by or at expense of the provider of the recipient;

3. the recipient of the services is not settled on the territory of the state.

Supply of gold for the central banks

Art. 34. Leviable supply with zero rate shall be the supply of gold, different from the investment gold within the meaning of the law, when the Bulgarian national bank or the central bank of another Member State is the recipient.

Supply related to duty-free trade

Art. 35. (Suppl. – SG 105/06) Leviable supply with zero rate shall be the sale of goods in the sites of duty-free trade, where the sale is considered as import within the meaning of the **Duty Free Trade Act**.

Delivery with recipient a person, managing an electronic interface

Art. 35a. (New, SG, 104/20, effective from 01.07.2021, suppl. - SG 14/22, in force from 18.02.2022) A taxable supply with a zero rate with place of performance on the territory of the country shall be the supply of goods under **Art. 14a, Para. 6, item 1**.

Supply of services provided by agents, brokers and other intermediary

Art. 36. (1) Leviable supply with zero rate shall be the supply of services provided by agents, brokers and other intermediaries, acting on behalf and at the expense of another person, when they are connected with the supplies indicated in this chapter.

(2) (revoked – SG 113/07, in force from 01.01.2008)

Supply of import-related services

Art. 36a. (new – SG 101/13, in force from 01.01.2014) (1) The supply of import-related services, such as commission, packing, transport and insurance, shall be taxable with a zero rate, where their cost is included in the tax base under **Art. 55**.

(2) The supply of import-related services for processing, treatment or repair shall be taxable with a zero rate, where it forms the tax base under **Art. 55, par. 3** for import of goods, which are temporarily exported from a place in the territory of the country to a place outside the territory of the European Union under customs regime of outward processing and are imported back to the territory of the country.

(3) (Amend. - SG 52/22, in force from 01.07.2022) Where prior to occurrence of the circumstances under par. 1 and 2 a document is issued for the supply with charged tax at the rate under **Art. 66, Para. 1**, the amount of the charged tax shall be corrected:

1. for issued invoices and notifications – following the provision of **Art. 116**;

2. for issued certificates – following a procedure, set out by the **Regulations for the application of the act**.

Supply of vaccines against COVID-19 and of in-vitro diagnostic medical devices intended for the diagnosis of COVID-19

Art. 36b. (New - SG 107/20, in force from 01.01.2021 to 31.12.2022) (1) A taxable supply with a zero rate with a place of performance on the territory of the country shall be:

1. the supply of vaccines against COVID-19 and the services directly related to those vaccines;

2. the supply of in-vitro diagnostic medical devices, intended for diagnostics of COVID-19, and the services, directly related to these devices.

(2) Paragraph 1 shall be applied when the vaccines against COVID-19 and in-vitro diagnostic medical devices, intended for diagnostics of COVID-19, meet the requirements of the **Medicinal Products in Human Medicine Act** and the **Medical Devices Act**.

Documenting the supplies

Art. 37. (1) The documents, with which shall be certified the presence of circumstances under this chapter, shall be specified with the regulation for implementation of this Act.

(2) (amend. – SG 108/07, in force from 19.12.2007) If the provider does not obtain the documents under par. 1 until the expiration of the calendar month, following the calendar month, during which the tax has become chargeable, the provisions of this chapter shall not apply. If subsequently the provider obtains the documents under par. 1, he/she shall correct the result of the application of this paragraph by a procedure, specified by the **regulation for implementation of the law**.

(3) (new – SG 108/07, in force from 19.12.2007) Paragraph 2 shall not apply in case of received down payments.

Chapter four.
EXEMPT SUPPLIES AND ACQUISITIONS

General provisions

Art. 38. (1) Exempt supplies shall be the supplies indicated in this chapter.

(2) Exempt supplies shall also be the intra-community supplies which would have been exempt, had they been carried out on the territory of the country by the procedure of this chapter.

(3) Exempt from tax levying shall also be any intra-community acquisition of goods, the supply of which on the territory of the country is an exempt supply under this chapter.

Supply related to healthcare

Art. 39. Exempt supply shall be:

1. (suppl. – SG 94/10, in force from 01.01.2011) carrying out health (medical) services and the services directly connected with them, provided by health centres under the **Health Act** and by the medical establishments and child care centres under the **Medical Establishments Act**;

2. the supply of human organs, tissues and cells, blood, blood components and mother’s milk;

3. the supply of prosthetics, as well as the services of their provision to people with disabilities when the supplies are part of the healthcare services under item 1;

4. (new – SG 108/07, in force from 19.12.2007; amend. – SG 106/08, in force from 01.01.2009) supply of implantable medical devices operating by means of energy generated in the human body or by gravity, as well as actively implantable medical products, where their supply is part of the health services under item 1;

5. (prev. item 4 - SG 108/07, in force from 19.12.2007; suppl. – SG 94/10, in force from 01.01.2011; amend. - SG 101/13, in force from 01.01.2014) supply of dentures by doctors of dental medicine or dental technicians;

6. (prev. item 5 - SG 108/07, in force from 19.12.2007) carrying out transport services for ill or injured persons with specially designed vehicles, and by duly authorized bodies;

7. (prev. item 6 - SG 108/07, in force from 19.12.2007; amend. – SG 74/2016, in force from 01.01.2018, suppl. - SG 88/16, in force from 01.01.2017, amend. - SG 52/20, in force from 09.06.2020) the supply of goods and services in the frameworks of the humanitarian activity, carried out by the Bulgarian Red Cross and other non-profit legal persons with public benefit statute. Supplies shall be released when the Bulgarian Red Cross or other legal non-profit entities, registered with public benefit statute and entered in the register under Art. 103 of the Foodstuffs Act as an operator of a food bank, do not sell the donated food

under **Art. 6, para. 4, item 4**;

8. (new – SG 95/15, in force from 01.01.2016) provision of healthcare by a person exercising the medical profession under the **Health Act**.

Supply related to social care and insuring

Art. 40. Exempt supply shall be:

1. carrying out social care services under the **Social Support Act**;

2. (amend. - SG 24/19, in force from 01.07.2020, amend. on the entry into force - SG 101/19) the supply of social support by the procedure of the **Social Services Act**;

3. the obligatory and the voluntary social, pension and health insurance carried out under the conditions and by the procedure of a dedicated act, including the intermediate services directly connected thereto.

4. (new - SG 98/18, in force from 01.01.2019) mediation in case of international adoption under the **Family Code**.

Supply related to education, sports and physical training

Art. 41. Exempt supply shall be:

1. (suppl. – SG 94/10, in force from 01.01.2011) the pre-school preparation and training, the school or the university education, the professional education and training, the post-graduate education, re-qualification and improving the qualification, training for acquisition of key competence provided by:

a) (suppl. – SG 94/10, in force from 01.01.2011; amend. - SG 79/15, in force from 01.08.2016) institutions in system of pre-school and school education by the **Pre-School and School Education Act** institutions in the system of the vocational education and training under the **Vocational Education and Training Act** or cultural-educational or research institutions, suppliers of key competence training entered in a list approved by the executive director of the Employment Agency;

b) higher schools under the **Higher Education Act**;

2. teaching private lessons, substituting the school or university education under item 1;

3. (amend. – SG 74/09, in force from 15.09.2009; amend. – SG 68/13, in force from 02.08.2013; amend. - SG 79/15, in force from 01.08.2016) the supply of textbooks, educational books and teaching kits, approved by the Minister of education and science, when the goods are provided by the organizations under item 1, letter "a", as well as the supply of textbooks, educational books and teaching kits, when the goods are provided by the organizations under item 1, letter "b";

4. the service, directly connected with sports or physical training, provided by sport organizations under the **Physical Education and Sports Act**, which are registered under the **Non-Profit Legal Entities Act** as organizations, determined for implementing social useful activity.

Supply related to culture

Art. 42. Exempt supply shall be:

1. the sale of tickets by cultural organizations and institutes under the **Protection and Development of Culture Act**, regarding:

a) circus, musical and musical-scenic performances and concerts, except for the tickets for pubs, variety shows and erotic performances;

b) museums, exhibition galleries, libraries and theatres;

c) zoological gardens and botanical gardens;

d) architectural, historical, archaeological, ethnographic and museum reserves and complexes;

2. (amend. – SG 105/14, in force from 01.01.2015) the activity of the Bulgarian national radio, the Bulgarian national television and the Bulgarian telegraph agency, for which activity they receive payments from the state budget.

Supply related to religions

Art. 43. Exempt supply shall be the supply of goods and carrying out services by the Bulgarian orthodox church and other registered religions under the **Religions Act**, when the supply is connected with the implementation of their religious, social, educational and health activity.

Supply of non-economic nature

Art. 44 (1) Exempt supply shall be:

1. the supply of goods for carrying out services by the organizations under **art. 39**, **40**, **41** and 42, when the supply is related to actions for gaining assets used for their activity;

2. (suppl. – SG, 97/16, in force from 01.01.2017) the supply of goods and carrying out services by organizations, which are not traders, and which lay down aims of political, trade-union, religious, patriotic, philosophical, philanthropic or civilian character, when the supply is related to actions for gaining assets, used for their activity or, used for achieving the goals laid down;

3. the supply of goods and providing services by the organizations under item 2 in favour of their members against membership fee, determined in compliance with the rules of these organizations;

4. providing services by individual groups of persons, whose activities are exempt or are not tax leviable, services to their members, which are directly necessary for the implementation of their activity, when the groups demand on their members only restoration of their share of the common expenses;

5. (new - SG 108/07, in force from 19.12.2007; revoked – SG 95/09, in force from 01.01.2010)

(2) Supplies under par. 1 shall be exempt, so far as they do not lead to infringement of the competition rules.

Supply related to land and buildings

Art. 45. (1) Exempt supply shall be the transfer of right to ownership over land, the establishment or the transfer of limited property rights to land, as well as its letting out or granting on lease.

(2) (amend. – SG 99/11, in force from 01.01.2012) The establishment or the transfer of right to construct shall be considered as exempt supply under par. 1 by the moment of issuance of a permission for construction of a building, for which the right to construct is established or transferred.

(3) Exempt supply shall also be the supply of buildings or of parts of them, which are not new, the supply of the terrains, adjacent to them, as well as the establishment and the transfer of other property rights of them.

(4) Exempt supply shall also be the letting out a building or part of it for dwelling to natural person, different from trader.

(5) Paragraph 1 shall not be applied with regards real estate within the meaning of the **Spatial Development Act**, except for the adjacent terrain to buildings, which are not new;

2. the transfer of right to ownership or other property rights as well as letting out equipment, machines, facilities and buildings, affixed without movement on the ground or built under its surface;

3. the transfer of ownership right or other property rights, as well as letting out camping, caravan parks, holiday camps, parking areas and others similar;

4. the transfer of right to ownership of terrains adjacent to new buildings, as well as the establishment and transfer of other property rights over these terrains.

(6) Paragraph 4 shall not be applied at accommodation in hotels, motels, cottages or tourist villages, individual rooms, villas, houses, bungalows, camping, cottages, tourist chalets, hostelries, inns, boarding houses, caravan parks, holiday camps, rest homes, balneological centres and sanatorial complexes.

(7) In the cases under par. 1, 3 and 4, the provider may chose that the supply be leviable.

Supply of financial services

Art. 46. (1) Exempt supply shall be:

1. contracting, granting and managing credit for consideration (interest) by the person granting it, including the granting, contracting and management of credit at supply of goods under the conditions of a contract for leasing;

2. the contracting of guarantees and transactions with guarantees or securities establishing rights over monetary receivables, as well as management of guarantees by the creditor;

3. (amend. – SG 23/09, in force from 01.11.2009) the transaction, including the contracting, related to payment accounts, payment services, electronic money, payments, debts, receivables, checks and other similar contractual instruments, without the transaction for debt collection and factoring and letting out safes;

4. (suppl. - SG 95/15, in force from 01.01.2016, amend. – SG, 97/16, in force from 01.01.2017) the transaction, including the contracting, related to currency, banknotes, coins, used as legal payment instrument, with exception of banknotes and coins which are not usually used as legal payment instrument or have numismatic value;

5. the transaction, including contracting, related to company shares, stocks or other securities and their derivatives, with exception of management and safe keeping; this shall not regard securities establishing rights over goods or services beyond those under the indicated in this Art.;

6. (amend. and suppl. – SG 52/07, in force from 01.11.2007; amend. – SG 77/11; amend. – SG 109/13, in force from 01.01.2014, suppl. – SG 60/16, suppl. - SG 97/17, in force from 01.01.2018, suppl. - SG 98/18, in force from 01.01.2019) the management of the activity of collective investment schemes, national investment funds and pension funds and the provision of investment consultations under the procedure of the **Act on Collective Investment Schemes and Other Collective Investment Undertakings**, and the service provided by a tied agent to an investment intermediary in connection with the services and activities under Art. 33 of the Markets in Financial Instruments Act, when such services and activities are in fact financial services, and the provision of investment advice under the **Markets in Financial Instruments Act**, as well as the management of the activities of a Fund of funds under the **Act on management of funds from the European structural and investment funds** and the execution of financial instruments on the basis of financial agreements within the meaning of Art. 38, paragraph 7 of Regulation (EU) № 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down the general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund, and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, and repealing Council Regulation (EC) № 1083/2006 (OJ, L 347/320 of December 20, 2013);

7. the transaction, including contracting, related to financial futures and options.

(2) In the cases of supply under the terms of a leasing contract under Para. 1, item 1, the supplier may choose the provision of the credit be a taxable supply.

(3) For the goods – subject to the leasing contract, for the financial services provider under Para. 1,

item 1 shall arise the right to deduct full tax credit in compliance with the requirements under **art. 71**.

Supply of insurance services

Art. 47. (Amend. – SG, 104/20, in force from 01.01.2021) Exempt delivery shall be the performance of insurance and reinsurance services, including the related services, performed by insurance brokers and agents.

Gambling

Art. 48. Exempt supply shall be the organization of gambling games within the meaning of the **Gambling Act**.

Supply of postage stamps and postal services

Art. 49. Exempt supply shall be:
1. the supply of postage stamps at par or mark, equated to postage stamp;
2. (amend. - SG 97/17, in force from 01.01.2018) the carrying out of a universal postal service under the conditions and by the procedure of the **Postal Services Act**.

Supply of goods or services, for which tax credit has not been used

Art. 50. (1) (prev. Art. 50 – SG 94/12, in force from 01.01.2013) Exempt supply shall also be such of goods or services:
1. which have been used thoroughly for carrying out exempt supplies and on this ground the right to deduct tax credit regarding the charged tax has not been exercised at their production, acquisition or import;
2. at the production, the acquisition or the import of which a right to deduct tax credit on the grounds of **art. 70** has not been available.
(2) (new – SG 94/2012, in force from 01.01.2013, amend. – SG, 97/16, in force from 01.01.2017, amend. - SG 97/17, in force from 01.01.2018) Paragraph 1 shall not apply where, pursuant to the provision of **Art. 79a**, and **79b**, the right of tax credit has been exercised through performing a correction.

Chapter five.
LEVYING INTRA-COMMUNITY SUPPLIES

Chargeable event and chargeability in intra-community supplies

Art. 51. (1) The chargeable event regarding intra-community supply shall occur on the date, on which the chargeable event regarding supply on the territory of the country would occur.
(2) The chargeable event regarding intra-community supply under **art. 7, par. 4** shall occur on the date, on which the transport of the goods from the territory of the country starts.
(3) The tax regarding intra-community supply shall become exigible on the 15-th day of the month, following the month, when the chargeable event under par. 1 and 2 has occurred.
(4) (suppl. – SG 108/06, in force from 01.01.2007) Regardless of par. 3, the tax shall become chargeable on the date of issuing the invoice, respectively the document referred to in **Art. 168, para 8**,

when such invoice has been issued before the 15-th day of the month, following the month, when the chargeable event has occurred.

(5) Paragraph 4 shall not be applied, when the invoice has been issued in relation with payment received regarding the supply before the date of occurrence of the chargeable event.

(6) (new – SG 94/12, in force from 01.01.2013) For a continuous supply of goods under **Art. 7, par. 1 -4** with a duration for a period, longer than one calendar month, the chargeable event shall occur at the end of each calendar month, whereby for the calendar month in which the supplies have been terminated, the chargeable event shall occur on the date of termination of supplies.

Tax base for intra-community supplies

Art. 52. (1) The tax base of the intra-community supplies shall be determined by the procedure of **art. 26**.

(2) (Amend. – SG 98/18, in force from 01.01.2019) The tax base regarding intra-community supplies under **art. 7, par. 4** shall be the tax base under **Art. 27, Para. 1**, increased following the procedure of **art. 26, par. 3**.

(3) (amend. – SG 95/09, in force from 01.01.2010) The tax base under par. 2 shall not be increased by the value of the services under **art. 21, Para 2** with place of performance on the territory of the country, for which the person registered under this Act is obliged to charge tax as a person liable for payment under **art. 82, par. 2**.

(4) (new – SG 94/12, in force from 01.01.2013) For supplies under **Art. 51, par. 6,** the tax basis for each calendar month shall be determined pro rata the number of days included in the respective calendar month, related to the total number of days of execution of supplies, including the days of the month in which the supplies have been terminated.

Tax rate and documentation of the intra-community supplies

Art. 53. (1) The intra-community supplies under **art. 7**, except for the exempt intra-community supplies under **art. 38, par. 2**, shall be leviable with zero tax rate.

(2) (amend. - SG 96/19, in force from 01.01.2020) For applying the zero rate under par. 1 the supplier should have:

1. the delivery documents specified in the rules on implementation of this Act, and

2. (suppl. - SG 102/19, in force from 01.01.2020) documents for the dispatch or transport of goods from the territory of the country to the territory of another Member State determined by Art. 45a of Council Implementing Regulation (EU) 2018/1912 of 4 December 2018 amending Implementing Regulation (EU) No 282/2011 as regards certain exemptions for intra-Community transactions (OB, L 311/10 of 7 December 2018), hereinafter referred to as "Implementing Regulation (EU) No 282/2011", or determined by the rules on implementation of the Act.

(3) If the provider does not obtain the documents under par. 2 until the expiry of the calendar month, following the calendar month, during which the tax for the supply has become chargeable, par. 1 shall not be applicable. If afterward the provider obtains the documents under par. 2, he/she shall correct the result of the application of this paragraph by procedure, specified by the **Rules for Implementation of the Act**.

Part three.
TAXATION OF IMPORT

Chargeable event at import

Art. 54. (1) (Amend. - SG 58/16) The chargeable event at import of goods shall occur and the tax shall become chargeable on the date, on which the obligation for paying import duties on the territory of the country arises or should arise, including when obligation does not exist or its amount is zero.

(2) (Amend. - SG 58/16) When an obligation for paying import duties on the territory of the country does not arise at import of goods under **art. 16, par. 3**, the chargeable event shall occur and the tax shall become chargeable on the date when the customs formalities have been concluded.

Tax base

Art. 55. (1)) (Amend. - SG 101/13, in force from 01.01.2014) The tax base at import under **art. 16** shall be the customs value increased by, so far as they have not already been included therein:

1. (amend. - SG 58/16) taxes, customs duties, charges and others fees, payable outside the territory of the country, and customs duties, excise duty and other fees, payable in case of import on the territory of the state;

2. (amend. – SG 105/14, in force from 01.01.2015) import-related expenses, such as commission, packaging, transport and insurance, incurred until the first destination of the goods on the territory of the state.

(2) The tax base shall also be increased with the expenses under par. 1, item 2, related to the transportation of the goods from the territory of the state to the territory of another Member State, when in the documents accompanying the goods is indicated that the goods is intended for the other Member State.

(3) (suppl. – SG 94/10, in force from 01.01.2011) When the goods have been temporarily exported outside the territory of the state to a place outside the territory of the European Union for processing, treating or repair under the customs procedure passive improvement and are imported back on the territory of the state, the tax base shall be the cost of the processing, treating or the repair, increased following the procedure under par. 1.

(4) The tax base under par. 1, 2 and 3 shall not include the sum of the trade discount or reduction if they are presented to the recipient no later than the date of occurrence of the tax event at the import.

(5) At import of goods under **art. 16, par. 3,** the tax base shall be determined by the procedure of **art. 26**.

Charging of the tax by the customs bodies at import

Art. 56. Charging of the tax at import under **art. 16** shall be carried out by the customs bodies, as the amount of the tax shall be taken under account by the procedure, determined regarding the customs obligation.

Charging the tax by the importer at import

Art. 57. (1) The charging of the tax at import may be done by the importer, if he/she is a registered person and has permission for applying this regime in connection with the realization of an investment project under **Art. 166**.

(2) In the cases under Para. 1, the importer shall exercise his/her right of charging under the procedure of **Art. 164, Para. 2**.

(3) With regards to the import, for which he/she has exercised his/her right under Par.a 1, the importer shall charge the tax via protocol for the tax period, during which the tax event under **Art. 54** has

occurred.

(4) In the cases under **Art. 58, Para. 2**, the tax shall be charged by the importer with a protocol for the tax period, during which the tax has become chargeable.

(5) (New - SG 98/18, in force from 01.07.2019) Notwithstanding **Art. 56**, the charging of the import tax under **Art. 16** may be made by the importer, if he meets the conditions of **Art. 167a**.

(6) (New - SG 98/18, in force from 01.07.2019) With respect to the import, for which the importer has exercised his right under Para. 5, he shall charge the tax for the tax period, during which the chargeable event under **Art. 54** occurred, on a tax base determined by the order of **Art. 55**, with a protocol, thereby:

1. including the amount of the tax in determining the result for the respective tax period in the reference-declaration under **Art. 125** for this tax period;

2. indicating the customs document for import and reflecting the amount of the tax in the sales log for the respective tax period.

Import of goods under a special regime for distance selling of goods, imported from third countries or territories

Art. 57a. (New, SG, 104/20, effective from 01.07.2021) (1) The importer shall declare in the submitted customs declaration for import, that he will apply the special regime for distance sales of goods, imported from third countries or territories, indicating their individual identification number under this regime.

(2) The customs authorities shall authorize the release of the goods without the tax, being effectively paid to the budget at this time as:

1. when performing a check in the database for VAT identification numbers under the regime for distance sales of goods, imported from third countries or territories, it is established, that the declared individual identification number under this regime is valid;

2. the intrinsic value of goods, imported from third countries or territories does not exceed the BGN equivalent of EUR 150 and the goods are different from excise goods;

3. the goods are intended for non-taxable persons.

Special regime for declaration and deferred payment of import tax

Art. 57b. (New, SG, 104/20, effective from 01.07.2021) The special regime for declaration and deferred payment of import tax may be applied by a taxable person who, at the date of importation, simultaneously complies with the following conditions:

1. presents goods to the customs authorities:

a) in the form of consignments with an own value, not exceeding the BGN equivalent of EUR 150;

b) other than excise goods;

c) for which no special regime has been applied for distance sales of goods, imported from third countries or territories, under **Art. 152, Para. 5**;

d) which are allowed for free circulation on the territory of the country;

e) to which the dispatch or transportation ends on the territory of the country;

f) (amend. - SG 14/22, in force from 18.02.2022) of which the recipient is a non-taxable person;

2. it is registered on the grounds of **Art. 96, Para. 1** or **Art. 100, Para. 1**;

3. has an authorization for deferred payment of import duties, issued under the terms and conditions of the EUnion customs legislation;

4. acts as an indirect representative under the EUnion customs legislation.

Declaration and reporting of the tax in application of the special regime for declaration and

deferred payment of the import tax

Art. 57c. (New, SG, 104/20, effective from 01.07.2021) (1) In the submitted customs declaration for import, the taxable person under Art. 57b must state:

1. that he applies a special regime for declaring and deferred payment of import tax;

2. the consignee, for whom the consignment is intended.

(2) The calculation of the import tax under the special regime shall be carried out by the customs authorities, and the amount of the tax is taken into account in the order, determined for the customs debt.

(3) When the taxable person meets the conditions under **Art. 57b**, the customs authorities shall allow the release of the goods, without the tax being effectively paid into the budget at that time.

(4) The tax reporting period shall be one month.

(5) The person under Art. 57b shall submit a monthly declaration under the special regime for declaration and deferred payment of the tax upon import before the Customs Agency according to a model, determined in the regulations for application of the Act.

(6) The monthly declaration under Para. 5 shall indicate the total amount of VAT, collected during the respective reporting period.

(7) The monthly declaration under Para. 5 shall be submitted to the Customs Agency electronically under the Tax-Insurance Procedure Code by the 16th day, inclusive of the month, following the month to which it refers.

(8) The person under **Art. 57b** shall keep an electronic register for the purposes of the special procedure, which shall allow the customs authorities to verify the correct application of this regime.

(9) The structure and the content of the electronic register under Para. 8 shall be determined by the Rules on the application of the Act. The information from the register shall be provided upon request by the customs authorities electronically or on an electronic medium in a file format, specified in the Rules.

(10) The person under **Art. 57b** shall store the information from the electronic register under Para. 8 for a period of 10 years, starting from the year, following the year, in which the respective consignment is presented to the customs authorities.

Procedure for payment of the tax upon application of the special regime for declaration and deferred payment of the tax upon import

Art 57d. (New, SG, 104/20, effective from 01.07.2021) (1) The consignee - the non-taxable person, for whom the consignment is intended, shall be obliged to pay the tax under the customs declaration for import of the person under Art. 57b, upon acceptance of the shipment.

(2) The person under **Art. 57b** shall collect the tax from all recipients, who have accepted the shipments during the respective period.

(3) (Amend. - SG 14/22, in force from 18.02.2022) The person under Art. 57b shall be obliged to pay under Art. 90 the collected from the recipients - non-taxable persons, tax for the respective period no later, than the 16th of the month, following the month of accepting the shipment by the recipient for which it was intended.

Applicability of a special regime for distance selling of goods, imported from third countries or territories in imports of goods and a special regime for the declaration and deferred payment of import tax

Art. 57e. (New, SG, 104/20, effective from 01.07.2021) (1) When the conditions under **Art. 57a** and **Art. 57b** are not present, the general rules of the Act shall apply.

(2) (Amend. - SG 14/22, in force from 18.02.2022) For the paid tax under **Art. 57d** for the person under Art. 57b, no right to a tax credit arises under the conditions of Chapter Seven.

(3) When the goods in the form of consignments have an own value, exceeding the BGN equivalent of EUR 150 or are excise goods, the general rules for import of the Act shall apply.

Tax exemption at import

Art. 58. (1) Exempt from tax shall be the import of:

1. (revoked – SG 94/10, in force from 01.01.2011)

2. (amend. – SG 94/10, in force from 01.01.2011) goods, imported by:

a) (amend. - SG 58/16) diplomatic missions, consular missions or members of their staff that meet the requirements for exemption from customs duties at importation;

b) the European Union, the European Atomic Energy Community, the European Central Bank, the European Investment Bank or the European Union authorities subject to the Protocol on the Privileges and Immunities of the European Union, under the restrictions and conditions in the Protocol and the agreements on its implementation or the headquarters agreements, provided that the competition is not affected;

c) international organisations other than those specified in Letter "b", recognised as such by the public authorities of the host Member State, carried out by members of such organisations under the restrictions and conditions set out in the international conventions establishing the organisations or the agreements on their headquarters;

d) (new - SG 14/22, in force from 18.02.2022) the European Commission or an agency or body established under European Union law, where the European Commission or such agency or body imports these goods in the performance of tasks assigned to them by European Union law in response to the COVID-19 pandemic, with the exception of imported goods which are used immediately or at a later date by the European Commission or by such agency or body for subsequent supplies against remuneration;

3. (amend. – SG 94/12, in force from 01.01.2013) dental prostheses, imported by doctors in dental medicine or dental mechanics, human organs, tissues, cells, blood, blood components and mother’s milk;

4. textbooks and teaching aids under **art. 41, item 3** by the organizations under **art. 41, item 1**;

5. (amend. – SG 94/10, in force from 01.01.2011; amend. - SG 101/13, in force from 01.01.2014) products of sea fishing, pulled out outside the territorial waters of the European Union by ships, when the products are being imported in harbours in a non-processed state or following preserving processing for market realization prior to their supply.

6. (amend. – SG 94/10, in force from 01.01.2011) goods, where their importation is followed by intra-community supply and where the importer provides the following data:

a) his identity number referred to in **Art. 94, Para 2**;

b) the VAT identity number of the client to whom the goods are destined, issued in another Member State, or their own VAT identity number, issued in the Member State of the final supply or transportation of the goods;

c) evidence that the imported goods are destined for transportation or supply to another Member State as set out in the **regulations on the implementation of this Act**;

7. gold from the Bulgarian national bank;

8. (amend. – SG, 97/16, in force from 01.01.2017) aeronautical vehicles and vessels, under **Art. 31, item 7**, as well as spare parts for them;

9. investment gold;

10. (amend. – SG 94/10, in force from 01.01.2011) gas through a natural gas system or through a network connected to such system, or supplied from a sailing vessel that transports gas, in a natural gas system or network of gas pipes before such system, of electrical energy or of heating or cooling energy through heating or cooling networks;

11. (amend. – SG 94/10, in force from 01.01.2011) official publications issued under the control of the state authorities or the territory of export, of international organisations, public structures or public legal formations established in the state or territory of export, or print materials distributed in relation to European Parliament elections or in relation to national elections in the state of issuing of the printed materials by

foreign political organisations recognised officially as such in the Member States, as long as these publications or printed materials have been taxed in the state or territory of export and are not exempt from tax upon export;

12. (amend. – SG 94/10, in force from 01.01.2011) purebred horses younger than 6 months, born in a third country or territory by an animal fertilised in the European Union and then temporarily exported to give birth;

13. goods that are disintegrated or left in favour of the state by the order of the customs legislation, as well as of free of charge submitted goods, which shall be left and seized in favour of the state with exception of vehicles;

14. goods under customs control, which have been disintegrated or irrevocably lost due to a reason connected with the nature of the goods or due to insurmountable force;

15. (revoked – SG 94/10, in force from 01.01.2011)

16. goods which have been temporarily exported for repair or fix if the requirements, of the customs legislation have been met.

17. (amend. – SG 94/10, in force from 01.01.2011, amend. - SG 58/16) goods returned by the exporting person in unchanged condition as exported, excluding the normal deterioration during their use, where the said goods are exempt from import duties;

18. (amend. - SG 58/16) motor vehicles, unlawfully taken or stolen and for which the due import duties are reimbursed or remitted by the order of the customs legislation.

19. (new – SG, 104/20, in force from 01.07.2021) goods, for which the tax is declared under the special arrangement for distance selling of goods, imported from third countries or territories and where, at the latest on submission of the customs declaration for release for free circulation, an individual VAT identification number is provided for application of the special arrangement.

(2) When the importer of the goods under par. 1, item 6 does not obtain the documents under **art. 53, par. 2** till the expiration of the calendar month, following the month of occurrence of the tax event under **art. 54**, the import tax shall become exigible from the importer.

(3) The tax under par. 2 shall become exigible on the last day of the calendar month following the month of occurrence of the chargeable event under **art. 54**.

(4) (new – SG 106/08, in force from 01.12.2008) Import of goods in the personal luggage of travellers, which is of no commercial nature, shall be exempted from tax on the ground of monetary thresholds respectively for land, sea and air passengers, specified by the regulations for implementation of the law.

(5) (New – SG 106/08, in force from 01.12.2008) The value of the personal luggage of a passenger, which is imported temporarily or is re-imported following its temporary export, and the value of medicinal products required to meet the personal needs of a passenger shall not be taken into consideration for the purposes of applying the exemptions referred to in para 4.

(6) (New – SG 106/08, in force from 01.12.2008) For the purposes of applying the monetary thresholds under para 4, the value of an individual item may not be split up.

(7) (New – SG 106/08, in force from 01.12.2008) Exempt from VAT shall be the import of tobacco products, alcohol and alcoholic beverages, as well as import of still wine and beer in the personal luggage of passengers, which is of no commercial nature in quantity limits specified by regulations for implementation of the law. The said exemption shall not apply to persons under 17 years of age.

(8) (New – SG 106/08, in force from 01.12.2008) Exempt from VAT shall be the fuel contained in the standard tank and a quantity of fuel not exceeding 10 litres contained in a portable container, in the case of any one means of motor transport of travellers arriving from a third country or territory.

(9) (New – SG 106/08, in force from 01.12.2008) The values of the goods referred to in para 7 and 8 shall not be taken in consideration at specifying the monetary thresholds under para 4.

(10) (New – SG 106/08, in force from 01.12.2008) In the case of any one traveller, the exemption may be applied to any combination of the types of alcohol and alcoholic beverage, provided that the

aggregate of the percentages used up from the individual allowances does not exceed 100 % of the total allowance for alcohol and alcoholic beverages.

(11) (New – SG 106/08, in force from 01.12.2008) Exempt from VAT shall be the import of goods in the personal luggage, and imports of tobacco products, alcohol and alcoholic beverages, as well as imports of still wine and beer by the crew of a means of transport used to travel from a third country or from a territory on the basis of monetary thresholds and quantity limits, specified by the **regulations for implementation of the law**.

(12) (New – SG 106/08, in force from 01.12.2008) Where a journey involves transit through the territory of a third country, or begins in a third territory, The monetary thresholds and quantity limits shall also apply Overflying without landing shall not be regarded as transit.

(13) (new – SG 106/08, in force from 01.12.2008) Para 12 shall not apply if the passenger is able to establish that the goods transported in his luggage have been taxed in the Member State where acquired and are not subject to the any refunding of VAT.

(14) (new – SG 94/10, in force from 01.01.2011) Exempt from taxes shall be the importation of goods within the permitted duty free import, in cases of:

1. (repealed – SG, 104/20, in force from 01.07.2021);

2. (suppl. - SG, 104/20, in force from 01.07.2021); received small parcels of goods of non-commercial character, send from a third country by a natural person to a natural person in the country, without the latter paying for them, and not exceeding the BGN equivalent of EUR 45, subject to Council Directive 2006/79 / EC of 5 October 2006 on the exemption from taxation of imports of small consignments of non-commercial goods from third countries;

3. imported personal possessions received as inheritance;

4. imported used personal possessions by individuals who are moving their usual residence in the European Union;

5. imported possessions in connection with marriage;

6. imported used household possessions after termination of a temporary stay out of the European Union;

7. imported orders, medals and honorary awards;

8. imported samples of goods of negligible value;

9. imported gifts received within the framework of international relations;

10. imported goods intended for personal use by heads of state;

11. imported goods intended for victims of disasters;

12. (amend. - SG 101/13, in force from 01.01.2014) imported coffins with dead bodies, and urns containing ashes of the dead persons, and also flowers, wreaths, and other decorative articles usually accompanying them.

13. imported goods for protection of goods during transportation, and bedding straw, fodder, and foods for animals during transportation;

14. imported documentation;

15. imported school outfits, educational materials and household effects for school and university students;

16. imported products obtained by farmers on properties located in third countries adjacent to the place of principle undertaking of the farmer;

17. imported seeds, fertilisers and products for the treatment of soil and crops, intended for use on property adjoining a third country and operated by agricultural producers having their principal undertaking in the said third country adjacent to the property;

18. imported video and audio materials of educational, scientific or cultural character produced by the United Nations or one of its specialised agencies whatever the use for which they are intended;

19. imported collectors’ pieces and works of art of an educational, scientific or cultural character which are not intended for sale and which are imported by museums, galleries and other institutions; the

exemption shall apply only if the goods are imported for free or, if imported against payment, they are not imported by a taxable person;

20. imported laboratory animals and biological or chemical substances intended for research;

21. (amend. - SG 101/13, in force from 01.01.2014) imported therapeutic substances of human origin and blood-grouping and tissue-typing;

22. imported reference substances for the quality control of medical products;

23. imported pharmaceutical products used at international sports events;

24. imported goods by state organisations, charitable or philanthropic organisations received by them free of charge;

25. imported by institutions or organisations obtained by them free of charge to support blind and other handicapped persons;

26. imported printed advertising matter and advertising articles;

27. imported goods used or consumed at trade fairs or similar events;

28. imported goods for examination, analysis or test purposes;

29. imported consignments sent to organisations protecting copyrights or industrial and commercial property rights;

30. imported tourist information publications;

31. imported fuels and lubricants present in land motor vehicles and special containers;

32. imported goods by organisations authorised for that purpose by the competent authorities for the construction, upkeep or ornamentation of cemeteries for, graves of, or memorials to, war victims of third countries buried in the European Union.

(15) (New – SG 94/10, in force from 01.01.2011) Exempt from taxes shall also be the importation of goods, which importation from third countries would be exempt pursuant to Para 14.

(16) (New - SG 14/22, in force from 18.02.2022) When the European Commission or an agency or body established under European Union law, when importing goods under Para. 1, item 2, letter "d" does not have written documents certifying that the import of the goods is in fulfillment of tasks assigned to them by the law of the European Union, or the goods will be used immediately or at a later date by the European commission or by such agency or body for subsequent supplies against remuneration, the import tax shall become chargeable by the European Commission or agency or body established under the law of the European Union.

(17) (New - SG 14/22, in force from 18.02.2022) When the conditions for exemption on import, provided for in Para. 1, item 2, letter "d", cease to apply, the European Commission or the relevant agency or body shall inform the country that the exemption granted on import of these goods is subject to taxation under the conditions applicable at that time.

Tax securing at import

Art. 59. (1) (amend. - SG 58/16) When according to the customs legislation security of the customs duties shall be or shall not be required, the tax shall not be secured or be secured according to the amounts, specified by the customs legislation and by the procedure for securing the customs duties.

(2) (Amend. – SG 98/18, in force from 01.01.2019) When an obligation to pay interest on import duties on a customs debt arises under customs legislation, an obligation shall also arise to pay interest on the tax not collected.

(3) (Amend. - SG 58/16) A person, who has obtained permission for the management of facilities for customs warehousing by the order of the customs legislation, shall be jointly liable along with the depositor of the goods in the warehouse for the tax due at deviation of the goods from the customs procedure during their keeping in the warehouse.

(4) When by the procedure of **art. 173, par. 1** exemption from tax at import of motor vehicles shall be applied and they shall remain under customs supervision, such exemption from tax shall also be applied

if within the term of customs supervision the motor vehicles, imported by persons using privileges according to the Vienna Convention for the diplomatic relations, the Vienna Convention for the consular relations, consular conventions or other international agreements, party to which is the Republic of Bulgaria, have been illegally taken or stolen and this has been found by the competent bodies by the procedure, stipulated for that.

Paying of tax at import

Art. 60. (1) (Amend.– SG 105/14, in force from 01.01.2015, amend. - SG 58/16) The tax, charged by the customs bodies, shall be paid to the state budget within the terms and by the procedure stipulated for paying the import duties.

(2) The tax, charged by the customs bodies at the import on the territory of the state, may not be deducted with other duties by the revenue bodies or the customs bodies.

(3) (New - SG 108/07, in force from 19.12.2007; amend.– SG 105/14, in force from 01.01.2015, amend. - SG 58/16) In cases of import of **Art. 16** under the regime of "temporary import with partial exemption of import duties" the charged by the customs authorities tax shall be deposited to the state budget prior to picking up of the goods.

Permission to pick up the goods

Art. 61. The customs bodies shall permit the pickup of the goods after paying or securing the charged tax by the procedure, specified for the customs obligation, except for the cases, when the tax shall be charged by the importer.

Part four.
TAXATION OF INTRA-COMMUNITY ACQUISITION

Place of performance of the intra-community acquisition

Art. 62. (1) The place of performance of the intra-community acquisition shall be on the territory of the state, when the goods arrive and their transportation ends on the territory of the state.

(2) Regardless of par. 1, the place of performance of the intra-community acquisition shall be on the territory of the state when the person acquiring the goods is registered under this Act and has implemented their acquisition under identification number, issued in the state.

(3) Paragraph 2 shall not be applied, when the person has got evidence that the intra-community acquisition of the goods has been levied in the Member State, where the goods arrive or their transportation ends.

(4) If the intra-community acquisition has been levied, according to par. 2 and afterward the person proves that such intra-community acquisition has also been levied in the Member State, where the goods arrive or their transportation ends, the person shall correct the result of application of par. 2.

(5) Regardless of par. 2, the place of performance of the intra-community acquisition shall be the Member State, where the goods arrive or their transportation ends, when the following circumstances are simultaneously present:

1. the intermediary in three partite operation acquires the goods under his/her identification number under **art. 94, par. 2**;

2. the person under item 1 carries out subsequent supply to the acquirer in the three partite operation;

3. the person under item 1 issues a supply invoice under item 2, that meets the requirements of **art. 114**, in which he/she shall indicate, that he/she is intermediary in the three partite operation and that the tax for the supply shall be due by the acquirer in the three partite operation;

4. the person under item 1 shall declare the supply under item 2 in the VIES-declaration for the respective tax period.

(6) The documents, certifying the circumstances under par. 3, 4 and 5, and the procedure for carrying out the correction under par. 4 shall be specified by the **regulation for implementation of the law**.

Chargeable event and tax chargeability for intra-community acquisition

Art. 63. (1) The chargeable event for intra-community acquisition shall occur on the date, on which the chargeable event would have occurred at a supply on the territory of the country.

(2) The chargeable event at intra-community acquisition under **art. 13, par. 3** shall occur on the date, on which the transportation of the goods on the territory of the country ends.

(4) (amend. – SG, 97/2016, in force from 01.01.2017) Regardless of par. 3, the tax shall become exigible on the date of issuing the invoice, and when there is no liability ofr issuance of an invoice – on the date of the issuance of the document, certifying the acquisition of new vehicle, where they have been issued before the 15th day of the month, following the month, during which the tax event has occurred.

(5) (Amend. – SG, 97/2016, in force from 01.01.2017) Paragraph 4 shall not be applied, when the invoice, or the document, certifying the acquisition of a new vehicle have been issued in connection with payment made before the date of occurrence of the tax event.

(5) (Amend. – SG, 97/2016, in force from 01.01.2017) Paragraph 4 shall not be applied, when the invoice has been issued in connection with payment made before the date of occurrence of the chargeable event.

(6) (New - SG 101/13, in force from 01.01.2014) In case of a continuous supply of goods under **Art. 13, par. 1 – 3** with a duration, lasting for longer than one calendar month, the chargeable event shall occur at the end of every calendar month, whereby for the calendar month of termination of supplies, the chargeable event shall occur from the date of termination of supplies.

Tax base with intra-community acquisition

Art. 64. (1) The tax base with intra-community acquisition shall be determined by the procedure of **art. 26**.

(2) The tax base with intra-community acquisition under **art. 13, par. 3** shall be equal to the tax base formed for the purposes of the intra-community supply in the Member State, from which the goods are sent or transported.

(3) In the tax base with intra-community acquisition of excise goods shall also be included the excise due or paid for the goods in the Member State, from which they have been sent or transported. If after the acquisition the excise is subject to restoration to the recipient, the tax base shall be reduced by order, determined by the regulation for the implementation of the law.

(4) (Amend. – SG 95/09, in force from 01.01.2010) The tax base under par. 1, 2 and 3 shall not include the tax base of the services under **art. 21, Para 2** with place of performance on the territory of the state, for which the person registered under this Act is obliged to charge the tax as a person under **art. 82, par. 2**.

(5) (New - SG 101/13, in force from 01.01.2014) In case of supplies under **Art. 63, par. 6,** the tax base for every calendar month shall be determined pro rate the number of days in the respective calendar month to the total number of days of execution of the supply, including the calendar days of termination of supplies.

Intra-Community acquisition at zero rate

Art. 64a. (New - SG 107/20, in force from 01.01.2021 till 31.12.2022) The intra-Community acquisitions of goods with a place of performance on the territory of the country, the delivery of which on the territory of the country is specified in **Art. 36b**, shall be taxable at zero rate.

Exempt intra-community acquisitions

Art. 65. (1) Exempt shall be the intra-community acquisitions of goods with place of performance on the territory of the state, the supply of which on the territory of the state is indicated in **chapter four**.

(2) Exempt shall be the intra-community acquisitions with place of performance on the territory of the state for goods:

1. (repealed - SG 14/22, in force from 18.02.2022)

2. (amend. – SG 94/10, in force from 01.01.2011) the import of which on the territory of the state would have been exempt from tax by the procedure of **art. 58**, except the importation of goods referred to in **Art. 58, Para 1, Item 6**;

3. (suppl. – SG 94/10, in force from 01.01.2011) when recipients are institutions of the European union, the European Atomic Energy Community, the European Central Bank, the European Investment Bank, or by the authorities of the European Union to which the Protocol on the privileges and immunities of the European Union applies, within the limits and under the conditions of that Protocol and the agreements for its implementation or the headquarters agreements, in so far as it does not lead to distortion of competition;

4. from a person – intermediary in three partite operation, registered for the purposes of VAT in another Member State.

Part four "a".
CONSECUTIVE DELIVERIES OF GOODS (NEW - SG 96/19, IN FORCE FROM 01.01.2020)

Determination of intra-Community supply for consecutive deliveries of goods

Art. 65a. (New - SG 96/19, in force from 01.01.2020) (1) Supplies of the same good in a chain, including an intermediate supplier, which is dispatched or transported from one Member State to another Member State directly from the first supplier to the final recipient in the chain, are consecutive deliveries of the goods.

(2) Intermediate provider under par. 1 is a supplier in a chain of consecutive deliveries of goods, other than the first supplier in the chain, who sends or transports the goods himself or through a third party on his behalf.

(3) In the cases of para. 1 for the purposes of **Art. 53** shipment or transport concerns only the delivery made to the intermediate supplier.

(4) When the intermediate supplier has communicated to his supplier the VAT identification number issued to him by the Member State from which the goods were dispatched or transported for the purposes of Art. 53, notwithstanding para. 3, the shipment or transport relates only to the delivery of the goods by the intermediate supplier.

(5) The place of performance of the other deliveries in the chain is determined as follows:

1. of the deliveries made before the delivery to which the goods are dispatched or transported - the place of performance is in the Member State from which the goods are dispatched or transported;

2. of deliveries made after delivery to which the shipment or transport of the goods relates - the place of performance is in the Member State in which the goods arrive or their transportation is completed.

(6) In the event of an obligation to register for the purposes of VAT of one of the suppliers in the Member State in which is the place of performance of the supply referred to in para. 5, the rules of that Member State shall apply.

Part five.
TAX RATES AND DEFINITION OF TAX DEBT

Chapter six.
TAX RATES

Standard Tax Rate

Art. 66. (Amend. - SG 52/22, in force from 01.07.2022) (1) The standard rate of tax is 20 percent for taxable supplies with a place of performance on the territory of the country, except for those expressly indicated as taxable with a reduced or zero tax rate.

(2) The rate under Para. 1 shall also apply both to the import of goods into the territory of the country and to taxable intra-Community acquisitions in the territory of the country, except for those expressly indicated as taxable with a reduced or zero rate of tax.

Reduced Tax Rate

Art. 66a. (New - SG 52/22, in force from 01.07.2022) The tax rate shall be 9 percent for the supply of an accommodation service provided in hotels and similar establishments, including the provision of holiday accommodation and the rental of places for camping sites or caravans, with a place of performance on the territory of the country.

Exemption with the right to deduct tax credit by applying a zero tax rate

Art. 66b. (New - SG 52/22, in force from 01.07.2022) A zero tax rate shall be applied to supplies with a place of performance on the territory of the country, specified in Chapter Three, **Art. 53**, **64a**, **140**, **146** and **173**.

Tax amount

Art. 67. (1) The amount of the tax shall be determined by multiplying the tax base to the tax rate.

(2) Unless explicitly stated in the supply contract that the tax is due separately, it shall be assumed that it is included in the agreed price.

(3) The tax shall also be considered included in the announced price when on the market are offered goods – subject to retail supply.

Chapter seven.
TAX CREDIT

Tax credit and right of tax credit deduction

Art. 68. (1) Tax credit shall be the amount of the tax, which the registered person is entitled to deduct from his/her tax liabilities under this Act for:

1. goods or services received by him/her under leviable supply;

2. a payment made by him before the taxable event for the taxable supply having occurred;

3. import carried out by him/her;

4. the tax exigible from him/her as a person liable for payment under **chapter eight**.

(2) The right of tax credit deduction shall arise when the tax, subject to deduction, becomes exigible.

(3) In the cases of succession under **art. 10** the right of tax credit deduction shall arise:

1. on the date of entering the circumstance under **art. 10** in the commercial register – where the successor is a person, registered under this Act;

2. on the date of registration under **art. 132, par. 3**.

(4) In the cases under **art. 116, par. 2** the right of tax credit deduction shall arise on the date, when new tax document is issued.

(5) In the cases under **art. 131** the right of tax credit deduction shall arise on the date of issuing the document under **art. 131, par. 1, item 2**.

(6) (New - SG 101/13, in force from 01.01.2014) The right to deduction of a tax credit for a received supply of goods or services, for which the special regime of cash accounting of value added tax is applied, shall occur where the tax subject to deduction becomes chargeable.

Supplies with right of tax credit deduction

Art. 69. (1) Where goods and services are used for the purposes of taxable supplies made by a registered person, the person shall be entitled to deduct:

1. the tax for the goods or services, which the provider – a person registered under this Act, will deliver or has delivered to him;

2. the charged tax in case of import of goods under **art. 56** and **57**;

3. the tax exigible from him as a person liable for payment under **chapter eight**.

(2) For the purposes of Para. 1, the following shall also be considered taxable supplies:

1. supplies in the framework of the economic activity of the registered person, which are with place of performance out of the state’s territory, which supplies, however, would have been taxable, if they were carried out on the territory of the country.

2. (amend. – SG 94/10, in force from 01.01.2011) supplies of financial services under **art. 46** and of insurance services under **art. 47**, where the recipient of the services is settled outside the European Union, or when the supplies of these services are directly related to goods, for which the conditions under **art. 28** have been fulfilled.

Restrictions to the right of tax credit deduction

Art. 70. (1) The right of tax credit deduction shall not be available, regardless of the fact that the circumstances under **art. 69** or **74** have been fulfilled, in case:

1. the goods or services are designated for implementation of exempt supplies under **chapter four**;

2. (suppl. - SG 96/19, in force from 01.01.2020) the goods or services are designated for supplies free of charge or more generally for activities other than the economic activities of the person;

3. the goods or services are designated for representative or entertaining purposes;

4. (amend. – SG 94/12, in force from 01.01.2013) a motorcycle or an automobile has been acquired or imported;

5. (amend. – SG 94/12, in force from 01.01.2013) the goods or services are intended for maintenance, repair, improvement or operation of motorcycles and passenger vehicles under item 4, including for spare parts, assembly, fuel and lubrication materials;

6. the goods are seized in favour of the state or the building is destroyed as unlawfully constructed.

(2) Paragraph 1, items 4 and 5 shall not be applied, when:

1. the vehicles under par. 1, item 4 are used only for transport and security services, taxi transportation, letting out, courier services or training of drivers of motor vehicles, including at their subsequent sale;

2. the vehicles under par. 1, item 4 are designated for resale solely (commercial stocks);

3. the goods or services are designated for resale solely (commercial stocks), including after processing;

4. the goods or services are related to the maintenance, repair, improvement or the exploitation of the vehicles under item 1;

5. (new – SG 94/12, in force from 01.01.2013) vehicles under par. 1, item 4 and the goods and services under par. 1, item 5 are used also for activities different from those referred to in item 1 – 4, in cases where one or more of the activities listed in items 1 – 4, are key activity for the person; in these cases the right of tax credit deduction shall occur from the beginning of the month, following the month, for which the requirement for the key activity is fulfilled.

(3) Paragraph 1, item 2 shall not apply to:

1. (amend. and suppl. – SG 95/09, in force from 01.01.2010) the special, work, uniform and the official clothing and personal protection means, provided for free by the employer to his/her workers and employees, including to the ones under management contracts for the purposes of his/her economic activity;

2. the transport servicing from the place of residence to the place of work and backwards by the employer of his/her workers and employees, including of the ones under management contracts for the purposes of his/her economic activity;

3. (amend. – SG 94/12, in force from 01.01.2013) the goods or the services, used for provision of a service free of charge by a holder/user for repair of asset;

4. (amend. – SG 94/12, in force from 01.01.2013) the goods or the services, used for provision of a service free of charge by a holder/user for improvement of asset, which is rented or provided for use;

5. the free of charge provision of goods or services of negligible value for advertisement purpose and provision of samples;

6. the food and/or the additives to it, provided by the order **art. 285 of the Labour code**;

7. the transportation and the accommodation of the persons, sent on a business trip by the person;

8. the goods or the services, used in relation to implementation of the warranty servicing under **art. 129**.

9. (new - SG 88/16, in force from 01.01.2017) donated foodstuffs under **Art. 6, para. 4, item 4**.

(4) (Amend. and suppl. – SG 95/09, in force from 01.01.2010; amend. – SG 105/14, in force from 01.01.2015, suppl. - SG 96/19, in force from 01.01.2020, amend. – SG, 104/20, in force form 01.07.2021, suppl. - SG 14/22, in force from 18.02.2022) A person, registered on the grounds of **Art. 97a**, **Art. 99, para. 1 - 6** and **Art. 100, Para 2** shall not be entitled to tax credit, or a person established on the territory of the country, registered only under Art. 156.

(5) A right to tax credit shall not be available for a tax, which is illegally charged.

Terms for exercising right of tax credit deduction

Art. 71. The person shall exercise his/her right of tax credit deduction, in case he/she has fulfilled one of the following conditions:

1. possesses a tax document, prepared in compliance with the requirements of **art. 114** and **115**, in which the tax is indicated on a separate line – with regards to supplies of goods or services, in the cases the person is a recipient;

2. (amend. – SG 108/06, in force from 01.01.2007, amend. – SG 98/18, in force from 01.01.2019, suppl. - SG 96/19, in force from 01.01.2020) has issued a protocol under **art. 117** or **Art. 163b, Para. 2**, and has met the requirements of art. 86 – in the cases the tax is exigible from the recipient as a person liable for payment under **Art. 82** with the exception of para. 6, item 1; in the cases referred to in **Art. 161** and **163a**, where the provider is a tax liable person, the recipient shall also have a tax document, drawn up in accordance with the requirements of **Art. 114** and **115**, in which document the relevant ground for not charging tax is indicated;

3. (amend. – SG 94/10, in force from 01.01.2011) possesses a customs document for import, in which the person is indicated as an importer and the tax is deposited by the procedure of **art. 90, par. 1** – in the cases of import under **art. 16**;

4. (amend. – SG 94/10, in force from 01.01.2011, suppl. - SG 98/18, in force from 01.01.2019) possesses a customs document for import, in which the person is indicated as an importer, who has issued a protocol under **art. 117** and has observed the requirements of **art. 86** – in the cases under **art. 57, Para. 1 and 4**.

5. possesses a document, meeting the requirements of **Art. 114**, has issued a protocol under **art. 117** and has observed the requirements of **art. 86** – in the cases of intra-community acquisition;

6. possesses a document under art. **131, par. 1, item 2**;

7. possesses the documents, specified in the **Rules for Implementation of the Act** – in the cases of succession under **art. 10**;

8. (new – SG 101/13, in force from 01.01.2014) possesses a tax document under item 1 and a payment document of a bank transfer, including through a credit transfer, direct debit or cash transfer, made through a payment service supplier within the meaning of the **Payment Services and Payment Systems Act**, or through a T/T transfer, made through a post operator licensed to carry out T/T transfers within the meaning of the **Post Services Act** and a protocol under **Art. 151c, par. 8** – for supplies to which the supplier applies the provisions of **Chapter Seventeen "a"**;

9. (new – SG 101/13, in force from 01.01.2014) possesses a tax document under item 1 and a payment document of a bank transfer, including through a credit transfer, direct debit or cash transfer, made through a payment service supplier within the meaning of the **Payment Services and Payment Systems Act**, or through a T/T transfer, made through a post operator licensed to carry out T/T transfers within the meaning of the **Postal Services Act** and a protocol under **Art. 151d, par. 8** – for supplies to which the supplier does not apply the provisions of **Chapter Seventeen "a"**.

10. (new - SG 98/18, in force from 01.07.2019) possesses a customs document for import, in which the person is designated as an importer, and has complied with the requirements of **Art. 57, Para. 6** - in the cases under **Art. 57, Para. 5;**

11. (new - SG 96/19, in force from 01.01.2020) holds a customs document for re-export, has issued a protocol under art. 117 and has complied with the requirements of Art. 86 - in the cases under art. 82, para. 6, item 1.

Right to Tax Credit, Proportionally to the Rate of Using for Independent Economic Activity in Acquisition or Building of Immovable Properties

Art. 71a. (New – SG, 97/16, in force from 01.01.2017) (1) For charged tax in the acquisition or building of immovable property, which will be used both as independent economic activity and also for personal needs of a taxable person or for the needs of the owner, of his workers and employees or more generally for purposes, different from his independent economic activity, the person shall have the right to deduction of a tax credit in compliance with the rules of this Chapter only for the part of the charged tax, corresponding to the use of the property for independent economic activity.

(2) The part of the charged tax under Para. 1, corresponding to the use of the property for independent economic activity shall be defined proportionally to the rate of use of the immovable property for independent economic activity, where the charged tax in acquiring or building the immovable property is multiplied by the proportion of its expected use for independent economic activity to its total use for independent economic activity, also for purposes different from the independent economic activity, calculated to the second decimal point.

(3) The registered person shall have the right to partial tax credit under **Art. 73** for the defined under Para. 2 tax for deduction in relation to immovable properties, which in the frames of his independent economic activity uses for carrying out supplies, for which he has right to deduction of tax credit, also for supplies or activities, for which he has no such right.

(4) The proportion under Para. 2 shall be defined by the application of criterion for distribution, which would guaranty the maximum exact calculation of the size of the tax, corresponding to the use of the immovable property for realizing independent economic activity, while accounting the specifics of the property.

(5) Para. 1 – 4 shall also apply to an established in favour of the registered person property right over an immovable property which is to be used both for independent economic activity and for his personal needs or for the needs of the owner, his workers and employees, or more generally for purposes different from his independent economic activity.

(6) With acquiring or building of immovable property the registered person shall estimate whether to include in his economic activity the whole or only part of the property, which may be separated or differentiate. For any part of the property not included in the economic assets, the provision of this act shall not apply.

Right to Tax Credit, Proportionally to the Rate of Use for Independent Economic Activity in Production, Acquiring or Import of Goods Different from Immovable Properties, which are, or would be Long-term assets

Art. 71b. (New – SG, 97/16, in force from 01.01.2017) For any goods different from immovable properties, which are, or would be, long-term assets and which will be used both by a registered person, as well as for carrying out independent economic activity, and for his personal needs, or for the needs of the owner, his workers, employees, or more generally for purposes other than his independent economic activity, the person shall apply the provision of **Art. 71a, Para. 1 – 5**.

Period of exercising the right of tax credit deduction

Art. 72. (1) (Amend. – SG 95/09, in force from 01.01.2010) Any person, registered under this Act, may exercise his/her right of tax credit deduction for the tax period, during which this right has arisen, or in one of the subsequent 12 tax periods.

(2) The right under par. 1 shall be exercised, provided that the person:

1. includes the amount of the tax credit at assessment of the result for the tax period under par. 1 in the reference-declaration under **art. 125** for the same tax period;

2. indicates the document under **art. 71** in the purchase record under **art. 124** for the tax period under par. 1.

Right of partial tax credit deduction

Art. 73. (1) A registered person shall be entitled to deduct partial tax credit with regards to the tax for goods or services, which are used for carrying out supplies, for which the person has the right to tax

credit deduction, as well as regarding supplies or activities, for which the person does not have such right.

(2) (Amend. – SG 95/15, in force from 01.01.2016) The amount of the partial tax credit shall be assessed by multiplying the sum of the tax credit to a ratio, calculated to the second symbol after the decimal point, obtained as a relation between the turnover, referring to the supplies, for which the person has the right to tax credit deduction, and the turnover, related to all supplies or activities, carried out by the person.

(3) The turnover, related to the supplies, for which the person has the right to tax credit deduction, shall include:

1. the tax bases of the taxable supplies, carried out by the person;

2. the tax bases of the payments, received by the person, for whom the tax has become exigible prior to the occurrence of the tax event related to taxable supply;

3. the tax bases of the supplies, carried out by the person, having a place of performance outside the territory of the country, equivalent to leviable ones according to **art. 69, par. 2**, except for the supplies, having a place of performance, outside the territory of the country, carried out from a permanent site of the person outside the territory of the country;

4. the tax bases of the payments, received by the person prior to the implementation of the supplies under item 3;

5. (amend. – SG 108/06, in force from 01.01.2007) the tax base of the supplies of goods or services, with regards to which right of tax credit deduction has not been exercised on the ground of **art. 70, para 1, items 3 through 5**.

(4) The turnover, referring to all supplies and activities of the person, shall include:

1. the turnover under par. 3;

2. the tax bases of the supplies, carried out by the person, having a place of performance, outside the territory of the country, which are not equivalent to leviable ones within the meaning of **art. 69, par. 2**, except for the supplies, carried out from permanent site of the person outside the territory of the country;

3. (amend. – SG 94/12, in force from 01.01.2013) the tax bases of the exempt supplies carried out, except for the ones under **art. 50, par. 1, item 2**;

4. (suppl. – SG, 97/16, in force from 01.01.2017) the value of the supplies and the activities out of the framework of the economical activity of the person, with the exception of those, to which no tax credit is deducted under **Art.71a** and **71b** ;

5. the tax bases of the payments, received by the person prior to implementation of the supplies and the activities under items 2, 3 and 4;

6. the amount of the subsidies acquired, different from the ones, included in the tax base.

(5) The ratio shall be calculated on the basis of the turnovers under par. 3 and 4 for the whole precedent calendar year, and in case such turnovers are not present for the precedent calendar year - on the basis of the turnovers under par. 3 and 4 for the tax period, during which the right of tax credit deduction arises.

(6) The amount of the partial tax credit under par. 2 shall be reassessed in the latest tax period of the current calendar year on the basis of the indices under par. 3 and 4 for the current calendar year.

(7) In the cases of deregistration the amount of the partial tax credit under par. 2 shall be reassessed at the end of latest tax period on the basis of the indices under par. 3 and 4 for the part of the current calendar year, during which the person has been registered.

(8) The difference in the result of the reassessment under par. 6 and 7 shall be included as a correction (increase or reduction) in the amount of the tax credit in the reference-declaration for the latest tax period.

Right of tax credit deduction, where the tax is exigible from the recipient/importer

Art. 73a. (New – SG 106/08, in force from 01.01.2009) (1) (Amend. – SG 98/18, in force from 01.01.2019) In case of supplies, the tax for which is chargeable to the recipient, the right to deduct the tax

credit shall also be present when the recipient has not complied with the requirements of **Art. 72** and/or the supplier of the goods in question has not issued a document, and/or the recipient does not have a document as per **Art. 71, items 2, 4, 5 and 10**, provided that the supply has not been concealed and that there is information about it available in the accountancy of the recipient.

(2) In the cases referred to in para 1, the right of tax credit deduction shall be exercised in the tax period during which the tax has become exigible, provided that **Art. 126, para 3, item 2** is applied respectively.

Right of tax credit deduction in production, acquiring or import of goods, or receiving services, which are not, or would not be long-term assets

Art. 73b. (New – SG, 97/16, in force from 01.01.2017). For goods or services, which re not, or would not be long term assets, a registered person may have the right to tax credit for the size of the tax, corresponding to the use of the goods or services in the frames of independent economic activity for carrying out supplies, for which he has the right to deduction of tax credit, by defining with a reasonable method this size, when using the goods or the service:

1. for independent economic activity and for his personal needs or for the needs of the owner, his workers and employees or more generally – for purposes other than his independent economic activity, and/or

2. in the frames of his independent economic activity for carrying out supplies, for which he has the right to deduction of tax credit and for supplies or activities, for which he has no such right, by not applying **Art. 73**.

Right of tax credit deduction for available assets and services received prior to the date of registration

Art. 74. (1) (Amend. – SG, 97/16, in force from 01.01.2017, amend. – SG, 104/20, in force from 01.07.2021) Any person registered under **Art. 96**, **97**, **Art. 100**, Para. 1, **Art. 102** or **Art. 132**, or **132a** shall be entitled to deduct tax credit for the purchased or acquired in another way or imported assets within the meaning of the **Accountancy Act** prior to the date of his/her registration under this Act, which are available by the date of the registration.

(2) The right under par. 1 shall only arise for the assets available by the date of the registration, with respect to which the following conditions are simultaneously present:

1. the requirements under **art. 69** and **71** are available;

2. the supplier is a person registered under this Act by the date of issuing the tax document and the supply has been taxable by this date;

3. (amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

4. (amend. – SG, 97/16, in force from 01.01.2017) the assets are acquired by the person up to 5 years, and regarding real estate – up to 20 years prior to the date of registration under this Act.

(3) The person registered under par. 1 shall be entitled to tax credit deduction also for the services received before the date of his/her registration under this Act, if the following conditions are simultaneously present:

1. the services are directly related to the registration of the person under the Commercial law;

2. the services are received no earlier than one month prior to the registration of the person under the **Commerce Act**;

3. the person has submitted an application for registration under this Act within 30-days term from his/her entry into the register under **art. 82 of the Tax-insurance procedure code**;

4. the person has an invoice under **art. 71, item 1** for the received services;

5. the supplier of the service is a person registered under the law by the date of issuing the tax

document and the supply was taxable by this date;

6. (amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

(4) (New – SG, 97/16, in force from 01.01.2017). For available goods of the registered person under Para. 1, which are or would be long-term assets, which are used at the same time as performing independent economic activity, also for his personal needs or for the needs of the owner, his workers and employees or more generally – for purposes other than his independent economic activity, right to tax credit under Para. 2 shall occur under the conditions of **Art. 71a** and **71b**.

Arising and exercising of the right of tax credit deduction for available assets and services received before the date of the registration

Art. 75. (1) The right of tax credit deduction under **art. 74** shall arise on the date of registration under this Act.

(2) (Amend. - SG 101/13, in force from 01.01.2014, amend. - SG 92/17, in force from 01.01.2018) The right of tax credit deduction under Para. 1 shall be exercised in the tax period during which it has arisen or in one of the following twelve tax periods, as the relevant documents under **art. 71** shall be indicated in the purchase record with the tax base and tax corresponding to the available assets or services received.

(3) (Amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

Right of tax credit deduction at repeated registration

Art. 76. (1) The registered person shall be entitled to deduct the charged tax at his/her de-registration under this Act for the levied assets under **art. 111, par. 1, item 1**, available by the date of his/her subsequent registration.

(2) The right under par. 1 shall arise in case the following conditions are simultaneously present:

1. by the date of the subsequent registration under this Act the available assets within the meaning of the **Accountancy Act** have been levied at the de-registration under **art. 111, par. 1, item 1**;

2. (suppl. – SG 98/18, in force from 01.01.2019) the charged tax at the deregistration has been effectively or deducted by the revenue body, except in cases where the subsequent registration of the person is within the deadline for tax payment for the last tax period;

3. with the available assets the person has carried out, carries out or will carry out taxable supplies within the meaning of **art. 69**;

4. (amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

5. (amend. – SG, 97/16, in force from 01.01.2017) the assets under item 1 are acquired by the person up to 5 years, and regarding real estate – up to 20 years prior to the date of the repeated registration under this Act.

(3) (New – SG 95/09, in force from 01.01.2010) In the cases of **Art. 111, Para 2, Item 5,** the registered person shall be entitled to deduction of tax credit for the purchased or otherwise acquired or imported assets in the sense of the **Accountancy Act** after the date of his deregistration that are available at the date of his subsequent registration. The right to tax credit shall arise under the conditions specified in **Art. 74, Para 2**.

Arising of and exercising the right of tax credit deduction of charged tax at de-registration and subsequent registration of the person

Art. 77. (1) The right of tax credit deduction under **art. 76** shall arise on the date of the repeated registration under this Act.

(2) (Amend. - SG 101/13, in force from 01.01.2014) The right of tax credit deduction under Para. 1 shall be exercised in the tax period, during which it has arisen or in one of the following twelve tax periods, the document with which tax is charged at the de-registration shall be indicated in the purchase record with the tax base and tax corresponding to the available assets or services received.

(3) (Amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

Adjustments of used tax credit (title, amend. – SG, 97/16, in force from 01.01.2017)

Art. 78. (1) (New – SG, 97/16, in force from 01.01.2017) Used tax credit shall be the value of the tax, which a registered person under this act has deducted in the year of exercising the right to tax credit.

(2) (former Para. 1 – SG, 97/16, in force from 01.01.2017) The registered person shall correct the amount of the used tax credit at amendment of the tax base or at cancellation of the supply, as well as in case of change of the type of the supply.

(3) (former Para. 2 amend. and suppl.– SG, 97/16, in force from 01.01.2017) The correction under Para. 2 shall be carried out in the tax period, during which the circumstances under par. 2 have occurred, by indication of the document under **art. 115** or the new document under **art. 116**, with which the correction has been implemented, in the purchase record and in the reference-declaration for the relevant tax period.

(4) (New – SG, 97/2016, in force from 01.01.2017) The registered person shall be obliged to correct the size of the used tax credit in case of destruction of a supply, for which an invoice has been issued for payment in advance in the tax period, during which the supply is destroyed, in a procedure, defined by the Rules **for the implementation of the act**, notwithstanding whether the advance paid sum is repaid, offset or settled in another payment and if the supplier has issued a credit notice.

(5) (New – SG, 97/2016, in force from 01.01.2017) Para. 2 and 4 shall also apply where the supplier’s registration under this act has been terminated.

(6) (New – SG, 97/2016, in force from 01.01.2017) The corrections under **Art. 79, Para. 1**, **Art. 79a** and **79b** in the cases of a leasing contract in force, for which **Art. 6, Para. 2, p. 3** has been applied shall be carried out by the leasing receiver.

(7) (New - SG 96/19, in force from 01.01.2020) The adjustments under Art. 79, 79a and 79b in the cases of performed service under Art. 9, para. 2, item 4, letter "b" for remuneration shall be made by the lessor or the person who has granted the right to use the asset.

(8) (New - SG 96/19, in force from 01.01.2020) The adjustments under Art. 79, 79a and 79b in the cases of performed service under Art. 9, para. 3, item 3 shall be carried out by the holder / user.

(9) (New - SG 96/19, in force from 01.01.2020) For the purposes of para. 7 and 8 adjustments are made according to the type of leased asset.

Adjustment in destruction, shortages and scrap of goods, or in supply of goods or services (Title, amend. – SG 97/2016, in force from 01.01.2017)

Art. 79. (Suppl. – SG, 108/2006, in force form 1. 1. 2007, suppl. – SG, N 113/2007, in force from 1. 1. 2008, amend, - SG, 94/2012, in force from 1. 1. 2013, amend. - SG - 97/2016, in force from 01.01.2017) (1) A registered person who, in whole, in part or in proportion to the degree of use for independent economic activities, has deducted a tax credit for any goods produced, acquired or imported by him, upon destruction, shortage found or scrapping of the goods, shall charge tax and owe tax in the amount equal to the tax credit used.

(2) Registered person, who, completely, partially or proportionally to the rate of use of independent economic activity, has deducted tax credit for goods produced, acquired or imported by him, or has completely or partially deducted tax credit for received service while carrying out follow up supply of goods or services, for which there is not right to deduction of tax credit, shall be due tax in the amount of the used

tax credit.

(3) For goods or services, which are or would be long term assets, for the purposes of Para. 1 and 2, the person shall be due tax in the amount, defined under the following formula:

1. for immovable properties:

a) for which while acquiring or building completely or partially has bee deducted tax credit, as the person has intended to use them in the frames of his independent economic activity only for supplies, for which he has the right to deduction of tax credit:

DT = CVAT x 1/20 x NY, or

b) for which, while acquiring or building, tax credit has been deducted partially, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit and for supplies, for which he has not right to deduction of tax credit:

DT = CVAT x 1/20 x K0 x NY, or

c) for which while acquiring or building has deducted tax credit proportionally to the rate of use for independent economic activity under Art. 71a:

DT = CVAT x 1/20 x PrIP0 x C0 x NY, where

DT is the tax due;

DVAT – charged VAT in acquiring or building of the property;

PrIP0 – proportion of the used immovable property for independent economic activity to the general use in the year during which the right to tax credit has been used;

C0 is the coefficient under Art. 73 for the year, during which the right to tax credit has been used;

NY – is the number of years for occurrence of the circumstances under Para. 1 and 2, including the year of occurrence of the circumstances to expiry of 20 year term, starting from the beginning of the year of having the right of tax credit, or from the beginning of the year of factual use, in case that the property has not been used moiré than 1 year after the year of the right to tax credit;

2. for the other goods:

a) for which in production, acquiring or import has been deducted completely tax credit, as the person has intended to use them in the frames of his independent economic activity only for supplies, for which he has the right to deduction of tax credit:

a) for which in production, acquiring or import completely has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity only for supplies for which he has the right to deduction of tax credit:

DT = CVAT x 1/5 NY, or

b) for which in production, acquiring or import has deducted partially tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit and for supplies, for which he has no right to deduct of tax credit:

DT = CVAT x 1/5 x C0 x NY, or

c) for which in production, acquiring or import has deducted tax credit, proportionally to the rate of use for independent economic activity under **Art. 71a**:

DT = CVAT x 1/5 x PrIEA0 x C0 x NY, where:

CVAT – the charged VAR in production, acquiring or import of the goods;

PrIEA0 – proportion of used the goods for indented economic activity to its general use in the year, during which the right to tax credit has been exercised;

C0 – the coefficient under **Art. 73** for the year, during which the right to tax credit has been exercised;

3. for services:

a) for which with receiving a tax credit has been deducted completely, as the person has intended to use them in the frames of his independent economic activity only for supplies, for which he has the right to deduct tax credit:

DT = CVAT x 1/5 x NY, or

b) for which with receiving partially has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit and for supplies, for which he has no right to deduct tax credit:

DT = CVAT x 1/5 x C0 x NY, where:

DT I the tax due;

CVAt – the charged VAT in receiving the service;

C0 – the coefficient under Art. 73 for the year, during which the right to tax credit has been applied;

NY – the number of years from occurrence of the circumstances under Para. 1 and 2, including the year of occurrence of the circumstance by expiry of 5 year term, starting from the beginning of the year of applying the right to tax credit;

(4) Charging the tax under Para. 1 shall be carried out in the tax period during which the relevant circumstance has occurred, through drawing up a protocol for defining the size of the tax due and it expression in the sale books and the reference declaration of this tax period.

(5) (Amend. - SG 97/17, in force from 01.01.2018) The registered person, who has deducted tax credit partially or proportionally at the rate of use for independent economic activity for produced, acquired or imported goods by him. Including acquiring or building of immovable property, or has deducted partially tax credit, which have been or would be long term assets and carried out leviable supply of goods or service, shall have the right to deduct any unused in the acquiring tax credit in the amount, defined by the following formula:

1. for immovable property:

a) for which in acquiring or building partially has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit also for supplies, for which he has no right to deduction of tax credit:

TC = CVAT x 1/20 x (1-C0) x NY, or

b) (amend. - SG 97/17, in force from 01.01.2018) for which in acquiring or building tax credit has been deducted proportionally to the rate of use of independent economic activity under **Art. 71a**:

TC = CVAT x 1/20 x (1 – PrIIA0 x C0) x NY,

where:

TC is the amount of the unused in acquiring or building the property tax credit, which the person may deduct;

CVAT – the charged VAT in acquiring or building the property;

PrIIA0 – proportion of use of immovable property for independent economic activity to his total use in the year, during which the right to tax credit has been used;

C0 – coefficient under Art. 73 for the year, during which the right to tax credit has been used where partially tax credit has been deducted;

NY – the number of years from occurrence of the circumstance, including the year of occurrence of the circumstance to expiry of the 20 year term, starting from the beginning of the year of exercising the right to tax credit, or from the beginning of the year of the factual use in case that the property has not been used for more than 1 year after the year of exercising the right to tax credit;

2 for the remaining goods:

a) for which in production, acquiring or import partially tax credit has been deducted, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit, also for supplies, for which he has no right to deduction of tax credit:

TC = CVAT x 1/5 x (1-C0) x NY, or

b) for which, in the course of production, acquisition or import, a tax credit is partially deducted because the person had intended to use them in the course of his independent economic activity for supplies, for which he is entitled to tax credit deduction, and for supplies, for which he is not entitled to tax credit deduction:

TC = CVAT x 1/5 x C0 x NY, or

c) for which in production, acquiring or import tax credit has been deducted proportionally to the rate of use of independent economic activity under **Art. 71b**:

TC = CVAT x 1/5 x (1 – PrIEA0 x C0) x NY,

where:

TC is the amount of the unused in production, acquiring or import of goods tax credit, which the person may deduct;

CVAT – the charged VAT in production, acquiring or import of the goods;

PrIEA0 – proportion of the used of the relevant goods for independent economic activity to its total use in the year during which right to tax credit has been used;

C0 – coefficient under **Art. 73** – for the year, during which the right to tax credit has been used, where partially tax credit has been deducted;

NY – the number of years from occurrence of the circumstance under Para. 5, including the year of occurrence of the circumstance to expiry of the 5 year term, starting from the beginning of the year of having the right to tax credit;

3. for services, for which in receiving, partially has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduct tax credit, also for supplies, for which he has no right to deduct tax credit:

RTC = CVAT x 1/5 x (1 – C0) x NY, where:

RTC – the amount of the unused in receiving the service tax credit, which the person may deduct;

CVAT – the charged VAT in receiving the service;

C0 – the coefficient under **Art. 73** for the year, during which the right to tax credit has been used, where partially the tax credit has been deducted;

NY – the number of years from occurrence of the circumstance under Para. 5, including the year of occurrence of the circumstance to expiry of the 5 year term, starting from the beginning of the year of having the right to tax credit.

(6) (New - SG 97/17, in force from 01.01.2018) A registered person who has deducted a tax credit as a result of a correction under **Art. 79a** or **79b** but has not deducted any tax credit on the basis of **Art. 70** in the manufacture, acquisition or importation of the good, including in the acquisition or construction of immovable property or the receipt of a service which is, or would be, long-term assets, when carrying out a taxable supply of the goods or service, shall be entitled to deduct any unused taxable income credit at a rate determined by the following formula:

1. for immovable property:

RTC = CVAT x 1/20 x BG, where:

RTC is the amount of tax credit not used in the acquisition or construction of the property that the person may deduct;

CVAT - the VAT accrued on the acquisition or construction of the property;

BG - the number of years from the occurrence of the circumstance, including the year of occurrence of the circumstance, until the expiration of the 20-year term starting from the beginning of the year in which the term under **Art. 72, Para. 1**, respectively from the beginning of the year of the actual use, if the property has not been used more than one year after the year of expiration of this term;

2. for all other goods and services:

RTC = CVAT x 1/5 x BG, where:

RTC is the amount of tax credit not used in the manufacture, acquisition or import of the goods, or on receipt of the service, that the person may deduct;

CVAT - the VAT accrued in the production, acquisition or import of the goods, or upon receipt of the service;

BG - the number of years from the occurrence of the circumstance, including the year of occurrence of the circumstance, until the expiration of the 5-year term, starting from the beginning of the year in which the term under **Art. 72, Para. 1** expires.

(7) (Prev. Para. 6, suppl. - SG 97/17, in force from 01.01.2018) The right to tax credit for the tax under Para. 5 and 6 shall be exercised in the tax period, during which supply of the goods or service has been made, or in one of the following 12 tax periods, by drawing up a protocol for defining the amount of the unused in acquiring tax credit, which the person may deduct and its expression in the purchase books and the reference declaration for this tax period.

(8) (Prev. Para. 7, amend. - SG 97/17, in force from 01.01.2018) Para. 2, 3, 5 and 6 shall apply also in the cases of supply under **Art. 6, Para. 3, p. 1 and 2** and **Art. 111, Para. 1** in reference to the tax regime of the supply on the date of occurrence of the tax event.

(9) (New - SG 96/19, in force from 01.01.2020) For the purposes of this Article upon improvement of an existing building resulting a new building, individual adjustments are made, such as:

1. a new 20-year period shall be counted against the tax on the improvement made, starting from:

a) the beginning of the year of exercise of the right to tax credit for the tax charged for the improvement made, respectively from the beginning of the year of actual use, if the building has not been used for more than one year after the improvement has been completed after the year of exercise of the right to tax credit, or;

b) the beginning of the year during which the term under **art. 72, para. 1** expires, when no right to tax credit is exercised for the improvement of the building, respectively from the beginning of the year of actual use, if the building has not been used for more than one year after the improvement has been completed, after the year of expiry of this period;

2. in the cases of item 1 of the CVAT under para. 3, item 1, para. 5, item 1 and para. 6, item 1 is the VAT charged for the expenses incurred for the improvement made;

3. no new 20-year term arises for the tax charged on the acquisition or construction of the building prior to the improvement.

(10) (New - SG 96/19, in force from 01.01.2020) For the purposes of this Article, for the tax levied on subsequent expenses incurred in connection with the improvement of goods including real estate other than a building and services that are or would be fixed assets no new 20-year term arises respectively 5-year term.

Adjustment of used tax credit for goods acquired, produced or imported, including for acquired or constructed real estate, which are or would be fixed assets

Art. 79a (New – SG, 97/16, in force from 01.01.2017) (1) For goods, including immovable properties, which are or would be long term assets, for each of the years, following the year of exercising the right to tax credit, during which change of the use of the relevant goods occur for supplies, for which there is right to tax credit, the amount of the used tax credit shall be adjusted, where it is larger or smaller than the one, to which the registered person would have the right to deduction, if he had acquired the goods in the year of occurrence of the change.

(2) Para. 1 shall apply notwithstanding whether in production, acquiring or import of the goods, including in acquiring or building of immovable property, tax credit has been deducted completely or partially or proportionally to the rate of use for independent economic activity, or tax credit has not been deducted.

(3) The adjustment under Para. 1 shall be defined under the following formula:

1. for immovable properties:

a) for which in acquiring or building no tax credit has been deducted under **Art. 70**:

CSUTC = CVAT x 1/20 x PrIEAx x Cx, or

b) for which in acquiring or building completely has been deducted tax credit, where the person has intended to use them in the frames of independent economic activity only for supplies, for which he has the right to deduction of tax credit:

CSUTC = CVAT x 1/20 x (Cx-1) or

c) for which in acquiring or building partially has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit and for supplies, for which he has no right to deduction of tax credit

CSUTC = CVAT x 1/20 x (Cx – C0) or

d) (amend. and suppl. - SG 97/17, in force of 01.12.2017) for which in acquiring or building tax credit has been deducted, proportionally to the rate of use of independent economic activity under **Art. 71a**:

CSUTC = CVAT x 1/20 x (PrIEAx x Cx – PrIEA0 x C0) where:

CSUTC is change of the size of the used tax credit for the year of occurrence of the change in use of the immovable property;

CVAT – charged VAT in acquiring or building the property;

PrIPA0 – proportion of used immovable property for independent economic activity to its total use in the year, during which the right to tax credit has been used;

PrIPAx – proportion of used immovable property for independent economic activity to its total use for the year of occurrence of the change in the use of the property to expiry of 20 year term, starting form:

- the beginning of the year of exercising the right to tax credit, or from the beginning of the year of factual use in case that the property has not been used more than 1 year after the year of exercising the right to tax credit, or

- the beginning of the year, during which the term under **Art. 72 Para. 1**, expires, where in acquiring or building the property no right has been used of tax credit, respectively from the beginning of the year of the actual use, if the property has not been used more than one year after the year of the expiration of this term;

C0 – the coefficient under **Art. 73** for the year during which the right of tax credit has been used;

Cx – the coefficient under **Art. 73** for the year of occurrence the change in use of the property by expiry the 20 year term, starting form:

- the beginning of the year of using the right to tax credit, or form the beginning of the year of factual use in case that the property has not been used more than 1 year after the year of using the right to tax credit, or

- the beginning of the year ,during which expires the term under **Art. 72, Para. 1**, where in acquiring or building the property no right to tax credit has been used, respectively from the beginning of the year of the actual use, if the property has not been used more than one year after the year of the expiration of this term;

2. for the remaining goods:

a) for which in production, acquiring or import no tax credit has been deducted under **Art. 70**:

CSUTC = CVAT x 1/5 x Pr IPAx x Cx, or

b) for which in production, acquiring or import completely tax credit has been deducted, where the person has intended to use them in the frames of independent economic activity only for supplies, for which he has right to deduction of tax credit:

CSUTC = CVAT x 1/5 x (Cx – 1) , or

c) for which in production, acquiring or import, partially has been deducted tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit, and for supplies, for which he has no right to deduction of tax credit:

CSUTC = CVAT x 1/5 x (Cx – C0) or

d) for which in production, acquiring or import tax credit has been deducted proportionally to the rate of use for independent economic activity under **Art. 71b**;

CSUTC = CVAT x 1/5 x (PrIEAx x Cx – PrIEA0 x C0), where:

CSUTC is change in the size of the used tax credit for the year of occurrence of the change in the use of the goods;

CVAT – the charged VAT in production, acquiring or import of the goods;

PrIEA0 – proportion of use of the relevant goods for independent economic activity to its total use

in the year during which right to tax credit has been used;

PrIEAx – proportion of the use of the relevant goods for independent economic activity to its total use for the year of occurrence of change in the use of the goods to expiry of the 5 year term, starting from the beginning of the year of using the right to tax credit, and where no right to tax credit has been used, from the beginning of the year during which expires the term under **Art. 72, Para. 1**;

C0 – the coefficient under **Art. 73** for the year, during which the right to tax credit has been used;

Cx – the coefficient under **Art. 73** for the year of occurrence of the change in use of goods by expiry of the 5 year term, starting from the beginning of the year of using the right to tax credit, and where not right to tax credit has been used – from the beginning of the year, during which expires the term under **Art. 72, Para. 1**.

(4) (Amend. - SG 97/17, in force of 01.12.2017) The adjustment under Para. 3 has been made in the last tax period of the calendar year during which the circumstances have occurred, by drawing up a protocol for made correction and expression of the change in the sixe of the used tax credit under this protocol in the diary for purchases and reference declaration for this tax period, as follows:

1. with sign (+) where it is in direction of exceeding of the size of the used tax credit;

2. with sign (-) where it is in direction of decreasing the size of the used tax credit

(5) For established in favour of the registered person property right over goods under Para. 1 the period shall apply, for which the right has been established, but not more than the relevant years under Para. 3.

(6) The adjustment under Para. 3 may not be made, where it is in direction of increasing of the size of the used tax credit.

(7) (New - SG 97/17, in force from 01.12.2017) For the calendar year, in which the circumstances under Para. 1 have occurred, adjustment under this Article shall not be made for goods, including acquired or constructed immovable property, which are, or would be, fixed assets where they are not available at the end of that calendar year and circumstances for making an adjustment under **Art. 79** have arisen.

(8) (New - SG 98/18, in force from 01.01.2019) For the purposes of the adjustment under this Article, the 5-year period, respectively, the 20-year period, shall cease to run for each calendar year, through which the goods, respectively the real estate is not used for the activities referred to in **Art. 69** and **70**. The period shall be resumed for each calendar year, in which the goods, respectively the real estate, is again to be used for the activities referred to in **Art. 69** and **70**.

(9) (New - SG 96/19, in force from 01.01.2020) For the purposes of this Article upon improvement of an existing building resulting a new building, individual adjustments are made, such as:

1. a new 20-year period shall be counted against the tax on the improvement made, starting from:

a) the beginning of the year of exercise of the right to tax credit for the tax charged for the improvement made, respectively from the beginning of the year of actual use, if the building has not been used for more than one year after the year of exercise of the right to a tax credit, or

b) the beginning of the year during which the term under **art. 72, para. 1** expires, when no right to tax credit is exercised for the improvement of the building, respectively from the beginning of the year of actual use, if the building has not been used for more than one year after the year of expiry of that term;

2. in the cases of item 1 of the CVAT under para. 3, item 1 is the VAT charged for the expenses incurred for the improvement made;

3. no new 20-year term arises for the tax charged on the acquisition or construction of the building prior to the improvement.

(10) (New - SG 96/19, in force from 01.01.2020) For the purposes of this Article, for the tax levied on subsequent expenses incurred in connection with the improvement of goods including real estate other than a building that is or would be fixed assets no new 20-year term arises respectively 5-year term.

Adjustment of used tax credit for received services, which are or would be long term assets

Art. 79b. (New – SG, 97/2016, in force from 01.01.2017) (1) For services, which are, or would be long term assets, for each of the years, following the year of using the right to tax credit, during which change occurs in the use of the relevant service fir supplies, for which there is right to deduction of tax credit, the size of the used tax credit shall be adjusted, where it is larger or smaller than the one, to which the registered person would have the right to deduction, if he received the service in the year of occurrence of the change.

(2) Para 1 shall apply notwithstanding whether in receiving the service completely or partially has been deducted the tax credit, or has not been deducted tax credit.

(3) The adjustment under Para. 1 shall be defined in the following formula:

1. for services, for which in receiving no tax credit has been deducted under **Art. 70**:

CSUTC = CVAT x 1/5 x Cx, or

2. for services for which in receiving completely has been deducted the tax credit, where the person has intended to use them in the frames of his independent economic activity only for supplies, for which he has the right to deduction of tax credit:

CSUTC = CVAT x 1/5 x (Cx – 1) or

3. for services, for which in receiving partially has been deducted the tax credit, as the person has intended to use them in the frames of his independent economic activity for supplies, for which he has the right to deduction of tax credit, and for supplies for which he has no right to deduction of tax credit:

CSUTC = CVAT x 1/5 x (C0 – Cx) where:

CSUTC is change in the size of the used tax credit for the year of occurrence of the change in using the service;

CVAT – charged VAT in receiving the service;

C0 – coefficient under **Art. 73** for the year during which the right to tax credit has been used;

Cx – coefficient under **Art. 73** for the year of occurrence of the circumstance by expiry of the 5 year term, starting from:

- the beginning of the year, in which the right to tax credit has been used, or
- the beginning of the year, during which the term under **Art. 72, Para. 1** expires where no right to tax credit has been used.

(4) (Amend. - SG 97/17, in force from 01.12.2017) The adjustment under Para. 3 shall be made in the last tax period of the calendar year, during which the relevant circumstances have occurred, by drawing up a protocol for the made adjustment and expression of the change in the size of the used tax credit under this protocol on the purchases diary and the reference declaration for this tax period, as follows:

1. with sign (+) where it is in direction of increasing the size of the used tax credit;
2. with sign (-) where it is in direction of decreasing the size of the used tax credit.

(5) The correction under Para. 3 may not be made where it is in direction of increasing the size of the used tax credit.

(6) (New - SG 97/17, in force from 01.12.2017) For the calendar year, in which the circumstances under Para. 1 occurred, adjustment under this Article shall not be made for services which are, or would be, fixed assets, where they are not available at the end of that calendar year and circumstances for making an adjustment under **Art. 79** have arisen.

(7) (New - SG 98/18, in force from 01.01.2019) For the purposes of the adjustment under this Article, the 5-year period shall cease to run for each calendar year, in which the service which is or would be a fixed asset, is not used for the activities referred to in **Art. 69** and **70**. The period shall resume for each calendar year in which the service is to be used again for the activities referred to in Art. 69 and 70.

(8) (New - SG 96/19, in force from 01.01.2020) For the purposes of this Article, for the tax levied on subsequent expenses incurred in connection with improvement of services that are or would be fixed assets no new 5-year term arises.

Rules for calculating adjustments

Art. 79c. (New - SG 97/17, in force from 01.01.2018) For the purposes of calculating the adjustments under **Art. 79**, **79a** and **79b**:

1. Cx is 1, if, in the relevant year, the registered person uses the goods or service in the course of his independent economic activity only for supplies for which there is a right to deduct a tax credit; in this case, the coefficient under **Art. 73** for the relevant year shall not be taken into account;

2. Cx is 0, if, in the relevant year, the registered person uses the goods or service in the course of his independent economic activity only for supplies for which there is no right to deduct a tax credit; in this case, the coefficient under **Art. 73** for the relevant year shall not be taken into account;

3. C0 is 1, if, on acquiring the goods or receiving the service, the registered person has fully deducted a tax credit because it intended to use it in the course of its independent economic activity only for supplies, for which there is a right to deduct tax credit; in this case, the coefficient under **Art. 73** for the year, during which the right to a tax credit is exercised, shall not be taken into account;

4. C0 cannot be 0, if, on acquiring the goods or receiving the service, the registered person has deducted a partial tax credit because it intended to use it in the context of its independent economic activity both for supplies for which there is a right of deduction of tax credit, as well as for supplies for which the person does not have such a right; in this case, the coefficient under **Art. 73** for the year, in which the tax credit right was exercised, shall be tajen into account;

5. C0 is 0, if, upon acquisition of the goods or receipt of the service, the registered person has not deducted a tax credit pursuant to **Art. 70** of the Act, since it intended to use it in the context of its independent economic activity only for supplies, for which there is no right to deduct a tax credit, regardless of whether upon acquisition of the goods or when the service was received, the person intended to use it also for purposes beyond the scope of independent economic activity; in this case, the coefficient under **Art. 73** for the year, during which the right to a tax credit is exercised, shall not be taken into account;

6. PrIPAx is 1, if, in the relevant year, the registered person uses the goods or service only for independent economic activity;

7. PrIPAx is 0, if, in the relevant year, the registered person uses the goods or service only for purposes other than his independent economic activity;

8. PrIPA0 cannot be 0 or 1.

Restrictions to adjustments

Art. 80. (1) (suppl. – SG 108/07, in force from 19.12.2007, amend. – SG, 97/2016, in force from 01.01.2017) Adjustments under **art. 79**, **79a** and **79b** shall not be carried out:

1. in the following cases:

a) the goods or services have been used for supplies under **art. 70, par. 3**,

b) for the supply of goods or services to the transferee by the reforming one, by the expropriator or by the appropriating one in the cases under **Art. 10, Para. 1**;

c) for importing goods or services by a partner for achieving common purpose under a contract for establishment non-personified company;

d) (new - SG 96/19, in force from 01.01.2020) for goods or services received, used for the construction, improvement or repair of elements of the technical infrastructure under **Art. 10b, para. 1;**

2. if the tax regime of the supplies, for which the registered person uses the goods or the services, is changed by a law;

3. for immovable properties, if 20 years have passed form:

a) (amend. - SG 97/17, in force from 01.01.2018) the beginning of the year of using the right to tax credit, or form the beginning of the year of factual use, in case that the property has not been used for more

than a year after the year of using the right to tax credit, or

b) (suppl. - SG 97/17, in force from 01.01.2018) the beginning of the year, during which expires the term under **Art. 72, Para. 1**, where in acquiring or building the property no right to tax credit has been used from the beginning of the year of the actual use, if the property has not been used more than one year after the year of expiration of this term;

4. for different from immovable properties goods or services, if 5 years have passed from:

a) the beginning of the year in which the right to tax credit has been used, or

b) the beginning of the year, during which the term under **Art. 72, Para. 1** expires, where no right to tax credit has been used;

5. where the document under **Art. 71** for acquiring the goods or service has not been indicated in the purchases diary under **Art. 124**, in the term under **Art. 72**.

6. (new - SG 96/19, in force from 01.01.2020) for the improvement of an existing building, resulting in a new building if 20 years have passed since:

a) the beginning of the year of exercise of the right to tax credit for the tax charged for the improvement made, respectively from the beginning of the year of actual use, if the building after the improvement has not been used for more than a year of exercise of the right to a tax credit, or

b) the beginning of the year during which the term under **art. 72, para. 1** expires, when no right to tax credit is exercised for the improvement of the building, respectively from the beginning of the year of actual use, if the building after the improvement has not been used for more than one year after the year of expiry of that term;

(2) (amend. – SG, 97/2016, in force from 01.01.2017) Adjustments under **art. 79**, shall not be carried out in the cases of:

1. (suppl. – SG 108/06, in force from 01.01.2007) destruction, shortages or discard, caused by insurmountable force, as well as in the cases of destruction of excise goods being under administrative control following the procedure of the **Excises and Tax Warehouses Act**;

2. (amend. – SG 94/12, in force from 01.01.2013) destruction, shortages or discard, caused by breakdowns or accidents, for which the person can prove that they have not occurred through his/her fault or through a fault of the person, using the goods;

3. (amend. - SG 101/13, in force from 01.01.2014) shortages, ensuing from change of the physical-chemical properties in normal extents, corresponding to the established norms for utmost extents of the natural losses, and shortages of goods during their preservation and transportation according to a regulatory act or company standards and codes.

4. technological discard within the admissible norms, set forth by the technological documentation for the respective production or activity;

5. discard by reason of expiry of the term of validity/stability, determined according to the requirements of normative act;

6. (amend. – SG, 97/2016, in force from 01.01.2017) discard of long term material assets, if their balance value is lower than 10 percent of their accounted value.

(3) (New – SG 108/06, in force from 01.01.2007, repealed – SG, 97/16, in force from 01.01.2017)

(4) (new - SG 33/19, in force from 19.04.2019) For the purposes of para. 1, item 3 in determining the 20-year term for real estate, respectively for the purposes of para. 1, item 4 in determining the 5-year term for goods or services which are or would be fixed assets, the calendar years for which the period stops to run on the grounds of **Art. 79a, para. 8** and **Art. 79b, para. 7** shall not be included.

Tax reimbursement for persons who are not settled on the territory of the state

Art. 81. (1) The tax paid shall be reimbursed to:

1. tax liable persons, who are not settled on the territory of the state, however, they are settled and registered for the purposes of VAT in another Member State – regarding goods, purchased by them or

services received on the territory of the state;

2. (amend. – SG 94/10, in force from 01.01.2011) persons, who are not settled on the territory of the European Union, however, they are registered for the purposes of VAT in another state – on reciprocal principle;

3. (amend. – SG 94/10, in force from 01.01.2011) tax non-liable natural persons, who are not settled on the territory of the European Union, who have purchased goods for personal consumption with charged tax – after leaving the territory of the state, under the condition that the goods are exported in unchanged form.

(2) The procedure and the documents required for reimbursement of the tax under par. 1 shall be set forth by an ordinance of the Minister of Finance.

Chapter eight.
CHARGING AND DEPOSITING THE TAX

Person liable for payment when carrying out taxable supplies

Art. 82. (1) (Amend. – SG 108/06, in force from 01.01.2007) The tax shall be exigible from the person registered under this Act – a supplier under a taxable supply, except for the cases under par. 4 and 5.

(2) (Amend. – SG 108/06, in force from 01.01.2007; amend. – SG 95/09, in force from 01.01.2010) Where the supplier is a tax liable person not residing on the territory of the country and the supply has a place of performance on the territory of the country and is taxable, the tax shall be exigible from the recipient under the supply in:

1. (amend. – SG 94/10, in force from 01.01.2011) the supply of natural gas through a natural gas system situated within the territory of the European Union or any network connected to such a system, the supply of electricity, or the supply of heat or cooling energy through heating or cooling networks – in case the recipient is a person registered under this Act;

2. the supplies of services mounted or installed by or at the expense of the supplier - in case the recipient is a person registered under this Act and the supplier is settled on the territory of another Member State;

3. the supplies of services – if the recipient is a tax liable person under **Art. 3, Para 1, 5 and 6**.

(3) The tax shall be exigible from the acquirer under three partite operation, implemented under the conditions of **art. 15**.

(4) The tax shall be exigible from the recipient - a person registered under this Act, in the cases of **art. 161**.

(5) (New – SG 108/06, in force from 01.01.2007) The tax shall be exigible from the recipient – a person registered under this Act, in the cases referred to in **Art. 163a**, regardless whether the supplier is a tax liable person or tax non-liable person under the law.

(6) (New - SG 96/19, in force from 01.01.2020) For goods intended for activities on the continental shelf and the exclusive economic zone in which the State exercises sovereign rights, jurisdiction and control in accordance with **Art. 42** and / or **Art. 47** of the Act on the Sea Waters, the Internal Water Ways and the Ports of the Republic of Bulgaria, the tax is chargeable:

1. from a person registered under this Act for whom these goods have been re-exported and have been temporarily stored at the time of their introduction into the territory of the country or placed in a free zone or under customs regimes - customs storing, inward processing, temporary import with full exemption from import duties, external transit;

2. from the recipient - a person registered under this Act, when the goods arrive directly in the continental shelf and the exclusive economic zone of a third country or territory or from another Member State where there is no intra-Community acquisition of the goods.

Person liable for payment at import

Art. 83. (1) The tax at import under **art. 16** shall be exigible from the importer.

(2) (Amend. - SG 58/16) When according to the customs legislation, two and/or more persons are jointly liable for payment of import duties, these persons shall also be jointly liable for payment of the tax due.

(3) (New - SG 14/22, in force from 18.02.2022) When the conditions of Art. 57a or 57b are not present, the person liable for payment under Para. 1, shall be the recipient-non-taxable person for whom the shipment is intended.

Person liable for payment at intra-community acquisitions

Art. 84. The tax at intra-community acquisitions shall be exigible from the person who implements the acquisition.

Person liable for payment at invoices issued

Art. 85. (amend. – SG 106/08, in force from 01.01.2009) The tax shall also be exigible from any person, who specifies the tax in an invoice and/or a notice-to-invoice referred to in **art. 112**.

Person liable for payment under a regime outside the Union, in the Union or distance sales of goods imported from third countries or territories

Art. 85a. (New – SG 105/14, in force from 01.01.2015, amend. - SG 14/22, in force from 18.02.2022) The tax shall be exigible from a supplier under a taxable supply, registered for application of a regime outside the Union, in the Union or distance sales of goods imported from third countries or territories, within the scope of the relevant regime with a place of performance on the territory of the recipient country, on which supply the recipient is a non-taxable person.

Duty of charging the tax by a registered person

Art. 86. (1) A registered person, for whom the tax has become exigible, shall be obliged to charge it, by:

1. issuing a tax document, in which the tax is indicated on a separate line;

2. including the amount of the tax at determining the result for the respective tax period in a reference-declaration under **art. 125** regarding this tax period;

3. indicating the document under item 1 in the sales record for the respective tax period.

(2) The tax shall be due by the registered person for the tax period during which the tax document has been issued, and in the cases when such document has not been issued or has not been issued within the term under this Act – for the tax period, during which the tax has become exigible.

(3) Tax shall not be charged at carrying out exempt supply, exempt intra-community acquisition, as well as at supply, having a place of performance out of the state’s territory.

(4) Paragraph 1, items 1 and 2 and par. 2 shall not be applied in the cases under **art. 131, par. 1**.

Tax period

Art. 87. (1) Tax period within the meaning of this Act shall be the period of time, after the expiry of which the registered person is obliged to submit a reference-declaration with the result for this tax period.

(2) The tax period shall be one month long with regards to all registered persons and shall coincide with the calendar month, except in the cases under **chapter eighteen**.

(3) (Amend. - SG 14/22, in force from 18.02.2022) The first tax period shall cover the time from the date of service of the registration act, including the date of service, until the end of the tax period, except in the cases under **chapter eighteen**. In the cases under Art. 132, the first tax period shall cover the time from the date of entry of the circumstance under Art. 10 in the commercial register or entry in the BULSTAT register, including the date of entry of the circumstance, until the end of the tax period.

(4) The last tax period shall include the time from the beginning of the tax period to the date of the deregistration inclusive.

Result for the tax period

Art. 88. (1) The result for the tax period shall be the difference between the total amount of the tax, exigible from the person for this tax period, and the total amount of the tax credit, regarding which the right of deduction has been exercised during this period.

(2) In the event that the tax charged exceeds the tax credit, the difference shall represent the result for the period – tax for depositing.

(3) In case the tax credit exceeds the charged tax, the difference shall represent the result for the period – tax for reimbursement.

(4) (Amend. - SG 105/14, in force from 01.01.2015) The registered person shall solely determine the result for each tax period – a tax for depositing in the state budget or reimbursement tax from the state budget.

Depositing the tax by registered person

Art. 89. (1) (Amend. - SG 105/14, in force from 01.01.2015) When result for the period is available - tax for depositing, the registered person shall be obliged to pay the tax in the state budget to the account of the competent territorial directorate of the National Revenue Agency within the term for submission of reference-declaration for this tax period.

(2) (New - SG 98/18, in force from 01.01.2019) Where for the last tax period there is a result for the period - tax for payment, the person shall be obliged to pay the tax in the state budget to the account of the competent territorial directorate of the National Revenue Agency by the end of the calendar month following the calendar month, during which the tax return for this tax period should have been submitted.

(3) (Previous Para. 2 - SG 98/18, in force from 01.01.2019) The tax shall be deemed to have been paid on the date on which the amount has been deposited in the respective account under Para. 1.

Depositing the tax at import of goods

Art. 90. (1) (Amend. - SG 105/14, in force from 01.01.2015) In the cases under **art. 16,** the importer of goods shall import effectively the tax charged by the customs bodies in the state budget, as follows:

1. to account of the respective customs office, processing the import;

2. to account or to the cashier's office of the respective customs office, processing the import, in the

event that the importer is a natural person, not registered under this Act, who is not a sole trader;

(2) The tax under par. 1 may not be deducted by the revenue bodies or the customs bodies with other liabilities.

(3) In the cases under para 1, the customs bodies shall allow the lifting of the goods after payment or securing of the tax charged by the procedure, specified for the customs obligation.

(4) (revoked – SG 113/07, in force from 01.01.2008)

Depositing the tax by non-registered person

Art. 91. (1) In the event of intra-community acquisition of new vehicle under **art. 13, par. 2** by non-registered person under this Act, the tax shall be deposited by the person in 14-days term from the expiry of the tax period, during which the tax for the acquisition has become exigible.

(2) At intra-community acquisition of excise goods under **art. 2, item 4** the tax shall be deposited by the person, who carried out the acquisition, in 14-days term from the expiry of the month, during which the tax has become exigible.

(3) (amend. – SG 106/08, in force from 01.01.2009; revoked – SG 95/09, in force from 01.01.2010)

(4) (amend. – SG 95/09, in force from 01.01.2010; amend. - SG 105/14, in force from 01.01.2015) The tax under par. 1 and 2 shall be deposited in the state budget to the account of the territorial directorate of the National Revenue Agency, where the person is registered or is subject to registration under the **Tax-insurance procedure code**.

(5) The tax under par. 4 shall be considered deposited on the date, on which the sum has entered the respective account under par. 4.

Offset, deduction and reimbursement of result for the period – reimbursement tax

Art. 92. (1) The reimbursement tax under **art. 88, par. 3** shall be offset, deducted or restored, as follows:

1. (amend. - SG 101/13, in force from 01.01.2014) in case other exigible and unpaid tax liabilities and obligations for insurance instalments, collected by the National Revenue Agency, are present which have occurred by the end of the calendar month of submission of the reference-declaration, the revenue body shall offset these obligations with the reimbursement tax, indicated in the reference-declaration; regarding the surplus, if there is such, the procedure under item 2 shall be applied;

2. (amend. – SG 95/09, in force from 01.01.2010) in case there are no other exigible and non-paid liabilities under item 1 or their amount is less than the reimbursement tax, indicated in the reference-declaration, the registered person shall deduct the reimbursement tax or the surplus under item 1 from the tax due for depositing, indicated in the reference-declarations, submitted within the following two consecutive tax periods;

3. if there is tax for depositing left after the deduction under item 2, it shall be due in the term under **art. 89**;

4. (amend. – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011) in case after the expiry of the term under item 2 there is a surplus of the reimbursement tax, the revenue body shall offset this surplus for redemption of enforceable public receivables collected by the National Revenue Agency, or shall restore it in 30-days term from the submission of the last reference-declaration;

5. (amend. – SG 95/09, in force from 01.01.2010) if the reimbursement tax, with regards to which deduction procedure has started, is not entirely deducted by the time of submission of the reference-declaration for the last of the two tax periods, any other reimbursement tax under a reference-declaration for some of these two tax periods shall be added to it and shall be subject to reimbursement or offset along with surplus and within the term under item 4;

6. (amend. – SG 95/09, in force from 01.01.2010) if the conditions under item 5 are not present, with regards to the next reimbursement tax under reference-declaration shall start new two successive tax periods of deduction following the period, in which this tax is indicated.

(2) (Amend. – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011) The revenue body shall not be entitled to carry out offset of other enforceable public receivables, collected by the National Revenue Agency, from the reimbursement tax, indicated in the reference-declarations for the two tax periods of the deduction procedure under par. 1.

(3) (Amend. – SG 108/07, in force from 19.12.2007; amend. – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011; amend. – SG 98/13, in force from 01.11.2014; amended date of entering into force – SG 104/2013, in force from 01.12.2013) Regardless of par. 1 the reimbursement tax under **art. 88, par. 3** shall be restored within 30-days term from submission of the reference-declaration, where:

1. during the last 12 months prior to the current month the person has carried out leviable supplies with zero rate at total value of more than 30 percent of the total value of all leviable supplies, including the zero rate supplies; of the first sentence zero rate supplies shall be deemed to be also the supplies of the following services with place of performance on the territory of another Member State: transportation of goods within the European Union and also logistics, courier and postal services, other than the services referred to in **Art. 49**, that have been rendered in relation to the transportation; transportation processing of goods; transportation related services, rendered by agents, brokers and other intermediaries, acting on behalf and at the expense of another person, as well as services on assessment, examination and work on movable articles;

2. (in force until 31.12.2026 (*) – SG 98/13, in force from 01.12.2013; amend. regarding the period of application – SG 109/13, in force from 01.01.2014; amend. regarding the period of application - SG 95/15, in force from 01.01.2016, amend. with respect to application term - SG 98/18, in force from 01.01.2019, amend. regarding the period of application - SG 18/22, in force from 01.01.2022, amend. with respect to the period of application - SG 52/22, in force from 01.07.2022) the person who is an agricultural producer has carried out over the past 12 months before the current month leviable supplies with a 20 per cent rate on the produced by them goods according to Attachment No. 2, Section Two, of a total value of more than 60 percent of the total value of all leviable supplies carried out by them;

3. (new - SG 41/15, suppl. - SG 97/17, in force from 01.01.2018, amend. - SG 65/18, in force from 07.08.2018) the person has spent funds for constructing, husbandry, maintenance and operation of water and sewerage systems and facilities in the implementation of water projects under Priority Axis 1 of the Operational Programme "Environment 2007-2013" and of systems and equipment in implementation of projects under Priority Axes 1 and 2 of the Operational Program "Environment 2014-2020", until completion of their construction;

4. (new – SG 95/15, in force from 01.01.2016) the person provides access to railway infrastructure and has utilized funds in projects financed under the Operational Programme "Transport 2007 - 2013" Operational Programme "Transport and Transport Infrastructure 2014 - 2020" European Programme "Connecting Europe Facility" and Trans-European Transport Network (TEN-T) until their closure;

5. (new – SG, 104/20, in force from 12.12.2020) for sales management the person has chosen to use in a commercial site software, included in the list under Art. 118, Para. 16.

(4) Regardless of par. 1, the reimbursement tax under **art. 88, par. 3** shall be restored in 30-days term from the submission of the reference-declaration, if the person has acquired a permission under **art. 166**.

(5) (Amend. – SG 94/10, in force from 01.01.2011, amend. – SG, 97/2016, in force from 01.01.2017) If in the cases under par. 3 and 4 there are enforceable public receivables, collected by the National Revenue Agency, which have arisen by the date of issuance of the revision act or the act for offset and reimbursement, the revenue body shall offset them and reimburse the surplus, in case there is such, within the same terms.

(6) (Amend. and suppl. – SG 94/10, in force from 01.01.2011; revoked - SG 101/13, in force from 01.01.2014).

(7) The circumstances under par. 3 and 4 shall be certified in writing before the competent territorial directorate of the National Revenue Agency by order, determined by the **regulation for implementation of the law**.

(8) (New – SG 108/07, in force from 19.12.2007; amend. – SG 99/11, in force from 01.01.2012; amend. - SG 101/13, in force from 01.01.2014) Regardless of the provisions of par. 1, item 4 and par. 3 – 5, when the inspection of the person has commenced, the term for tax reimbursement shall be the term for issuing of inspection certificate, except for the cases where the person provides collateral in cash, in securities or as unconditional and irrevocable bank guarantee valid for not less than 6 months.

(9) (New – SG 108/07, in force from 19.12.2007; amend. – SG 94/10, in force from 01.01.2011) The tax shall be reimbursable and/or deductible up to the amount of the collateral of par. 8 within five days after its allocation.

(10) (Prev. par. 8, amend. – SG 108/07, in force from 19.12.2007; amend. – SG 95/09, in force from 01.01.2010) Tax, subject to reimbursement, which without a ground thereof or on fallen out ground has not been restored (inclusive in case of annulment of an act) within the terms, provided for in this Act under Para 1, Item 4, Para 3 and 4, shall be reimbursed along with the lawful interest, considered from the date, on which it would have been restored according to this Act, until its final payment, regardless of the provision of Para 8 and of the suspending of the tax procedure.

(11) (New - SG 101/13, in force from 01.01.2014) In cases of par. 3 in case of assigned inspection, the tax shall be set off or refunded within 30 days, and in case of assigned audit the tax shall be set off or refunded in full or partially within 30 days after the handing over of the audit order in an amount equal to the difference between the stated tax subject to refunding and the amount of the taxes and obligatory social contributions, which are reasonably expected to be identified during the audit. The act according to which the refund is made or refused upon the assigned audit shall be subject to appeal following the procedure of the **Tax-insurance Procedure Code**, applicable to protesting of injunctive relief. The provision of par. 8 shall apply to the non-refunded part of the stated tax subject to refunding.

Suspending and resuming the terms under Art. 92

Art. 93. (1) The terms for reimbursement under **art. 92, par. 1, item 4** and **art. 92, par. 3 and 4**, shall be suspended:

1. at absence of accountancy kept according to the requirements of the **Accountancy Act** and shall be resumed at starting keeping such;

2. at lack or not presenting documents, which are compulsory under this Act, or of other documents, required by the revenue body, if they shall obligatorily be prepared according to a normative act, and shall be resumed on their presenting to the revenue body.

3. in case authorised revenue body is not allowed to administrative, production or other premises, connected to the activity of the registered person, and shall be resumed at providing the access;

4. in case the person may not be found by the revenue body by the order of the **Tax-insurance procedure code** on the address for correspondence, indicated by him/her, and shall be resumed at written notification by the registered person to the revenue body regarding the change of his/her address in the state and at his/her finding by a revenue body at the indicated address.

5. (revoked – SG 108/07, in force from 19.12.2007)

(2) The terms for reimbursement under **art. 92, par. 1, item 4** and **art. 92, par. 3 and 4** shall be suspended after coordination with the executive director of the National Revenue Agency, but for not more than 60 days, in case:

1. a revenue body finds out data evidencing that a crime against the tax system has been committed and approaches the bodies of the pre-court procedure in one month term from their ascertainment;

2. the suspending is requested in writing by the bodies of the Ministry of the Interior or by the judicial authorities in case of already instituted pre-court or court procedure.

(3) In the cases under par. 2 the terms for reimbursement shall be resumed at receiving a written refusal of instituting procedure, respectively after notifying of concluding the instituted procedure.

Part six.
OBLIGATIONS OF THE PERSONS

Chapter nine.
REGISTRATION

General provisions

Art. 94. (1) The National Revenue Agency shall create and maintain a special register under this Act, which shall be a part of the register under **art. 80, par. 1** of the Tax-insurance procedure code.

(2) Along with the entry in the register, the persons shall acquire an identification number for the purposes of VAT, in front of which shall be placed the sign "BG".

(3) The registration under this Act is compulsory and voluntary.

Registration with respect to supplies carried out on the territory of the country

Art. 95. (1) Subject to registration under this Act shall be every tax liable person, settled on the territory of the country who carries out taxable supplies of goods or services under **art. 12**.

(2) Subject to registration under this Act shall also be any tax liable person, who is not settled on the territory of the country, and carries out taxable supplies of goods or services under **art. 12**, different from the ones, regarding which the tax is chargeable from the recipient.

Compulsory registration

Art. 96. (1) (Amend. - SG 97/17, in force from 01.01.2018, suppl. - SG 96/19, in force from 01.01.2020, amend. - SG 58/22) Any tax liable person, who is resident in the country which has leviable turnover of 100 000 BGN or more, for a period, not exceeding the last 12 consecutive months prior to the current month, shall be obliged to submit an application for registration under this Act within 7 days from the expiry of the tax period, during which he/she has reached this turnover. Where the turnover is reached for a period not exceeding two consecutive months, including the current one, the person shall be required to submit the application within 7 days of the date, on which the turnover is reached.

(2) The leviable turnover shall be the sum of the tax bases of the carried out by the person:

1. taxable supplies, including the ones, leviable with zero rate;

2. supplies of financial services under **art 46**;

3. supplies of insurance services under **art. 47**.

(3) (Amend. – SG 108/06, in force from 01.01.2007, amend. – SG, 97/2016, in force from 01.01.2017) The supplies under par. 2. items 2 and 3 shall not be included in the leviable turnover, in case they are not related to the main activity of the person, the supplies of long-term assets, used in the person’s activity, as well as the supplies, regarding which the tax is exigible from the recipient under **art. 82, paras 2 and 3**.

(4) (Suppl. – SG, 97/2016, in force from 01.01.2017, suppl. - SG 97/17, in force from 01.01.2018)

In the leviable turnover also shall not be included advance payments with regards to supplies under par. 2, except for the advance payments received prior to occurrence of the tax event under **art. 51, par. 1**. In the leviable turnover, the turnover shall be included, realized by the reforming or the estranger, where he is a registered person on grounds different from this Article or **Art. 100, Para. 1**, or a non-registered person under this act, for a period, not longer than the last 12 succeeding months before the reformation or transferring in the cases under **Art. 10, Para. 1, p. 1 and 2**, as well as under p. 3 only in non-money contribution of an undertaking or separate part of it. In separation or division as in non-money contribution of separate part of an undertaking, the turnover shall be taken in consideration, realized in performing the transferred activities by the forming or expropriating, and in impossibility it may be determined depending on the activities – proportionally to the transferred assets.

(5) (suppl. - SG 96/19, in force from 01.01.2020) The obligation for registration for the tax liable person, who is resident in the country shall arise regardless of the term, for which the leviable turnover has been reached, however, not within a period, longer than the one, set forth in para. 1.

(6) At assessment of the leviable turnover shall be taken into account the tax regime of the supplies by the date of arising of the tax event or by the date of the payment, before the tax event regarding the supply has occurred.

(7) (Amend. - SG 105/14, in force from 01.01.2015) The taxable turnover under par. 2, item 1 does not include the supplies with a place of performance in the territory of **Art. 21, par. 6**, where they are carried out by a person:

1. registered on the grounds of **Art. 154** or registered in another Member State for application of a regime outside the Union;

2. registered in another Member State for application of a regime within the Union, not having a permanent facility in the territory of the country;

3. (repealed, - SG, 104/20, in force from 01.07.2021)

(8) (Suppl. – SG 108/07, in force from 19.12.2007; amend. – SG 95/09, in force from 01.01.2010) Regardless of par. 1, the income authority may refuse to register a person, with regards to whom the revenue administration has terminated or refused registration on the grounds of **art. 176** until the drop out of the grounds for refusal of registration, respectively the grounds for de-registration, or till expiry of 24 months, considered from the beginning of the month, following the month of the deregistration or the refusal of registration.

(9) (New - SG 96/19, in force from 01.01.2020, amend. – SG, 104/20, in force from 01.07.2021, amend. - SG 14/22, in force from 18.02.2022) Regardless of the taxable turnover under para. 1 each tax liable person under Art. 95, para. 2 is obliged within 7 days before the date on which the tax on the taxable supply of goods or services becomes chargeable, to submit an application for registration under this Act, except in cases where this Act provides for an obligation to register under **Art. 97**.

(10) (New - SG 96/19, in force from 01.01.2020) In the case of the consistent carrying out of a homogeneous activity in the same commercial site by two or more related persons or persons acting in concert, the taxable turnover of each subsequent person includes the turnover realized at the site by all persons who carried out the activity successively before him/her, for a period no longer than the last 12 consecutive months, including the current month and shall be considered as turnover made by the person concerned on the first day of commencement of the homogeneous activity at the site by that person. An activity is considered to be homogeneous when there is a significant identity with respect to two or more of the following characteristics: the goods or services offered, the assets used, the staff, the trade mark/name of the establishment, suppliers/customers.

(11) (New - SG 96/19, in force from 01.01.2020) It is not assumed that there is a consecutive two-person operation of homogeneous activity if there is an interruption of activity for more than one month from the date of discontinuation of the activity by the previous person and the date of commencement of the activity by the person determining the turnover under the procedure of para. 10.

(12) (New – SG, 104/20, in force from 01.07.2021) Paragraph 9 shall not apply to supplies, to

which a Union, non-Union regime applies, or to the application of a distance selling regime for goods, imported from third countries or territories, where the taxable person is registered in another Member State of application a regime in the Union, a regime outside the Union, or the application of a regime for the distance selling of goods, imported from third countries or territories.

(13) (New - SG 14/22, in force from 18.02.2022) Paragraph 9 shall not apply in the cases when a taxable person under Art. 95, Para. 2 performs only supplies for which it is registered under Art. 154 and 156.

Obligation for registration at supply of services with mounting and installation

Art. 97. (1) Regardless of the leviable turnover under **art. 96**, subject to registration under this Act shall be any person, settled in another Member State, who is not settled on the territory of the state and carries out taxable supplies of goods, which are being mounted or installed on the territory of the state by him/her or at his/her expense.

(2) For the persons under par. 1, an obligation for submitting application shall arise not later than 7 days prior to the date of occurrence of the tax event – for the supply under par. 1.

(3) Par. 1 shall not be applied, in case the recipient under the supply is a person registered under this Act.

Obligation for registration in case of supply of recipient taxable services (New title – SG 95/09, in force from 01.01.2010)

Art. 97a. (New – SG 95/09, in force from 01.01.2010) (1) Registered under this Act shall be every tax liable person under **Art. 3, Para 1, 5 and 6** receiving services that have place of performance on the territory of the country, which are taxable and for which the tax is exigible from the recipient under **Art. 82, Para 2**.

(2) Registered under this Act shall be every tax liable person under **Art. 3, Para 1, 5 and 6**, residing on the territory of the country, that provides services under **Art. 21, Para 2** having place of performance on the territory of another country.

(3) Any tax liable person registered under Para 1 shall be deemed registered also under Para 2 and vice versa.

(4) The obligation for persons under Para 1 and 2 to submit an application for registration under this Act shall arise not later than 7 days before the date, on which the tax for the supply becomes exigible (advance payment or tax event), while subject to taxation shall be the tax base of the received service.

(5) (Amend. – SG, 104/20, in force from 01.07.2021) Any person registered under this Article and subject to mandatory registration under **Art. 96**, **97** and **99** or voluntary registration under **Art. 100, Para 1 and 2** shall be registered under the order and within the time limits for mandatory registration or voluntary registration.

Obligation for registration of taxable persons not established on the territory of the country for the provision of telecommunication services, services for radio- and television broadcasting or services provided electronically, with place of performance on the territory of the country (Title amend. - SG 98/18, in force from 01.01.2019)

Art. 97b. (New – SG 105/14, in force from 01.01.2015, repealed – SG, 104/20, in force from 01.07.2021)

Obligation of taxable persons established only in the territory of the country for the supply of telecommunications, broadcasting or electronically supplied services, or of goods in intra-Community distance sales with place of performance in the territory of another Member State (Title, amend. – SG, 104/20, in force from 01.07.2021)

Art. 97c. (New - SG 98/18, in force from 01.01.2019, amend. – SG, 104/20, in force form 01.07.2021) Any taxable person who is not registered in the country for the application of a Union regime, and having exercised their right of choice as per **Art. 20b, Para. 4**, shall notify the competent territorial directorate of the National Revenue Agency within 7 days of the issuance of a VAT identification number by each Member State, electronically, as well as in the cases of its revocation.

Obligation for registration at remote sale of goods

Art. 98. (Repealed – SG, 104/20, in force from 01.07.2021)

Obligation for registration at intra-community acquisition

Art. 99. (1) (Amend. – SG, 104/20, in force from 01.07.2021) Subject to registration under this Act shall be every tax non-liable legal person and tax liable person, who is not registered on the grounds of **Art. 96**, **97**, **Art. 100, Para. 1** and **Art. 102**, who carries out intra-community acquisition of goods.

(2) Paragraph 1 shall not be applied, in case the total value of the intra-community acquisitions for the current calendar year does not exceed 20 000 BGN.

(3) For the persons under par. 2 an obligation shall arise for submitting application for registration under this Act within 7 days prior to the date of occurrence of the tax event regarding the acquisition, with which the total value of the leviable intra-community acquisitions exceeds 20 000 BGN. The intra-community acquisition, with which the indicated threshold is exceeded, shall be subject to levying with tax under this Act.

(4) The value under par. 2 shall be the total amount of the leviable intra-community acquisitions, except for the acquisition of new transport vehicles and goods, subject to levying with excise, without the value added tax, due or paid in the Member State, from which the goods are transported or sent.

(5) Paragraph 1 shall not apply with regards to:

1. the persons under **art. 168**, who acquire new vehicles;

2. the persons under **art. 2, item 4**.

(6) (Amend. – SG, 104/20, in force from 01.07.2021) A person, who is registered on the basis of this Article and for whom grounds for obligatory registration occurs under **Art. 96** and **97** or of voluntary registration under **Art. 100, Para. 1**, shall be registered by the order and within the terms for compulsory registration or for voluntary registration.

(7) (New - SG 96/19, in force from 01.01.2020) Regardless of the value of the taxable intra-Community acquisitions made under para. 2, it is subject to registration under this Act a tax liable person residing in another Member State, who carries out intra-Community acquisition of goods on the territory of the country under **Art. 15a, para. 6** or **Art. 65a**.

(8) (New - SG 96/19, in force from 01.01.2020) For the persons under para. 7 an obligation shall arise to register under this Act not later than 7 days before the date of occurrence of a circumstance under **Art. 15a, para. 6** or **Art. 65a** by submitting an application.

Voluntary registration

Art. 100. (1) Any tax liable person, with regards to whom the terms for compulsory registration under **art. 96, par. 1** are not available, shall be entitled to register under this Act.

(2) Any tax liable person and tax non-liable legal person, with regards to whom the terms for compulsory registration under **art. 99, par. 1** are not available, shall be entitled to register under this Act for intra-community acquisition.

(3) (Repealed – SG, 104/20, in force from 01.07.2021).

(4) (Suppl. – SG 108/07, in force from 19.12.2007, amend. – SG, 104/20, in force from 01.07.2021) Regardless of Para. 1, may not be registered a person, with respect to whom the revenue administration has terminated or refused registration under this Act on the grounds of **art. 176**, until the dropping out of the grounds of refusal of registration, respectively the ground for de-registration, or until the expiry of 24 months, considered from the beginning of the month, following the month of the deregistration or of the refusal of registration.

(5) (New - SG 92/17, in force from 01.01.2019) The right under para. 1 and 2 may be declared by the persons before the Registry Agency when applying for registration of an initial registration pursuant to **Chapter Two** of the Act on the Commercial Register and the Non-profit Legal Entities Register.

Registration procedure

Art. 101. (1) (Suppl. - SG 92/17, in force from 01.01.2019) The registration shall be carried out by submission of an application for registration according to a form or on the grounds of **Art. 100, para. 5** declares an optional registration before the Registry Agency to the competent territorial directorate of the National Revenue Agency by the person, who is obliged or entitled to register.

(2) The application shall be submitted:

1. personally, in the event that the tax liable person is legally capable natural person or a sole trader;

2. by a person with representative power by law, where the tax liable person is a legal person or a cooperation;

3. by a person, who has powers of a representative according to articles of association, in case the tax liable person is unregistered partnership or insuring fund;

4. by accredited representative under **art. 135**;

5. by a person explicitly authorised thereof by the persons under items 1, 2, 3 and 4 with a notarized Power of Attorney;

6. (new - SG 92/17, in force from 01.01.2019) by a lawyer explicitly authorized to do so by the persons under items 1 to 4 with a written Power of Attorney drawn up in accordance with the requirements of the **Lawyers Act**.

(3) The application may be submitted in an electronic way by the order of the **Tax-insurance procedure code**.

(4) (Suppl. - SG 92/17, in force from 01.01.2019) The application under par. 1 shall contain the ground for registration. To the application shall be submitted documents, determined by the **regulation for implementation of the Act**. In the cases of **Art. 100, para. 5** when applying for registration of an initial registration with the Registry Agency, the person does not apply a taxable turnover statement.

(5) (New – SG 95/09, in force from 01.01.2010, suppl. - SG 96/19, in force from 01.01.2020) In case the person has not submitted for registration to the Registry Agency an electronic address for correspondence, it shall obligatorily submit such an address with the application under Para 1. In case of change to the electronic address the person shall notify the income administration within 7 days, unless the change was made through an application for registration to the Registry Agency. The requested e-mail addresses for correspondence shall be considered as e-mail address for receiving messages according to **Art. 28, para. 2** of the Tax-Insurance Procedure Code.

(6) (Suppl. – SG 108/07, in force from 19.12.2007; prev. text of Para 05 – SG 95/09, in force from

01.01.2010, amend. - SG 92/17, in force from 01.01.2019, amend. - SG 97/17, in force from 01.01.2018 to 31.12.2018) Within 7 days of receipt of the application, the revenue authority shall inspect the grounds for registration.

(7) (Prev. text of Para 06 – SG 95/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013) In 7-days term from conclusion of the check under par. 6 the revenue body shall issue an act, with which carries out or refuses to carry out the registration.

(8) (Prev. text of Para 07, amend. – SG 95/09, in force from 01.01.2010; suppl. - SG 105/14, in force from 01.01.2015, amend. - SG 96/19, in force from 01.01.2020, amend. – SG, 104/20, in force form 01.07.2021) Regardless of par. 6 and 7 the registration under **Art. 96, para. 7**, **Art. 97**, **97a** and **99** shall be carried out by the revenue body in three days term from submitting the application for registration.

Registration at the initiative of the revenue body

Art. 102. (1) Where a revenue body establishes that a person has not fulfilled his obligation to submit an application for registration within the fixed term, said body shall register him by issuing a registration act, if the conditions for registration are available.

(2) In the act under par. 1 shall be indicated the grounds and the date, on which the obligation for registration has arisen.

(3) (Suppl. – SG 99/11, in force from 01.01.2012) In order to assess the tax obligations of a person in the cases when he/she has been obliged, but has not submitted an application for registration within the fixed term, it shall be deemed that the person owes tax for the taxable supplies and the intra-community acquisitions, carried out by him/her as well as for taxable supplies of services received, regarding which the tax is chargeable on the recipient:

1. (amend. – SG 94/12, in force from 01.01.2013) for the period from the expiry of the term, within which the act of registration should have been issued, if the person has submitted the application for registration within a term prior to the date on which he/she is registered by the revenue body;

2. (amend. – SG 94/12, in force from 01.01.2013) for the period from the expiry of the term, within which the act of registration should have been issued, if the person has submitted he application for registration within a term prior to the date on which the grounds for registration have dropped out.

(4) (New - SG 97/17, in force from 01.01.2018, amend. - SG 58/22) To determine the tax obligations of the person in the cases under **Art. 96, Para. 1, sentence 2**, where he was obliged but did not file an application for registration within the time limit, it shall be assumed that the person owes tax for the taxable supply exceeding the taxable turnover of BGN 100 000 from the date when the turnover was exceeded until the date on which it was registered by the revenue authority, or until the date on which the grounds for registration have been dropped. For the taxable supply exceeding the taxable turnover, a tax shall be payable. The person shall also owe tax for the taxable supplies of services, for which the tax is chargeable by the recipient, and for the taxable Intra-Community acquisitions made during that period.

(5) (Prev. Para. 4, suppl. - SG 97/17, in force from 01.01.2018) The obligations under par. 3 and 4 shall be determined by an inspection certificate by the order of the **Tax-insurance procedure code**.

Date of registration

Art. 103. (1) As a date of registration under this Act shall be considered the date of the handing over of the registration act.

(2) (amend. – SG 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

Documents certifying the registration

Art. 104. (1) (Amend. – SG, 97/2016, in force from 01.01.2017) Simultaneously with the handing over of the registration act to the registered person and upon his request shall be provided a Certificate of registration, protected by plastic foil, according to a template determined by the **regulation for implementation of this Act**.

(2) (Amend. – SG, 97/2016, in force from 01.01.2017) Upon a written request by the registered person within 7 day term, the revenue body shall issue more than one certificate or in more than one copies as per the request of the person..

(3) Upon a written request by the registered person, the director of the competent territorial directorate of the National Revenue Agency shall issue within 7-days term an individual certificate for proof of the registration under this Act abroad, according to a form, determined by the **regulation for implementation of the law**.

Loss, damage or disintegration of the certificate

Art. 105. (1) In case of loss, damage or disintegration of the certificate, the registered person shall notify in writing thereof in 7-days term from occurrence of any of the circumstances the territorial directorate of the National Revenue Agency at registration.

(2) In the cases under par. 1, the revenue body shall issue a duplicate of the certificate in 7-days term from the notification.

Chapter ten.
TERMINATION OF THE REGISTRATION (DE-REGISTRATION)

General provisions

Art. 106. (1) Termination of the registration (de-registration) under this Act is a procedure on the basis of which, after the date of de-registration, the person is not entitled to charge tax and to deduct tax credit, except in the cases when this Act stipulates otherwise.

(2) The registration shall be terminated:

1. at the initiative of the registered person, in case there is a ground for der-egistration – compulsory or voluntary;

2. at the initiative of the revenue body, where:

a) it has established grounds for compulsory deregistration;

b) a circumstance under **art. 176** is present.

Grounds for compulsory de-registration

Art. 107. Ground for compulsory deregistration shall be:

1. the death of the natural person;

2. the death of the natural person – sole trader, with or without deletion from the trade register;

3. (suppl. – SG 108/07, in force from 19.12.2007; amend. – SG 99/11, in force from 01.01.2012) the deletion of a sole trader from the trade register, unless:

a) the person is subject to obligatory registration under **Art. 96, par. 1** for the taxable turnover for the accomplished by him/her supplies, being independent economic activity, or provided that the grounds

under **Art. 108, par. 2** are available;

b) (amend. - SG 97/17, in force from 01.01.2018) the terms under letter "a" have not been met and within 7 days from entering the deletion in the commercial register at the competent territorial directorate of the National Revenue Agency the person submits an application for registration in which the latter declares continuation of the registration under the terms of **Art. 100, para 1**;

4. (amend. - SG 14/22, in force from 18.02.2022) the termination of the legal person:

a) without liquidation;

b) with liquidation, unless the legal person chooses to remain registered until the date of its deletion from the Commercial Register; the right of option shall be exercised by submitting a declaration at the relevant territorial directorate of the National Revenue Agency within 14 days of the occurrence of the circumstance; in this case, the liquidator shall be jointly liable for the tax due during the liquidation period;

5. (new – SG 105/14, in force from 01.01.2015, repealed – SG, 104/20, in force from 01.07.2021)

6. (new - SG 14/22, in force from 18.02.2022) termination of the unincorporated entity or the insurance fund;

7. (new - SG 14/22, in force from 18.02.2022) deletion of branches of foreign legal entities.

Grounds for voluntary de-registration

Art. 108. (1) Grounds for voluntary de-registration shall occur:

1. (suppl. - SG 105/14, in force from 01.01.2015, suppl. - SG 96/19, in force from 01.01.2020, amend. – SG, 104/20, in force form 01.07.2021) regarding a person, registered on the grounds of **Art. 96, Para. 1**, 97, or **Art. 100, Para. 1**, in case the relevant ground of compulsory registration drops out;

2. (repealed – SG, 104/20, in force from 01.07.2021)

3. (suppl. - SG 96/19, in force from 01.01.2020) regarding a person, registered on the grounds of **art. 99, para. 3**, and **art. 100, par. 2**, in case:

a) for the precedent calendar year the sum of the tax bases of the intra-community acquisitions, except for those of new vehicles and excise goods, does not exceed 20 000 BGN, and

b) by the date of submitting the application for deregistration there is no ground for compulsory registration;

4. (new – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011) for any person registered under **Art. 97a**, when at the date of submission of the application for deregistration there are no grounds for mandatory registration.

5. (new - SG 96/19, in force from 01.01.2020) for a person registered on the grounds of **Art. 96, para. 9**, when for the last 12 months prior to the current month he/she has not made taxable supplies of goods or services under **Art. 12**;

6. (new - SG 96/19, in force from 01.01.2020) for a person registered on the grounds of **Art. 99, para. 7** when:

a) for the last 12 months prior to the current month the person has not made taxable intra-Community acquisitions, and

b) when at the date of submission of the application for deregistration there are no grounds for mandatory registration.

(2) (Amend. – SG 98/18, in force from 01.01.2019) Persons, registered at their own choice according to **art. 100** shall not be entitled to terminate their registration on the ground of par. 1 earlier than 12 months, considered from the beginning of the calendar year, following the year of the registration under this Act.

(3) (New – SG, 97/2016, in force from 01.01.2017) A person, registered under **Art. 132** and **132a**, may submit an application for de-registration, where on the date of submission of the application, there is no reason for obligatory registration.

(4) (New - SG 14/22, in force from 18.02.2022) Except in the cases under Para. 1, grounds for

deregistration of choice shall also arise when a taxable person registered on the grounds of Art. 96, Para. 9 gets registered:

1. in another Member State - for the application of a non-Union regime, a Union regime or a distance sales scheme for goods imported from third countries or territories when it begins to make only supplies to which a non-Union, intra-Union or distance sales regime for goods imported from third countries or territories applies;

2. in the country - under Art. 154 or 156, when the person starts to make only supplies to which a non-Union or intra-Union regime applies.

Procedure of de-registration at the person's initiative

Art. 109. (1) (Amend. - SG 97/17, in force from 01.01.2018, suppl. – SG 98/18, in force from 01.01.2019) In the cases of **art. 107, item 3**, and upon termination of any legal entity with liquidation, the person shall submit application for de-registration at the competent territorial directorate of the National Revenue Agency in 14-days term from the occurrence of the respective circumstance under **art. 107**, unless the legal person chooses to remain registered until the date of its deletion from the Commercial Register.

(2) (Suppl. – SG, 97/2016, in force from 01.01.2017, suppl. - SG 14/22, in force from 18.02.2022) In the cases of **art. 108, par. 1 and 3** the registered person shall choose by himself/herself when to submit an application for de-registration before the competent territorial directorate of the National Revenue Agency. In the cases under Art. 108, Para. 4, the registered person shall submit within 14 days from the occurrence of the respective circumstance an application for deregistration in the territorial directorate of the National Revenue Agency - Sofia.

(3) The application under par. 1 and 2 shall contain the ground for the de-registration. To the application shall be attached documents, determined by the **regulation for implementation of the law**.

(4) In 7-days term from submitting the application, the revenue body shall carry out check of the ground for de-registration.

(5) In 7-days term from finishing the check, the revenue body shall issue an act, with which carries out the deregistration or refuses to do so with reasons.

(6) (Amend. – SG 113/07, in force from 01.01.2008) In cases of par. 1, the date of de-registration shall be deemed the date of occurrence of the respective circumstance referred to in **Art. 107**.

(7) (New – SG 113/07, in force from 01.01.2008, suppl. - SG 14/22, in force from 18.02.2022) In cases of Para. 2, first sentence, the date of de-registration shall be deemed the date of handing over of the act of de-registration under Para. 5.

(8) (New - SG 14/22, in force from 18.02.2022) In the cases under Para. 2, sentence two, the date of de-registration shall be the date of registration of the person in another Member State for application of a regime outside the Union, a regime in the Union or a regime for distance sales of goods imported from third countries or territories, or the date of registration in the country under Art. 154 and 156.

Procedure of de-registration at the initiative of the revenue body

Art. 110. (1) The registration shall be terminated on the initiative of the revenue body by issuing a deregistration act, in case:

1. (amend. - SG 105/14, in force from 01.01.2015, amend. - SG 97/17, in force from 01.01.2018, amend. - SG 14/22, in force from 18.02.2022) there are grounds for obligatory de-registration under **Art. 107, items 1, 2, 6 and 7** also upon termination of the legal person without liquidation;

2. he/she establishes that the person has not fulfilled his/her obligation for submitting an application for de-registration under **art. 109, par. 1** within the fixed term;

3. (new – SG 108/07, in force from 19.12.2007) there is a ground for de-registration under Art. 176.

(2) (Suppl. – SG 108/07, in force from 19.12.2007; suppl. - SG 105/14, in force from 01.01.2015, amend. - SG 14/22, in force from 18.02.2022) In the cases under par. 1, item 1 and 2 the de-registration act shall not be handed over to the person, and the date of registration shall be the date of occurrence of the respective circumstance under **art. 107**. In all other cases the date of service of the de-registration act shall be deemed the date of de-registration.

Supply with respect to de-registration, and determining obligations for the last tax period

Art. 111. (1) (Suppl. – SG 108/07, in force from 19.12.2007, amend. – SG, 97/16, in force from 01.01.2017) By the date of the de-registration, it shall be considered that the person carries out supplies within the meaning of the Act of all available goods and/or services, for which he/she has used entirely or partially, or proportionally to the rate of use for independent economic activity has used tax credit and which are:

1. assets within the meaning of the **Accountancy Act**, or

2. assets within the meaning of the **Corporate Income Tax Act**, other than the ones under item 1.

(2) Paragraph 1 shall not apply:

1. (amend. – SG, 97/16, in force from 01.01.2017) at de-registration because of death of a natural person, or a natural person who is a sole trader. Where the total sum of the tax basis of the available goods and services, provided by **Art. 27, Para. 5**, for which completely or partially, or proportionally to the rate of use for independent economic activity tax credit has been used, shall be to BGN 25000 including; where the total sum of the tax basis of the available goods and services exceeds BGN 25000, tax shall be charged over the total sum of the tax basis of the goods and services;

2. (suppl. – SG 106/08, in force from 01.01.2009, amend. – SG, 97/2016, in force from 01.01.2017) where the total sum of the tax basis of the available goods and/or services exceeds BGN 25000 in de-registration in case of death of a person, who:

a) is not a sole trader, if the independent economic activity of the dead person is continued by a person, registered under this act under a ground, which gives the right to deduction of a tax credit – only for the accepted by succession or upon testament goods and services or by a person, which is registered under ground, which gives the right to deduction of tax credit, in the term not more than 14th day of the month, following the 6th months from the date of death of the person – only for the accepted by succession or by testament goods and services, available on the date of registration;

b) is a sole trader if his undertaking by succession or by testament and his independent economic activity is continued by a person, who is registered under this act on the basis , which gives the right to deduction of tax credit, or by a person, who is registered on the basis, which gives right to deduction of tax credit in term not later than 14th day of the month, following the 6th month from the date of death of the dead person – only for the goods and services, available on the date of registration;

3. (suppl. – SG 106/08, in force from 01.01.2009) at transformation of a registered legal person, if the newly-formed or successor person is registered under this Act or registers by the order and within the term of **art. 132** - – only with respect to the goods and services, available by the date of registration.

4. to the available assets – public state or public municipal property;

5. (new – SG 95/09, in force from 01.01.2010; amend. – SG 99/11, in force from 01.01.2012, amend. – SG 98/18, in force from 01.01.2019) in case of de-eregistration and subsequent registration of the person during the same tax period – as regards to the goods and the services which have been available both by the date of de-registration and by the date of subsequent registration.

(3) (amend. – SG 94/12, in force from 01.01.2013; amend. - SG 101/13, in force from 01.01.2014, suppl. – SG, 104/20, in force form 01.07.2021) The tax under par. 1 shall be included in the result of the last tax period and shall be declared according to the provision and within the term set out in **Art. 125** and shall be deposited within the term under **Art. 89, Para. 2**.

(4) (amend. – SG 95/09, in force from 01.01.2010) In the event that by the date of de-registration

the person is in procedure of deduction by the order of **Art. 92**, it shall be considered that by this date the two one-month periods have expired.

Chapter eleven.
DOCUMENTING THE SUPPLIES

General provisions

Art. 111a. (new – SG 94/12, in force from 01.01.2013) (1) Documenting the supplies with a place of execution in the territory of the country shall be done subject to compliance with the provisions of this present Chapter.

(2) Documenting supplies with a place of execution in the territory if another Member State shall be done subject to compliance with the provisions of this present Chapter, where the tax for the supply is payable by the consignee and the supplier is a person for which the following conditions are met in aggregate:

1. the person has based his/her independent business activity in the territory of the country or has got a permanent facility in the territory of the country, from which the supply is made, or in case of such missing base or facility – he/she has got permanent address or usual residence in the territory of the country;

2. the person is not based in a Member State, in the territory of which is the place of execution of supply, or his/her permanent facility in this Member State is not involved in the supply.

(3) Documenting the supply of goods or provision of services with a place of execution in the territory of a third country or territory shall be done subject to compliance with the provisions of this present Chapter, where the supplier has based his/her independent business activity in the territory of the country or has got a permanent facility in the territory of the country, from which the supply is made, or in case of such missing base or facility – he/she has got permanent address or usual residence in the territory of the country.

(4) (Amend. – SG 23/13, in force from 08.03.2013) In cases referred to in **Art. 113, par. 11**, where the invoice or the note to the invoice is issued by the person, to whom the goods or services are supplied, the provision of par. 2 and 5 shall not apply.

(5) The supplier shall not apply par. 1 for supplies with a place of execution in the territory of the state, where the tax is payable by the consignee and the supplier is a person, for whom the following conditions are met in aggregate:

1. the person has not based his/her independent business activity in the territory of the country or his/her permanent facility in the territory of the country is not involved in the supply, or in case of such missing base or facility – he/she does not have permanent address or usual residence in the territory of the country;

2. the person is based in another Member State, or he/she has got a permanent facility in another Member State, from which the supply has been done.

Tax Papers

Art. 112. (1) Tax document within the meaning of this Act is:

1. the invoice;
2. the notice-to-invoice;
3. the protocol.

(2) The tax documents may be issued manually or automatically.

(3) In case of theft, loss, damage or disintegration of a tax document, the registered person shall notify in writing the competent territorial directorate of the National Revenue Agency within 24 hours from

the coming of knowledge of the respective circumstance.

Issue of invoice

Art. 113. (1) Any tax liable person-supplier shall issue an invoice for the supply of goods or services, carried out by him/her either at receiving payment in advance, or before that, except in the cases when the supply is documented by a protocol under **art. 117**.

(2) The invoice shall be issued in two copies at least – for the supplier and for the recipient.

(3) Invoice may not be issued:

1. for supplies, with respect to which the recipient is a tax non-liable natural person;

2. for supplies of financial services under **art. 46**;

3. for supplies of insurance services under **art. 47**;

4. for sales of airplane tickets;

5. in case of free of charge supplies;

6. (amend. – SG, 104/20, in force from 01.07.2021) for supplies under a distance selling regime for goods, imported from third countries or territories or under a regime outside the Union;

7. (New – SG 108/06, in force from 01.01.2007) for supplies carried out by non-registered natural persons under the law, other than sole traders, where regarding the supplies carried out by them:

a) a document is issued following the procedure of a special law, or

b) an account of sums paid or a document under **Art. 9 of the Income Taxes on Natural Persons Act** is issued, or

c) the issue of a document is not obligatory according to the Income Taxes on Natural Persons Act.

(4) The invoice shall be issued within 5 days from the date of occurrence of the tax event regarding the supply, and in the cases of advance payment – not later than 5 days from the date of the receipt of the payment.

(5) Regardless of par. 4, in the event of intra-community supply, including in the cases of advance payment, the invoice shall obligatorily be issued not later than 15th of the month following the month, during which the tax event under **art. 51, par. 1** has occurred.

(6) In case the issue of an invoice is not compulsory, it shall be issued at the request of the provider or the recipient, provided that each of the parties is obliged to give the necessary assistance to the other party regarding the issue.

(7) (amend. – SG 94/12, in force from 01.01.2013) The provider may authorise in writing another person to issue invoices and invoice notifications on his/her behalf.

(8) Invoice shall not be issued in the cases under **art. 131, par. 1**.

(9) (suppl. – SG 95/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013; suppl. - SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021, suppl. - SG 14/22, in force from 18.02.2022) The tax liable persons, who are not registered under this Act or are registered on the ground of **Art. 97a, Para 1 and 2**, **Art. 99** and **Art. 100, Para. 2**, shall not be entitled to point out the tax in the invoices and invoice notifications, issued by them. The taxable persons established on the territory of the country, who are registered only on the grounds of Art. 156, shall not have the right to indicate tax in the invoices issued by them and notifications to invoices for supplies with place of performance on the territory of the country, for which the regime in the Union does not apply.

(10) In the event that a registered person carries out taxable supply, for which he/she has received an advance payment prior to the date of registration under this Act, the person shall issue invoice, which he/she shall point out the whole tax base of the supply.

(11) (New – SG 94/10, in force from 01.01.2011; amend. – SG 94/12, in force from 01.01.2013) Invoice or invoice notification on behalf and at the expense of the taxable person who is a supplier may be issued also by the recipient of the supply, if there is a preliminary agreement between the parties and provided that there is a procedure of receipt of each invoice or invoice notification by the taxable person

supplying the goods and services.

(12) (New – SG 94/12, in force from 01.01.2013) Electronic invoices and electronic invoice notifications shall be deemed issued on the date on which the supplier or another person, acting on his/her behalf, submits the invoices and invoice notifications, so that they can be received by the client.

(13) (New – SG 94/12, in force from 01.01.2013) For two or more effected supplies of goods or services the tax which becomes payable within the same tax period a complied invoice can be issued. The compiled invoice must contain the particulars referred to in **Art. 114, par. 1, item 9 – 15** for each individual supply, included in the complied invoice and shall be issued on the last day of the month, in which the tax for the supplies has become payable at the latest, and for intra-community supplies – within the term under par. 5.

(14) (New, SG, 104/2020, effective from 01.07.2021) A taxable person, including one, who manages an electronic interface, may not apply Para. 1 for performed delivery of intra-Community distance sale of goods or domestic distance sales of goods, when the person is registered for application of a regime in the Union under this Act.

(15) (New - SG 14/22, in force from 18.02.2022) A taxable person, including one who manages an electronic interface, shall not apply Para. 3 for a performed supply of intra-Community distance sales of goods or domestic distance sales of goods with a place of performance on the territory of the country, when the person is not registered for application of a regime in the Union under this Act or in another Member State.

Requirements to the invoices

Art. 114. (1) The invoice must always contain:

1. name of the document;

2. successive ten digit number, containing Arabic figures only, based on one or more series depending on the accountancy necessities of the tax liable person, who shall identify the invoice in a unique way;

3. date of issuing;

4. name and address of the provider;

5. identification number of the provider under **art. 94, par. 2**, respectively – the number under **art. 84 of the Tax-insurance procedure code** – in case the provider is a person, who is not registered under this Act;

6. (amend. – SG 106/08, in force from 01.01.2009; revoked – SG 95/09, in force from 01.01.2010)

7. name and address of the recipient of the supply;

8. identification number of the recipient under **art. 94, par. 2**, respectively – the number under art. 84 of the Tax-insurance procedure code – in case the recipient is a person, who is not registered under this Act, identification number for the purposes of VAT – in case the recipient is registered in another Member State, another number for identification of the person, if such is required according to the legislation of the country, in which the recipient is settled;

9. the quantity and the type of the goods, the type of the service;

10. the date, on which the tax event regarding the supply has occurred, or the date, on which the payment is received;

11. the single price without the tax and the tax base of the supply, as well as the provided commercial rebates and discounts, in case they are not included in the single price;

12. the tax rate, in case the rate is zero – the ground for its applying, as well as the ground for non-charging a tax;

13. the amount of the tax;

14. the sum to be paid, if it differs from the amount of the tax base and the tax;

15. the circumstances, defining the goods as new vehicle – in the event of intra-community supply

of new transport vehicles.

(2) (revoked - SG 95/15, in force from 01.01.2016)

(3) (amend. – SG 94/10, in force from 01.01.2011) In case a registered person – intermediary in a three partite operation documents a supply of goods carried out with respect to the one, who acquires in the three partite operation, as a ground for not charging tax, in the invoice shall be indicated "Art. 141 2006/112/EC".

(4) (amend. – SG 94/12, in force from 01.01.2013) In the event that the tax is exigible from the recipient, in the invoice shall not be indicated the amount of the tax and the tax rate. In this case, the invoice shall indicate "chargeback", as well as the ground thereof.

(5) The sums regarding the invoice may be indicated in any currency, under the condition that the tax base and the amount of the tax are pointed out in BGN, observing the requirements under **art. 26, par. 6**.

(6) (amend. – SG 106/08, in force from 01.01.2009; amend. – SG 94/12, in force from 01.01.2013) Every taxable person in a way at his/her option shall provide from the time of issuance until the end of keeping the authenticity of the origin, the integrity of the content and legibility of invoices and invoice notifications, issued by him/her or on his/her behalf, and also of the received by him/her invoices and invoice notifications, regardless whether they are on a hard copy or in an electronic format.

(7) (new – SG 94/12, in force from 01.01.2013) The invoice might not contain the particulars referred to in par. 1, items 12, 14 and 15 where the amount of the tax basis and the tax do not exceed 100 EUR or their equivalent in BGN, except for documenting of supplies with a place of execution in the territory of another Member State, of intra-community supplies and of remote sale of goods.

(8) (new – SG 94/12, in force from 01.01.2013) In cases of **art. 111a, par. 3** the invoice issued to a taxable person who is a supplier, may not contain the particulars of par. 1, items 12 and13.

(9) (new – SG 94/12, in force from 01.01.2013) Documenting of supplies by electronic invoices and invoice notifications shall be done provided that this documenting is accepted by the consignee by a written or silent consent.

(10) (new – SG 94/12, in force from 01.01.2013) Guaranteeing of authenticity of origin, the integrity of the content and legibility of invoices and invoice notifications shall be provided by the taxable person though any kind of control over the business activity, providing a reliable audit tracing between the invoice or the invoice notification and the supply of goods or services.

(11) (new – SG 94/12, in force from 01.01.2013) In addition to control over business activity referred to in par. 10, the authenticity of origin, the integrity of the content and legibility of electronic invoices and electronic invoice notifications shall be provided through the following exemplary technologies:

1. (amend. - SG 85/17) qualified electronic signature under the Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OB, L 257/73 of 28 August 2014) and the **Electronic Document and Electronic Trust Services Act**, or

2. by electronic data interchange.

(12) (New, SG, 104/20, effective from 01.07.2021) A taxable person, registered for the application of a regime for distance sales of goods, imported from third countries or territories shall indicate the identification number for this regime only in the customs declaration for import under **Art. 57a**.

Debit and credit notifications

Art. 115. (1) In the event of change of the tax base of the supply or at cancellation of a supply, for which an invoice is issued, the provider shall be obliged to issue a notification to the invoice.

(2) (suppl. – SG, 97/2016, in force from 01.01.2017) The notification shall obligatorily be issued not later than 5 days from occurrence of the respective circumstance under par. 1 and where it is issued for

supply, for which an invoice has been issued with charged tax for received advance payment, within 5 day term from the date of returning, set off or settling in other way of the advanced transferred sum for the amount of the returned, set off or settled in other way sum.

(3) In the event of increase of the tax base, a debit notification shall be issued, and in case of reduction of the tax base or at cancellation of supplies – a credit notification.

(4) Except for the requisites under **art. 114**, the notification to the invoice shall also contain:

1. the number and the date of the invoice, to which the notification is issued;

2. the ground of issuing the notification.

(5) The notification shall be issued in two copies at least – for the provider and for the recipient.

(6) In the event of termination or cancellation of contract for leasing under **art. 6, par. 2, item 3,** the provider shall issue a credit notification for the difference between the tax base of the supply under art. 6, par. 2, item 3 and the sum, retained on the basis of the contract, without the tax under this Act.

(7) (new – SG 94/12, in force from 01.01.2013) The invoice notification may not contain the particulars referred to in **Art. 114, par. 1, items 12, 14 and 15**, except for where supplies with a place of execution in the territory of a Member State, intra-community supplies and remote sale of goods are documented.

Correction of the invoices and the notifications

Art. 116. (1) Corrections and supplements in the invoices and the notifications to them shall not be permitted. Incorrectly prepared or corrected documents shall be nullified and new ones shall be issued.

(2) Considered as incorrectly prepared documents shall also be considered the issued invoices and notifications to them, in which tax is not charged, even though such it should have been charged.

(3) Considered as incorrectly prepared documents shall also be considered the issued invoices and notifications to them, in which tax is not charged, even though such should not have been charged.

(4) In case documents incorrectly prepared or corrected documents are reflected in the accounting registers of the provider or the recipient, a protocol shall also be compiled for the annulment – for each of the parties, which shall contain:

1. the ground of the annulment;

2. the number and the date of the document, which is nullified;

3. the number and the date of the new document issued;

4. signature of the persons, who have compiled the protocol for each of the parties.

(5) All copies of the nullified documents shall be kept at the issuer, and their accounting by the provider and the recipient shall be carried out by procedure, determined by the Rules for Implementation of the Act.

(6) (New - SG 14/22, in force from 18.02.2022) The issued invoices and notifications to them, in which the wrong tax rate is used for the supply, shall also be considered as incorrectly prepared documents.

(7) (New - SG 14/22, in force from 18.02.2022) Correction of invoices and notifications in the presence of an entered into force act issued by a revenue authority shall be carried out under Para. 2, 3 and 6.

Issue of protocols

Art. 117. (1) A protocol shall obligatorily be issued:

1. (amend. – SG 108/06, in force from 01.01.2007, amend. - SG 96/19, in force from 01.01.2020) in the cases under **art. 82, par. 2, 3, 4, 5 and 6** and **art. 84** – by the registered person – recipient with respect to the supply;

2. in the cases under **art. 57** – by the registered person – importer;

3. in the cases of supplies under **art. 6, par. 3**, **art. 7, par. 4**, **art. 9, par. 3**, **art. 142, par. 1** and **art. 144, par. 4** - by the registered person – provider;

4. (New – SG 108/06, in force from 01.01.2007) in the cases under **Art. 161** and **163a** – by the registered person – recipient regarding the supply, in case the provider is a tax liable person, not registered under the law.

5. (new - SG 88/16, in force from 01.01.2017) in cases under **Art. 6, para. 4, item 4** - by a registered person who has donated foodstuffs.

(2) The protocol under par. 1 shall obligatorily contain:

1. number and date;

2. (suppl. – SG 108/06, in force from 01.01.2007) the name and the identification number under **Art. 94, para 2** of the person under par. 1;

3. the quantity and the type of the goods or the type of the service;

4. the date of occurrence of the tax event regarding the supply;

5. the tax base;

6. the tax rate;

7. (suppl. – SG 95/09, in force from 01.01.2010) the ground for charging or non-charging the tax by the person under par. 1;

8. the amount of the tax;

9. (new – SG 98/13, in force from 01.01.2013, amended date of entering into force – SG 104/13, in force from 01.12.2013) supplier’s identification number for VAT purposes, under which number the supply was done, where the supplier is VAT registered in another Member State, and invoice reference number and date – where an invoice has been issued before the date of issue of the records;

10. (new – SG 98/13, in force from 01.01.2014; amended date of entering into force – SG 104/13, in force from 01.12.2013) identification number under **Art. 84** of the Code of Tax Insurance Procedure of the supplier of goods under Attachment No. 2, Section Two, and invoice reference number and date.

(3) (amend. – SG 108/07, in force from 19.12.2007, suppl. - SG 88/16, in force from 01.01.2017) The protocol shall be issued not later than 15 days from the date, on which the tax has become exigible. In cases of foodstuffs donated under **Art. 6, para. 4, item 4**, the protocol shall be issued not later than 5 days from the date, on which foodstuffs were provided.

(4) In case of change of the tax base of the supply or at the cancellation of the supply, for which a protocol is issued, the person shall issue new protocol, which shall obligatorily contain:

1. the number and the date of the initial protocol, issued for the supply;

2. the ground for issuing the new protocol;

3. the increase/reduction of the tax base;

4. the increase/reduction of the tax.

(5) (amend. – SG 108/07, in force from 19.12.2007) The protocol under par. 4 shall be issued not later than 15 days from the date, on which the respective circumstance under par. 4 has occurred.

Correction of protocols

Art. 117a. (New - SG 14/22, in force from 18.02.2022) (1) Corrections and supplements to the protocols shall not be permitted. Incorrectly prepared or corrected documents shall be nullified and new ones shall be issued.

(2) Considered to be a wrongly drawn up protocol shall be an issued one in which:

1. no tax has been charged, although it should have been charged;

2. tax has been charged, although it should not have been charged;

3. the wrong tax rate is applied for the supply.

(3) When an incorrectly prepared protocol is reflected in the accounting registers of the recipient, no protocol shall be drawn up for the annulment, and the grounds for the annulment shall be indicated in the

incorrectly prepared one.

(4) The copies of the annulled protocols shall be kept at the issuer, as their reporting shall be carried out by an order determined by the rules for implementation of the act.

(5) Correction of protocols in the presence of an entered into force act, issued by a revenue authority, shall be carried out under Para. 2.

Cash slips, replacement documents and Submission of Data (title amend. - SG 96/19, in force from 01.01.2020)

Art. 118. (amend. – SG 23/13, in force from 08.03.2013) (1) Any person, registered or non-registered under this Act, shall register and report on the supplies/sales at a commercial site carried out by him or her, by issuing a fiscal cash-register slip from a fiscal device (fiscal receipt) or a cash slip through an integrated business management system (system receipt), regardless whether another tax document has been required. The recipient is required to obtain the fiscal or cash receipt and to keep them till leaving the site.

(2) Fiscal devices and integrated business management systems shall necessarily have the technical capability to establish a remote connection through which to submit data to the National Revenue Agency. The technical requirements, the terms and conditions for establishment and implementation of the remote connection shall be established in the ordinance under para 4 in coordination with the Bulgarian Institute of Metrology.

(3) (suppl. - SG 101/13, in force from 01.01.2014; amend. – SG 1/14, in force from 01.01.2014, suppl. – SG 98/18, in force from 01.01.2019, amend. - SG 96/19, in force from 01.01.2020) Fiscal and system receipts are paper documents, reporting a sale/supply of goods or services in a commercial site, payable by cash, check, voucher, bank credit or debit card or other payment means substituting money, issued by a fiscal device of approved type in operation or by an approved an integrated business management system. In case of sale of goods or services provided by self-service vending machines with power supply and registered and accounted for through fiscal devices integrated into self-service vending machines, except for currency exchange services fiscal receipt, registering the sale, shall be displayed on a display only, without issuing a printed document in compliance with a procedure and in a way, determined by the Ordinance under par. 4. In the case of sales of goods or services through an online store, the fiscal / system receipt of the sale may be generated in an electronic form and automatically be delivered to the recipient's electronic mail without issuing a paper document, in an order and manner determined by the Ordinance under Para. 4.

(3a) (New - SG 96/19, in force from 01.01.2020) In the case of unattended credit or debit card payment for the sale or delivery of goods or services it is allowed instead of a fiscal or system coupon to issue and submit to the recipient a sales document electronically, which is not issued by an approved type of fiscal device or by an approved integrated automated business management system. The conditions for applying this provision, the form and content of the document, and the procedure for issuing the document and the obligations for providing data of the document to the National Revenue Agency shall be determined by the ordinance under para. 4.

(4) The Minister of Finance shall issue an **Ordinance**, providing for the following:

1. the conditions, procedure and the manner of approval or revocation of the type, commissioning/decommissioning, registration/deregistration, reporting, keeping documents, issued by or in relation to fiscal device and integrated business management system;

2. servicing, expert opinions and control of the fiscal device and the integrated business management system, as well as the technical and functional requirements thereto;

3. the requirements, terms and conditions for establishing a remote connection and submitting data to the National Revenue Agency;

4. issue of fiscal cash-register slips from a fiscal device and of cash slips through an integrated business management system as well as the pre-requisites they must meet;

5. the type of data submitted, their format and the time limits for submission thereof.

6. (new - SG 97/17, in force from 01.01.2018) the conditions and procedure for issuing and revoking permits of the persons who carry out maintenance and repair of any fiscal device/integrated business management systems (FD/IBMS);

7. (new - SG 24/18) the requirements for sales management software at points of sale and for the developers, distributors and users of such software;

8. (new - SG 24/18) requirements for persons performing sales through e-commerce;

9. (new - SG 96/19, in force from 01.01.2020) the form and content of the documents, the conditions, the procedure and the manner of their issuance, as well as the obligations for transfer of data in case of unattended credit or debit card payment.

(5) (Amend. - SG 97/17, in force from 01.01.2018) During the operation of the FD/IBMS, the persons under Para. 1 shall conclude a written contract for technical maintenance and repair with persons with permit under the order of Para. 4.

(6) Any person under para 1, carrying out supplies/sales of liquid oils at a commercial site, except for the ones carrying out supplies/sales of liquid oils at a tax warehouse within the meaning of the **Excises and Tax Warehouses Act**, shall transmit by remote connection to the National Revenue Agency data enabling determination of the available quantities of fuel in the storage tanks at the facilities trade in liquid fuels.

(7) (revoked - SG 95/15, in force from 01.01.2016)

(8) (amend. – SG 107/14, in force from 01.01.2015) A tax liable person who refuels with liquid fuel vehicles, equipment or other machinery for own use, shall register and report on the refuelling pursuant to the ordinance under para 4.

(9) (amend. – SG 107/14, in force from 01.01.2015) Paragraph 8 shall not be applied by a recipient in liquid fuels supply, who is a budgetary organization within the meaning of the **Public Finances Act** or a municipal enterprise and does not engage in liquid fuel sales.

(10) A tax liable person who is a supplier/recipient of a supply of liquid fuel, shall transmit to the National Revenue Agency data concerning the supply and movement of the quantities of liquid fuels supplied or received, as well as the changes thereto. The data shall be submitted via electronic means by a qualified electronic signature on the date of the tax event or on the date on which a change in the relevant circumstances has occurred

(11) Data under para 10 shall be submitted by:

1. the supplier and recipient of liquid fuel supplies under excise duty suspension regime;

2. the supplier regarding supplies and quantities of liquid fuel supplied, for which have been submitted data to Customs Agency evidencing that these fuels have been released for consumption under the **Excises and Tax Warehouses Act**;

3. (suppl. - SG 96/19, in force from 01.01.2020) the suppliers regarding supplies which they have reported via their electronic systems with fiscal memory, except for deliveries made from a non-final distributor site and uses as a cost measuring tool measuring system or flowmeter;

4. the recipient regarding supplies which have been reported by the supplier via electronic systems with fiscal memory and the recipient is an end user;

5. the recipients regarding supplies which they have reported via their electronic systems with fiscal memory;

6. (revoked - SG 107/14, in force from 01.01.2015)

7. (new - SG 96/19, in force from 01.01.2020) the supplier and the recipient of deliveries for domestic fuel needs in bottles with a capacity of up to 50 kg or transported via a built gas transmission network.

(12) (new - SG 107/14, in force from 01.01.2015) When the revenue authorities find that a final distributor sells liquid fuels from a point of sale and does not have stationary underground fuel storage tanks or fuel tanks fixed to the ground they shall immediately notify the relevant competent authorities of the

action taken to detect the breaches found.

(13) (new - SG 107/14, in force from 01.01.2015) Para 12 shall not apply to sales of liquid fuels used from river and maritime transport.

(14) (new - SG 24/18, amend. – SG, 104/20, in force from 12.12.2020) Developer/distributor of sales management software at points of sales in a commercial site may declare to the National Revenue Agency the following data and circumstances for such software:

1. the name and version of the software developed/distributed by it;

2. that the software under item 1 complies with the requirements set forth in the Ordinance under Para. 4;

3. that it does not produce / distribute software, intended for changing the functionality of the software under item 1 and for changing, deleting or other manipulation of the information in the database, with which the software works.

(15) (new - SG 24/18) The order for declaring the data and the circumstances under para. 14 shall be determined by the ordinance under para. 4.

(16) (new - SG 24/18) National Revenue Agency shall establish and maintain a public electronic list of sales management software in points of sale for which data and circumstances under para. 14 are declared, accessible on the website of the National Revenue Agency. The order for entry and deletion from the list as well as its content shall be determined by the ordinance under para. 4.

(17) (new - SG 24/18, amend. – SG, 104/20, in force from 12.12.2020) Para. 14 shall not apply to integrated automated business management systems and electronic fiscal memory systems.

(18) (new - SG 24/18, amend. – SG, 104/20, in force from 12.12.2020) A person, for whom there is an obligation to register and report sales by issuing a fiscal receipt and wishes to use sales management software in a retail outlet may choose to use sales management software, included in the list under Para. 16. The procedure for selection and refusal thereof, the requirements to the persons, who have chosen to use such software, to its producers / distributors and to the software shall be determined by the Ordinance under Para. 4. In a commercial site, where the person has chosen to use software, included in the list under Para. 16, for sales management shall be required to use only this software.

(19) (New – SG, 104/20, in force from 12.12.2020) Paragraph 18 shall not apply to persons, using integrated automated business management systems and electronic systems with fiscal memory.

(20) (New – SG, 98/18, in force from 01.01.2019, former Para. 19 – SG, 104/20, in force from 12.12.2020) The National Revenue Agency shall create and maintain a public electronic list of the e-shops, for which data have been submitted under Para. 4, item 5. The list is available on the website of the Agency. The procedure for entry and deletion from the list, as well as its content shall be determined by the Ordinance under Para. 4.

Account for the sales carried out

Art. 119. (1) Regarding the supplies, for which the issue of an invoice or a protocol is not compulsory, the provider – a person, registered under this Act, shall compile an account of the sales carried out, which shall contain generalised information on these supplies for the respective tax period.

(2) The account for the sales carried out shall be compiled not later than the last day of the tax period.

(3) At his/her own choice, the person can prepare separate accounts for the sales carried out for each day of the tax period and or for every site.

(4) The contents of the generalised information under par. 1 shall be determined by the Rules for Implementation of the Act.

Account for the sales or purchases carried out under special levying procedure (Title suppl. – SG 108/06, in force from 01.01.2007)

Art. 120. (1) With respect to every type of supply, to which the special levying procedure under **chapter sixteen**, **seventeen** and **nineteen** is applicable, the provider – a person, registered under this Act, shall compile an account for the sales carried out during the tax period, containing at least the following information:

1. quantity and type of the goods for each concrete supply or the type of service;
2. the date, on which the tax event regarding the supply has occurred;
3. a description of the invoices issued for the supply, in case their issue is compulsory;
4. the elements necessary for determining the tax base;
5. the tax base;
6. the tax rate;
7. the amount of the tax.

(2) The account or the sales carried out as per para 1 shall be compiled no later than the last day of the tax period.

(3) (amend. - SG 105/14, in force from 01.01.2015, repealed – SG, 104/20, in force form 01.07.2021)

12. information used for the determination of the place where the customer is based or where their permanent address is or there they usually reside.

(4) (New – SG 108/06, in force from 01.01.2007) Regarding supplies of goods and services to which the special taxation procedure under **Chapter nineteen "a"** is applicable, with respect to which the providers are natural persons, who are not tax liable, the recipient – a person registered under this Act, shall compile an account of the purchases carried out during the tax period, containing at least the following information:

1. quantity and type of the goods or the type of the service – regarding each supply;
2. the date, on which the tax has become exigible;
3. the purchase price – regarding each supply;
4. the tax rate;
5. the amount of the tax.

(5) (New – SG 108/06, in force from 01.01.2007; amend. – SG 94/12, in force from 01.01.2013, amend. – SG, 104/20, in force from 01.07.2021) The account of purchases, carried out within the tax period as per Para 4 shall be compiled no later, than the last day of the tax period.

Chapter twelve.
OTHER OBLIGATIONS

Keeping documents

Art. 121 (1) (Suppl. - SG 101/13, in force from 01.01.2014) Any tax liable person shall provide the keeping of the tax documents, issued by him/her or on his/her behalf, as well as of all documents, received by him/her up to 5 years following the expiry of the prescription period for discharge of the public liability, certified by the documents in their original form.

(2) (Amend. and suppl. – 94/12, in force from 01.01.2013) The authenticity of the origin and the integrity of the tax documents' contents, as well as their legibility shall be guaranteed throughout the whole period of keeping. Where tax documents are stored on electronic storage devices, within the term referred to in par. 1 taxable persons shall keep also the information, guaranteeing authenticity of origin and integrity of

their content.

(3) (Amend. – SG 94/10, in force from 01.01.2011) Paragraphs 1 and 2 shall be applied with respect to the accounts of the sales carried out under **art. 119** and **120**, the registers under **Art. 123, par. 2 and 3**, as well as with respect to the customs documents for importation.

Right of access to tax documents, kept by using electronic storage devices

Art. 122. (Amend. – 94/12, in force from 01.01.2013) In the event that a taxable person keeps by using electronic storage devices, guaranteeing online access to electronic invoices and electronic invoice notifications, invoices, issued or received by him/her, the person shall be obliged to provide electronic (online) access to the stored data:

1. to the competent revenue bodies – where the person is based in the territory of the country, and also where the person is not based in the territory of the country, but the tax for the supply is payable in Bulgaria;

2. the competent bodies of the Member State where the tax is payable – where the person is based in the territory of the country, and the tax for the supply is payable in another Member State.

Accountancy

Art. 123. (1) Any registered person shall keep detailed accountancy, sufficient for establishing his/her obligations under this Act by the revenue bodies.

(2) Any registered person shall maintain a register of the goods under **art. 7, par. 5, items 8 – 10** and **art. 13, par. 4, items 8 – 10**.

(3) Any tax liable person shall maintain a register of the goods, transported to him/her from another Member State by a person, registered for the purposes of VAT in this Member State, in relation to the provision of services according to assessments or work regarding chattels.

(4) The form and the requisites of the registers under par. 2 and 3 shall be determined by the regulation for implementation of this Act.

(5) (New - SG 96/19, in force from 01.01.2020) Any tax liable person who transfers goods under the on-demand warehousing regime under Art. 15a from the territory of the country to the territory of another Member State shall keep an electronic register of these goods which allows the revenue authorities to verify the proper application of this regime.

(6) (New - SG 96/19, in force from 01.01.2020) Any tax liable person for whom the goods under the on-demand warehousing regime under Art. 15a are intended to be delivered and shipped to the territory of the country shall keep an electronic register of these goods.

(7) (New - SG 96/19, in force from 01.01.2020) Any tax liable person residing on the territory of the country to whom goods are provided for storage, shall keep detailed records of these goods, which must contain information allowing to determine the type and quantity of goods at any time on each of the persons who provided the goods for storage, as well as the identification of the persons who sent, transported or received the goods upon completion of their storage.

(8) (New - SG 96/19, in force from 01.01.2020) The structure and content of the electronic registers under para. 5 and 6 shall be determined by the rules on implementation of the Act. The information from the registers shall be provided upon request by the revenue body, by electronic means or on electronic carrier, in a file format specified in the Rules.

(9) (New - SG 96/19, in force from 01.01.2020) The persons under para. 5, 6 and 7 shall keep the accountability under para. 7 and the information in the electronic registers of para. 5 and 6 for a period of 10 years from the end of the year in which the storage of the goods under par. 7, respectively the transfer of the goods under para. 5 and 6 has started.

Chapter thirteen.
DECLARING AND ACCOUNTING

Accounting registers

Art. 124. (1) The persons registered under this Act shall keep the following registers:

1. purchase record;

2. sales record.

(2) (amend. – SG 108/06, in force from 01.01.2007, suppl. - SG 96/19, in force from 01.01.2020) The registered person shall be obliged to reflect the tax documents, issued by him/her or on his/her behalf, as well as the accounts of the sales carried out under art. 119 in the sales record for the tax period, during which they are issued. The registered person is obliged to reflect the information from the register under **Art. 123, para. 5** in the sales record for the tax period during which this information or its changes are reflected in this register, including upon replacement of the person under **Art. 15a, para. 2, item 3** and return of the goods to the Member State from which they were dispatched or transported, as the content of the information and the manner in which it is to be reported are determined by the rules on implementation of the Act.

(3) (amend. – SG 108/06, in force from 01.01.2007) Regardless of par. 2, the tax documents issued with regards to intra-community supply, including for received payment, shall be reflected in the sales record for the tax period, during which the tax for the supply has become exigible according to **art. 51**.

(4) (suppl. – SG 108/06, in force from 01.01.2007; amend. – SG 95/09, in force from 01.01.2010, suppl. - SG 96/19, in force from 01.01.2020) The registered person shall be obliged to reflect the tax documents received by him/her in the purchase record no later than by the twelfth tax period, following the tax period, during which they are issued, however, not later than the last tax period under **Art. 72, para 1**. The registered person is obliged to reflect the information from the register under **Art. 123, para. 6** in the purchase record for the tax period during which this information or its changes are reflected in this register, as the content of the information and the manner in which it is to be reported are determined by the rules on implementation of the Act.

(5) (suppl. – SG, 97/2016, in force from 01.01.2017) Regardless of par. 4, the registered person shall be obliged to reflect the credit notifications received by him/her in the purchase record for the tax period, during which they are issued, including issued by oerson,s whose registration has been terminated under this act.

(6) The type, contents and the requirements to the registers under this Art., as well as the procedure and the manner of reflection of the documents in them shall be determined by the Rules for Implementation of the Act.

(7) (New – SG 108/06, in force from 01.01.2007) The registered persons, who have carried out intra-community supplies of new vehicles during the calendar quarter, with regards to which recipients are persons, who are not registered for the purposes of VAT in other Member States, shall reflect the supplies carried out in a register for the intra-community supplies of new vehicles.

(8) (New – SG 108/06, in force from 01.01.2007) The type, the contents and the requirements of the register referred to in para 7 shall be laid down by the Rules for Implementation of the Act.

(9) (New - SG 88/16, in force from 01.01.2017) The Protocol on the donation of foodstuffs under **Art. 6, para. 4, item 4**, shall be reflected in the sales record, respectively, in the reference-declaration of **Art. 125, para. 1** in an order laid down by the Rules for Implementation of the Act.

Declaring the tax

Art. 125. (1) (amend. - SG 105/14, in force from 01.01.2015, amend. - SG 14/22, in force from 18.02.2022) Regarding every tax period, the registered person under Art. 96, 97, 97a, 99 and Art. 100, Para. 1 and 2 shall submit a reference declaration, drawn up on the basis of the accounting registers under **art. 124** .

(2) (amend. – SG 95/09, in force from 01.01.2010, suppl. - SG 96/19, in force from 01.01.2020) The registered person, who has carried out during the tax period intra-community supplies, supplies as an intermediary in a three-partite operation or supplies of services under **Art. 21, Para 2** having place of performance on the territory of another Member State, along with the reference-declaration under par. 1 shall also submit a VIES-declaration regarding these supplies for the respective tax period. A registered person who transfers goods forming part of his business assets from the territory of the country to the territory of another Member State under the regime of on-demand warehousing together with the reference-declaration under para. 1 also submits a VIES declaration for the tax period of sending or transporting goods under this regime and for taxable periods of change over the 12-month period from the arrival or completion of the shipment including upon replacement of the person under **Art. 15a, para. 2, item 3**.

(3) Along with the reference-declaration under par. 1, the registered person shall also submit the accounting registers under **art. 124** for the respective tax period.

(4) The reference-declaration under par. 1 shall be submitted also in the cases when tax should not be deposited or restored, as well as in the cases when the registered person has not carried out or received supplies or acquisitions or has not carried out import in this tax period.

(5) The declarations under par. 1 and 2 and the accounting registers under par. 3 shall be submitted until 14th of the month inclusive, following the month, to which they refer.

(6) (amend. – SG, 97/2016, in force from 01.01.2017, revoked - SG 97/17, in force from 01.01.2018)

(7) (Amend. - SG 97/17, in force from 01.01.2018) The declarations under Para. 1 and 2 and the reporting registers under Para. 3 shall be filed electronically under the terms and procedure of the **Tax Insurance Procedure Code**, except in the cases of Para. 13 and **Art. 126, Para. 4, 7 and 8**.

(8) The reference-declaration under par. 1 and the declaration under par. 2 shall be submitted according to a form determined by the regulation for implementation of this Act.

(9) (New – SG 108/06, in force from 01.01.2007, amend. – SG, 97/2016, in force from 01.01.2017, amend. – SG 98/18, in force from 01.01.2019) The register referred to in **Art. 124, para 7** shall be submitted electronically under the terms and procedure of the **Tax-Insurance Procedure Code** by the 14th date of the month, following the calendar quarter, to which it refers.

(10) (new – SG 95/09, in force from 01.01.2010) In the cases of **Art. 111, Para 2, Item 5** the registered person shall submit one reference declaration for the tax period, which shall include the supplies made by the person by the date of deregistration, including the supplies made after the date of the subsequent registration.

(11) (new – SG 94/10, in force from 01.01.2011, revoked - SG 97/17, in force from 01.01.2018)

(12) (new – SG 99/11, in force from 01.01.2012, revoked - SG 97/17, in force from 01.01.2018)

(13) (New – SG, 97/2016, in force from 01.01.2017) In case of death of a natural person or a natural person – sole trader, the declarations under Para. 1 and 2 and the accounting registers under Para. 3 for the last tax period under **Art. 87, Para. 4** shall be submitted by the successors or the legatees in the term of 2 months from accepting the heritage, but not later than 14th day of the month, following the 6th month of the date of the death of the grantor. Additionally known circumstances shall be declared, where in one month term from knowing the successors shall submit new declarations under Para. 1 and 2 and accounting registers under Para. 3. A submitted declaration by one successor shall benefit the other successors as well.

(14) (New - SG 14/22, in force from 18.02.2022) The person under Para. 1, when registered under Art. 154, 156 and 157a, shall also submit the reference-declaration under Art. 159, Para. 4 and / or Art.

159a, Para. 2. Taxable person registered only under Art. 154 and 156 shall submit only the reference-declaration under Art. 159, Para. 4.

Correction after declaring (Title, amend. – SG, 97/2016, in force from 01.01.2017)

Art. 126. (1) Any mistakes made in declarations submitted under **art. 125, par. 1 and 2** as a consequence of non reflected or incorrectly reflected documents in the accounting registers under **art. 124**, shall be corrected by the order of par. 2 and 3.

(2) The mistakes, found until the expiry of the term for submitting the reference-declaration, shall be corrected, provided that the person carries out the necessary corrections and submits again the declarations under **art. 125, par. 1 and 2** and the accounting registers under **art. 124**.

(3) Apart from the cases of par. 2, the mistakes shall be corrected, provided that:

1. the person carries out the necessary corrections in the tax period, during which the mistake is found, and includes the non reflected document in the respective accounting register for the same tax period – in case of non reflected documents in the accounting registers under **art. 124**;

2. the person notifies in writing the competent revenue body, which shall undertake actions for change of the person's obligation for the relevant tax period – in case of incorrectly reflected documents in the accounting registers.

(4) (new – SG, 97/2016, in force from 01.01.2017) A person, whose registration has been terminated under this act shall notify in writing the competent territorial directorate of the National Revenue Agency about the mistakes in submitted declaration under **Art. 125, Para. 1 and 2** and accounting registers under **Art. 124**. The corrections shall be made after issuance of permit by the competent territorial directorate of the National Revenue Agency (NRA) with submission of a new declaration and accounting registers for the relevant period within 14 day term from receiving of the permit.

(5) (new – SG, 97/2016, in force from 01.01.2017) A person, whose registration has been terminated under this act, within 5 day term from finding this circumstance, that before termination of the registration no tax document under **Art. 112, Para. 1** has been issued and in the cases of **Art. 116**, shall notify in writing the competent NRA territorial directorate, which after estimation shall issue a permit for issuance of the relevant tax document or shall refuse its issuance.

(6) (new – SG, 97/2016, in force from 01.01.2017). A person, whose registration has been terminated under this act , in occurrence of the circumstance for change of the tax basis or destruction of a supply, for which a tax document has been issued with charged tax before the date of termination of the registration, shall notify in writing the competent territorial NRA directorate, which after consideration shall issue a permit for issuance of the relevant tax document or shall refuse its issuance.

(7) (new – SG, 97/2016, in force from 01.01.2017) Within 14 day term from receiving the permit under Para. 5 and 6, the person shall issue the relevant tax document and shall submit a declaration under **Art. 125, Para. 1** and accounting registers under **Art. 124** for the period, during which the relevant document has been issued in a procedure, determined by the rules for application of the act.

(8) (new – SG, 97/2016, in force from 01.01.2017). Where before the date of termination of the registration of the person, a tax document has been issued with charged tax for received advance payment and in the term under Para. 7 the due sum in relation to decreasing the tax base or for destruction of the supply it has not been returned to the receiver, set off or settled in another payment way, the person shall issue the document under Para. 6 within 14 day term form the date of returning, set off or settling in another way for the size of the returned, set off or settled in another payment way sum and shall submit a declaration under **Art. 125, Para. 1** and accounting registers under **Art. 124** for the period, during which the document has been issued in a procedure, defined by the rules on the application of the act.

Part seven.
SPECIFIC CASES

Chapter fourteen.
SPECIFIC CASES OF SUPPLIES

Supply made by a person acting on their own behalf and at the expense of others

Art. 127. (amend. – SG, 97/2016, in force from 01.01.2017) (1) Where a tax liable person (commissioner/trustee) in supply of goods or services acts on his behalf and at another's expense, it shall be assumed that the same person has received and provided the goods or the services.

(2) In the cases under par. 1, two supplies shall be present:

1. a supply between the commissioner/trustee and the third party, for which the date of occurrence of the tax event and the tax base of the supply are determined according to the general provisions of this Act;

2. a supply of the goods or services, subject to the supply under p. 1 between the commissionee/truster and the commissioner/trustee for which date of occurrence of the tax event and the tax base of the supply shall be defined as follows:

a) where the commissionee/truster acts on behalf of the commissioner/trustee in relation to sale, the date of occurrence of the tax event for this supply shall be defined by the common rules of the act, but shall not be later than the date of occurrence of the tax event under p. 1, the tax base of the supply shall be the tax base of the supply under p. 1, decreased by the remuneration of the commissioner/trustee;

b) where the commissioner/truster acts on behalf of the commissionee/trustee in relation to a purchase, the date of occurrence of the tax event shall be defined by the common rules of the act, but not be earlier than the date of occurrence of the tax event under p. 1, and the tax base of the supply shall be equal to the tax base of the supply under p. 1, increased by the remuneration of the commissioner/truster.

Accompanying supply

Art. 128. (1) Where the main supply is accompanied by another supply and the payment is determined jointly, it shall be accepted that there is one main supply.

Warranty servicing

Art. 129. (1) The provision of goods by a manufacturer or a person authorized thereby in order to replace or eliminate defects occurring under the terms of the agreed warranty service performed at the expense of the manufacturer, shall not be deemed to be a supply.

(2) The provision of a service for the removal of defects occurring under the terms of the agreed warranty service shall not be deemed to be a supply, when the following conditions are simultaneously present:

1. the service is carried out by a person authorised thereof by the manufacturer;

2. the manufacturer is not settled on the territory of the country;

3. the warranty servicing is at the expense of the manufacturer.

(3) The provision of goods or services for the removal of defects by a supplier shall not be deemed to be a supply, where the removal of the defects is at the supplier’s expense in connection with detained amounts under **Art. 26, para. 4, item 2**.

Barter

Art. 130. (1) Where there is a supply, in which the remuneration (in whole or in part) is determined in goods or services, it shall be assumed that there are two counter-supplies, where each supplier is considered to be the seller of what he gives and the buyer of what he receives.

(2) (amend. – SG 106/08, in force from 01.01.2009) The tax event for the supplies under par. 1 shall occur pursuant to the general provisions of the law.

(3) (new – SG 106/08, in force from 01.01.2009) The supply under para 1, where the tax event has occurred on an earlier date, shall be considered as an advance payment (whole or partial) for the second supply.

(4) (new – 94/12, in force from 01.01.2013) For the purposes of par. 3, the amount of the tax basis for the received advance payment shall be equal to the amount of the tax basis of the earlier supply by date.

Supply of goods or services at public sale under the Tax-insurance procedure code or under the Civil procedure code or a sale under the Registered Pledges Act

Art. 131. (1) (amend. – SG 94/10, in force from 01.01.2011) In the cases of public sale by the order of the **Tax-insurance procedure code** or of the **Civil procedure code** or in case of sale following the procedure of the **Registered Pledges Act** or of **art. 60 of the Credit Institutions Act** and in the event where the owner of the article (the debtor, pledgor, respectively the owner of the property under hypothec) is a person registered under this Act, the public executor, the court executor or the pledge shall be obliged within 5 days since receiving the full price regarding the sale:

1. (amend. – SG 99/11, in force from 01.01.2012) to remit the tax due on the sale to the bank account of the territorial directorate of the National Revenue Agency authorized with regards to the bailiff or pledge creditor or bank account or the respective territorial directorate of the National Revenue Agency, in the region of which operates the public executor;

2. to prepare a document for the sale, determined by the Rules for Implementation of the Act, in three copies – for the public executor/the court executor/the pledge, for the owner of the article and for the recipient (buyer);

3. to present the document under item 2 to the owner of the article and the recipient within three days term from its issue;

4. to notify the competent territorial directorate of the National Revenue Agency, where the owner of the article is registered under this Act, of the document issued under item 2 by order, determined by the Rules for Implementation of the Act.

Art. 27 shall not apply when determining the tax base.

(2) In the cases under par. 1, it shall be considered that the tax is included in the sale price, provided that it shall be remitted (paid) along with the sale price by the recipient (buyer) to the public executor/the court executor/the pledge.

(3) (amend. – SG 59/07, in force from 01.03.2008) Paragraph 1 shall not be applied, in case by the order of the **Tax-insurance procedure code** upon request by the creditor, the goods of the latter is assigned for payment of his/her receivable.

(4) (amend. – SG 59/07, in force fro, 01.03.2008; amend. - SG 94/15, in force from 01.01.2016) In the cases under par. 3, the tax base of the supply shall be the price of the goods, determined by the order of **art. 250, par. 3** or **art. 254, par. 9 of the Tax-insurance procedure code**, being considered that the tax is included in the price of the goods.

(5) (new – SG 113/07, in force from 01.01.2008) In case of cancelling of the public sale or of the sale of par. 1 by the competent court, the transferred tax on the sale/selling price shall be refunded following

a procedure, set by the Rules for Implementation of the Act.

Single-purpose vouchers

Art. 131a. (New - SG 98/18, in force from 01.01.2019) (1) The sale of a single-purpose voucher by a taxable person who acts in his own name shall be regarded as being the supply of the goods or services, to which the single-purpose voucher relates.

(2) The sale of a single-purpose voucher by a taxable person who acts on behalf of another taxable person shall be regarded as being the supply of the goods or services, to which the voucher relates, made by that other taxable person.

(3) The actual supply of goods, or provision of services by a supplier to the person who has provided a single-purpose voucher as consideration or part consideration for the receipt of such goods or services, shall not be considered a supply.

(4) Where a taxable person, having supplied the goods or services against a single-purpose voucher as consideration or part consideration, is a person other than the issuer of the voucher, the provision of the goods or services shall be regarded as supply to the voucher’s issuer.

Multi-purpose vouchers

Art. 131b. (New - SG 98/18, in force from 01.01.2019) (1) The sale of multi-purpose voucher by a taxable person acting in his own name shall not be regarded as being the supply of the goods or services to which the voucher relates.

(2) The actual supply of goods, or provision of services by the supplier to a person who has provided a multi-purpose voucher as consideration or part consideration for the receipt of those goods or services, shall be regarded as a supply.

(3) The sale of a multi-purpose voucher by a taxable person acting on behalf of another taxable person shall not be considered a supply made by that other taxable person.

(4) Keeping the multi-purpose voucher after its expiry date, without any actual supply of goods or provision of services, shall not be considered a supply of goods or services.

Vouchers – Special Provisions

Art. 131c. (New - SG 98/18, in force from 01.01.2019) (1) Where for the service provided by a taxable person, acting on behalf of another taxable person, a remuneration has been agreed in relation to the sale of the voucher, it shall be regarded as a supply of service subject to VAT.

(2) The provisions of **Art. 131a** and **131b** shall not apply to:

1. instruments which entitle the holder to obtain a discount on receipt of the goods or services but do not confer the right to receive the goods and services themselves;

2. tickets for travel, cinema, museum, etc., postage stamps and the like;

3. (repealed - SG 14/22, in force from 18.02.2022)

Supplies of goods intended for activities in the Continental Shelf and the exclusive economic zone

Art. 131d. (New - SG 96/19, in force from 01.01.2020) (1) For the supply of goods on the territory of the country intended for activities in the continental shelf and the exclusive economic zone, the supplier applies the general rules of this Act for such supplies, including the supply of goods placed under re-export or export regime.

(2) The tax under **Art. 82, para. 6** shall be charged upon the issuance of a protocol. For the tax charged the person under Art. 82, para. 6 is entitled to a tax credit subject to Chapter Seven.

(3) The person under **Art. 82, para. 6, items 1 and 2** shall notify the competent territorial directorate of the National Revenue Agency, that it will levy a tax on goods intended for the continental shelf and the exclusive economic zone electronically.

Chapter fifteen.
SPECIFIC CASES OF REGISTRATION AND DE-REGISTRATION

Obligatory registration as a result of reorganization

Art. 132. (1) A person shall be obligatorily registered under this Act, if on the grounds of **art. 10, par. 1** he/she acquires goods and services from a registered person.

(2) (suppl. – 94/12, in force from 01.01.2013, amend. - SG 97/17, in force from 01.01.2018) The registration under par. 1 shall be made by submitting application for registration in 7-day term from entering the circumstance under **art. 10, par. 1** in the trade register or in BULSTAT register.

(3) (suppl. – 94/12, in force from 01.01.2013) The date of the registration in the cases under par. 1 shall be the date of entering the circumstance under **art. 10** in the trade register or registration in BULSTAT register.

(4) (amend. – 94/12, in force from 01.01.2013, revoked - SG 92/17, in force from 01.01.2018)

(5) (new – SG, 97/2016, in force from 01.01.2017) Under this act a non-personified company shall be registered obligatorily, in which a partner participates, who is registered person under this act.

(6) (new – SG, 97/2016, in force from 01.01.2017, amend. - SG 97/17, in force from 01.01.2018) The registration under Para. 5 shall be made by submitting an application for registration within 7 days from the date of establishing the unincorporated company, which date shall be considered the date of registration of the company under this Act. Where the partner registers under this act after the date of establishment of the unincorporated company, the application shall be filed within 7 days from the date of registration of the partner, which date shall be considered as the date of registration of the company under this act.

Registration in Succession

Art. 132a. (new – SG, 97/2016, in force from 01.01.2017) (1) In case of death of a registered natural person under this act , or natural person – sole trader, whose undertaking is taken in succession or testimony, where the independent economic activity of the dead person is continued by a person, who is registered under this act, and for whom the conditions for obligatory registration are present under **Art. 96, Para. 1**, the person shall have the right to register under this act.

(2) (Amend. - SG 97/17, in force from 01.01.2018) The registration under Para. 1 shall be made with submission of a registration application within 7 days form accepting the heritage under **Art. 49** and **51 of the Inheritance Act**, but not later than 14th day of the month, following the 6th month of the date of the death of the grantor.

(3) For date of registration under this act shall be considered the date of delivery of the registration act.

(4) (revoked - SG 92/17, in force from 01.01.2018)

Registration of a foreign person not settled in the country

Art. 133. (1) Registration of a foreign person who has a permanent site on the territory of the country, from which he/she performs economic activity and who meets the requirements of this Act for

obligatory registration and voluntary registration, shall be registered through an accredited representative except for the branches of foreign persons which are registered by the general procedure.

(2) A foreign person who is not settled on the territory of the state but he/she implements leviable supplies having place of performance on the territory of the state and meets the requirements of this Act for obligatory registration or voluntary registration, shall be registered through an accredited representative.

(3) (amend. – SG 108/07, in force from 19.12.2007) The registration under par. 1 and 2 shall be carried out by the procedure of **art. 101** in the territorial directorate of the National Revenue Agency under **Art. 8 of the Code of Tax Insurance Procedure**.

(4) At termination of the person - accredited representative, or at occurrence of other circumstances leading to impossibility this person to fulfil his/her obligations under this Act, the foreign person shall be obliged to determine new accredited representative in 14 days period considered from the occurrence of the new circumstances.

(5) (amend. - SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) A foreign person, who is not established at the seat and address of management and at a permanent establishment in the territory of the European Union, but is established in a third country, with which the European Union has not concluded a mutual assistance agreement, similar in scope to Council Directive 2010/24 / EU of 16 March 2010 on mutual assistance for the recovery of claims, relating to taxes, fees and other measures (OJ L 84/1, 31 March 2010), hereinafter "Directive 2010/24 / EU", and Council Regulation (EU) № 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (OJ L 268/1 of 12 October 2010), hereinafter referred to as "Regulation (EU) № 904/2010", and has chosen to register on the grounds of **Art. 154** for application of a regime outside the Union or Art. 156 for the application of the regime in the Union shall be registered through an accredited representative.

(6) (new – SG 95/09, in force from 01.01.2010, amend. – SG, 104/20, in force from 01.07.2021) When a person under Para. 1, 2 and 5 is established in another Member State or in a third country, with which the European Union has concluded a mutual assistance agreement similar in scope to Directive 2010/24 / EU and Regulation (EU) № 904/2010, the registration shall be carried out under the general order or the special order of Chapter Eighteen. The foreign person may appoint an accredited representative, and in these cases Para. 4 shall not apply.

(7) (new – SG 95/09, in force from 01.01.2010) The income authority may register under the order of **Art. 102** also a person meeting the requirements of Para 1 and 2, including the cases when he has submitted an application for registration but has failed to determine an accredited representative.

Termination of the registration (the de-registration) of a foreign person registered under this Act

Art. 134. (1) (Amend. – SG, 104/20, in force from 01.07.2021) The registration of foreign person registered pursuant to **Art. 133** shall be terminated, if the conditions for de-registration under this Act are present.

(2) (Suppl. - SG, 104/20, in force from 01.07.2021) The de-registration under Para. 1 shall be implemented by the procedure under **Art. 109**, or under **Art. 155** or **157**.

(3) (amend. – SG 95/09, in force from 01.01.2010) When the foreign person does not determine new accredited representative in the term under **art. 133, par. 4**, his/her registration may be terminated by the initiative of the revenue body via issuing an act for de-registration.

(4) In the cases under par. 3, the act for de-registration shall not be handed over to the person and the date of de-registration shall be the date, on which the term under **art. 133, par. 4** expires.

(5) At de-registration under par. 1 and 3, it shall be assumed that the foreign person implements a supply under **art. 111**.

Accredited representative

Art. 135. (1) (amend. – SG 108/07, in force from 19.12.2007) Accredited representative of foreign person may only be a legally capable natural person with a permanent address or permanently residing in the country, or local legal person which is not in a procedure of liquidation or that is not announced insolvent and does not have exigible and unpaid tax liabilities and insuring liabilities, collected by the National Revenue Agency.

(2) The accredited representative shall represent the foreign person under **art. 133** in all of his/her tax legal relations occurred pursuant this Act.

(3) (suppl. – SG 95/09, in force from 01.01.2010, amend. – SG, 104/20, in force form 01.07.2021) The accredited representative shall be jointly and severally liable for the obligations under this Act of the registered foreign person, except in the cases referred to in Art. 133, Para 5 for the persons, registered on the grounds of **Art. 154** for application of a regime outside the Union and under **Art. 133, Para. 6**.

(4) (Amend., SG, 104/20, effective from 01.07.2021, amend. - SG 14/22, in force from 18.02.2022) The representative under Art. 157a, Para. 2 shall be considered an accredited representative of the person under Art. 157a, Para. 3 and represents it in all its tax legal relations under the regime for distance sales of goods imported from third countries or territories, and shall be jointly and severally liable for the obligations under this regime.

Part eight.
SPECIAL PROCEDURE OF LEVYING

Chapter sixteen.
TOURIST SERVICES

Supply of general tourist services

Art. 136. (amend. – SG 99/11, in force from 01.01.2012) (1) Where a tour operator, on its own behalf, provides goods or services related to the journey of a passenger, for the carrying out of which goods or services are used, of which the passenger makes direct use, it shall be considered that a supply of a general tourist service is carried out.

(2) The goods and services under par. 1, from which the passenger makes use of directly, shall be those, which the tour operator has received from other tax liable persons and has provided to the passenger without change.

(3) (amend. – SG, 97/2016, in force from 01.01.2017) The provisions of this Chapter shall not apply with regards to supplies of tourist agents, where they act on behalf and at the expense of another person.

Place of performance of the general tourist service

Art. 137. (amend. – SG 99/11, in force from 01.01.2012) Place of performance of the supply of a general tourist service shall be the place, where the tour operator has established his economic activity or has a permanent facility, from which he carries out the performance.

Date of occurrence of the chargeable event and chargeability of the tax

Art. 138. (1) (amend. – SG 99/11, in force from 01.01.2012) Date of occurrence of the chargeable event regarding the supply of general tourist services shall be the date, on which the passenger makes use of the supply for the first time.

(2) The tax for the supply of the general tourist service shall become chargeable on the date of occurrence of the chargeable event under par. 1.

Tax base of common tourist service

Art. 139. (1) (amend. – SG 99/11, in force from 01.01.2012) The tax base of the supply of general tourist services shall be the margin, which represents the difference, decreased with the amount of the tax due, between:

1. the total sum, which the tour operator has received or will receive from the passenger or from the third person for the supply, including the subsidies and funding, directly connected with this supply, the taxes and the fees, as well as the expenses accompanying, as commissions and insurances, charged by the provider to the recipient, but except the trade discounts provided;

2. the sum, which has been paid or will be paid for supplies of goods and services, received by the tour operator from other tax liable persons, from which the passenger makes use of directly, including the tax under this Act.

(2) The tax base under par. 1 can not be a negative value.

Zero rate in supplies of general tourist services

Art. 140. (1) (amend. – SG 99/11, in force from 01.01.2012) The supply of general tourist service shall be charged with zero rate, if the supplies of the goods and services, from which the passenger makes use of directly, are with place of performance on the territory of third countries and territories.

(2) (amend. – SG 99/11, in force from 01.01.2012) When only part of the supplies of the goods and the services under par. 1, from which the passenger makes use of directly, are with place of performance on the territory of third countries and territories, leviable with zero rate shall only be their corresponding part of the supply of the general tourist service.

Tax credit of the tour operator (title amend. – SG 99/11, in force from 01.01.2012)

Art. 141. (amend. – SG 99/11, in force from 01.01.2012) The tour operator shall not be entitled to deduct tax credit for the supplies of goods and services, acquired from other tax liable persons, from which the passenger makes use of directly.

Charging the tax and documenting the supply of general tourist service

Art. 142. (1) (amend.– 94/12, in force from 01.01.2013) The tax for the supply of general tourist service shall be charged by issuing a protocol, and in the invoice and the notification thereto it shall be indicated "regime of taxation of the margin – tourist services.

(2) The documentation and accounting of the supply of general tourist service shall be carried out by order, specified with the **Rules for Implementation of the Act**.

Chapter seventeen.
SPECIAL PROCEDURE FOR LEVYING THE MARGIN OF THE PRICE

Supply of second hand goods, works of art, collections articles and antiques

Art. 143. (1) (suppl. – SG 108/06, in force from 01.01.2007; amend. – SG 95/09, in force from 01.01.2010) The provisions of this chapter shall be applied for supply carried out by dealer, of second hand goods, works of art, collections articles, antique articles delivered on the territory of the country or from the territory of another Member State by:

1. tax non-liable person;

2. (suppl. – 94/12, in force from 01.01.2013) another tax liable person registered under this Act, when the object of supply are goods exempt under **Art. 50, par. 1** or by persons registered for VAT purposes in another Member State exempt from tax according to the legislation of the respective country on similar grounds;

3. another tax liable person not registered under this Act or by a tax liable person from a Member State not registered for VAT purposes, where subject of supply are goods that are long term assets according to the legislation of the relevant accountancy legislation;

4. another dealer, applying the special procedure for levying the margin of the price.

(2) The provision of par. 1 shall not be applied for intra-community supply of new vehicles.

(3) The dealers are also entitled to apply the provisions of this chapter with regards to the supply of:

1. works of art, collections articles or antique articles, which they have imported;

2. works of art, which have been delivered by their authors or by their heirs.

(4) (amend. – SG 108/06, in force from 01.01.2007) The right to choose under par. 3 shall be exercised by submitting notification before the competent territorial directorate of the National Revenue Agency.

(5) The dealers, who have exercised the right of choice under par. 4, shall apply the special procedure for levying the margin of the supply under par. 3 from the first day of the month, following the month of submitting the notification, and for period not shorter than 24 months, including the month following the month of submitting the notification.

(6) After expiration of the term under par. 5, the dealer may terminate the application of the special procedure for levying the margin for supplies under par. 3, as submitting notification to the competent territorial directorate of the National revenue agency. Applying the special procedure for levying the margin shall be terminated since the month, following the month of submitting the notification.

(7) The notifications under par. 4 and 6 shall be submitted according to a form, specified by the **Rules for Implementation of the Act**.

Place of performance, tax event and tax chargeability regarding the supplies of goods, for which the special procedure for levying the margin shall be applied

Art. 144. (1) Place of performance of supplies under **art. 143** shall be the place, where the seat of business or the permanent address of the dealer, who carries out these supplies, is located.

(2) The tax event of the supplies under **art. 143** shall occur according to the general provisions of this Act.

(3) The tax for supplies under **art. 143** shall become exigible on the last day of the tax period, during which the tax event for the supply has occurred pursuant to par. 2.

(4) The tax shall be charged along with the issuing of protocol pursuant to procedure and way, determined with the **Rules for Implementation of the Act**.

Tax base

Art. 145. (1) The tax base of the supply of goods under this chapter shall be the margin of the price, which represents the difference, reduced with the amount of the tax due, between:

1. the sale price, which is the total sum the dealer has received or will receive from the client or the third person for the supply, including the subsidies and funding, directly connected with this supply, the taxes and the fees, as well as the accompanying expenses for wrapping, transport, commissions and insurances, charged by the provider for the recipient, but without the provided trade discounts.

2. the sum, which has been paid or will be paid for the goods received by the persons under **art. 143, par. 1 and 3**, including the tax under this Act, and when the goods is imported – the tax base at import, including the tax under this Act.

(2) The tax base under par. 1 cannot be a negative value.

Supply of goods by the special procedure of levying the margin with zero rate

Art. 146. The supply of goods by the special procedure of levying the margin shall be leviable with zero rate, when the conditions under **art. 28** are present for the supply.

Tax credit

Art. 147. (1) The dealer shall have the right of tax credit for the other goods and services, acquired or imported by him/her, which he/she uses only for carrying out supplies under this chapter.

(2) (revoked – SG 95/09, in force from 01.01.2010)

(3) (revoked – SG 95/09, in force from 01.01.2010)

(4) (revoked – SG 95/09, in force from 01.01.2010)

(5) The dealer shall not have right of deduction of tax credit for goods received or imported by him/her, for which the special procedure for levying the margin shall be applied.

(6) (new – SG 99/11, in force from 01.01.2012) The dealer shall be entitled to tax credit for the imported second-hand goods under the general provisions of the law.

(7) (new – SG 99/11, in force from 01.01.2012) The dealer shall be entitled to tax credit for the imported works of art, collectors' items or antiques or works of art supplied to him by their creator or his successors under the general provisions of the law, provided that he has not exercised his right to choose pursuant to **Art. 143, para 3**.

Documenting the supply of goods a per the special procedure for levying the margin

Art. 148. (1) (new – 94/12, in force from 01.01.2013) In the invoice and in the invoice notification the dealer shall indicate "regime of taxation of margin – second hand goods" or "regime of taxation of margin – pieces or art" or "regime of taxation of margin – items for collections and antiquities".

(2) (prev. Art. 148 – SG 94/12, in force from 01.01.2013) The documentation and accounting of the supply of goods by the special procedure for levying the margin shall be implemented by procedure, determined by the **Rules for Implementation of the Act**.

Leviable turnover of the dealer from supplies of goods by the special procedure for levying

the margin

Art. 149. The leviable turnover of the dealer regarding supplies of goods by the special procedure for levying the margin shall be the sum of the margins.

Charging tax on available goods at dealer’s de-registration

Art. 150. (1) The de-registration of a dealer shall be implemented pursuant to the general conditions for de-registration under this Act.

(2) At de-registration, the dealer shall owe tax for the available goods under this chapter. The extent of the tax shall be determined on the basis of the average margin realized by the dealer for the last 12 months before the date of de-registration.

(3) The procedure and the way for determining the average margin under par. 2 shall be specified in the **Rules for Implementation of the Act**.

(4) At the de-registration, the dealer shall be liable with tax under **art. 111**, except for the tax regarding the available goods under par. 2.

Right of choice

Art. 151. (1) The dealer may apply the general procedure for levying under the law with regards to the supply of second hand goods, works of art, collections articles and antique articles.

(2) The right under par. 1 shall be exercised by the person for each separate supply, as into the issued invoice shall not be pointed, that the special procedure under this chapter is being applied.

(3) (amend. – SG 95/09, in force from 01.01.2010) The tax base of the supply shall be determined by the procedure of **art. 26** and **27**.

(4) (amend. – SG 99/11, in force from 01.01.2012) In the cases under par. 1 as regards to the goods for which **Art. 143, para 3** is applied, the right of tax credit shall occur and shall be exercised in the tax period, during which the tax for the subsequent supply of the goods has become exigible.

(5) The documentation of the supplies under par. 2 shall be carried out by the general procedure of the law.

(6) When the dealer applies the special procedure for levying the margin as well as the general procedure for levying the supplies, he/she shall keep separate accounting of the supplies, determined by the **Rules for Implementation of the Act**.

Chapter seventeen "a".
SPECIAL REGIME OF CASH ACCOUNTING OF VALUE ADDED TAX (NEW – SG 101/13, IN FORCE FROM 01.01.2014)

General provisions

Art. 151a. (new – SG 101/13, in force from 01.01.2014) (1) The persons registered under **Art. 96**, **97** and **Art. 100, par. 1** may apply special regime of cash accounting of value added tax, herein after referred to as "special regime", where they meet the following conditions in aggregate:

1. have got taxable turnover not exceeding the equivalent in BGN of EUR500.000, realized over a period not longer than the last 12 subsequent months before the current month; the taxable turnover shall be determined subject to compliance with the provision of **Art. 96**;

2. do not have got an enforced audit act under the provision of **Art. 122 of the Code of Tax Insurance Procedure** and/or for the responsibility under **Art. 177**;

3. do not have got payable and pending tax liabilities and liabilities for social insurance contributions under enforced acts, and in case of such existing liabilities they have provided a collateral or they have been granted a permit for a delayed or deferred payment.

(2) In case of application of the special regime to supplies for which the tax event has occurred, the tax shall become payable on the date of receipt of the entire or partial payment pro rate the payment. The regime shall apply to all supplies of goods or services, except for:

1. import of goods;

2. intracommunity acquisition of goods;

3. intracommunity supply of goods;

4. supplies to persons not registered under this act;

5. cleared supplies;

6. supplies with a place of performance outside the territory of the country;

7. provision of services with a place of performance in the territory of the country, for which the tax shall become collectable from the consignee of the supply;

8. supplies under a leasing contract under **Art. 6, par. 2, item 3**;

9. supplies, regarding which **Chapter Eight** applies, except for this Chapter;

10. supplies of goods and services for which the payment is not made by a bank transfer, including through a credit transfer, direct debit or cash transfer, made through a payment service provider within the meaning of the **Payment Services and Payment Systems Act**, or through a T/T transfer, made through a post operator licensed for carrying out T/T transfers within the meaning of the **Postal Services Act**;

11. (amend. - SG 52/22, in force from 01.07.2022) supplies taxable with a zero rate;

12. supplies between affiliated persons;

13. taxable supplies, for which before or after the date of occurrence of the tax event fill payment for the supply has been made, including the tax under this act.

(3) For the application of the special regime, a permit shall be issued by the National Revenue Agency authorities.

(4) In order to obtain a permit for application of the special regime, the person under par. 1 shall file to the competent territorial directorate of National Revenue Agency a written application in a standard form, determined by the **Regulations for implementation of the act**. The application for application of the special regime shall be filed following the order of submission of the application under **Art. 101**.

(5) Within the terms under **Art. 101, par. 6 and 7**, the revenue authority shall carry out an inspection and shall issue an act, by which confirms or legitimately refuses issuance of a permit for application of the special regime. The permit shall be issued on the date of handing of the act under **Art. 101, par. 7** over.

(6) National Revenue Agency may refuse to issue a permit under par. 5, if they find out that any of the conditions under par. 1 is not complied with.

(7) National Revenue Agency may refuse to issue a permit under par. 5, if they find out that the circumstance under **Art. 176** are existing.

(8) For the persons under par. 1 applying the special regime National Revenue Agency shall produce and maintain a special public register which is a part of the register under **Art. 80, par. 1 of the Code of Tax Insurance Procedure**.

(9) The revenue authority shall register the person in the special public register under par. 8 on the day of issue of the permit for application of the special regime.

Application and termination of the special regime

Art. 151b. (new – SG 101/13, in force from 01.01.2014) (1) A person having obtained a permit

under **Art. 151a, par. 5**, shall apply the special regime from the day one of the month following the month of obtaining of the permit.

(2) Where the conditions under **Art. 151a, par. 1** are existing, the person having obtained a permit for application of the special regime, may undertake actions for termination of application of the regime upon expiration of 12 months, as from the month following the month of issuance of the permit.

(3) Where any of the conditions under **Art. 151a, par. 1** is not existing, the person having obtained a permit for application of the special regime, shall undertake actions for termination of application of the regime.

(4) For termination of application of the special regime subject to compliance with the provisions of par. 2 and 3 the person shall submit to the competent territorial directorate of National Revenue Agency an application for termination of application of the special regime in a standard form, determined by the **Regulations for implementation of the act**. In cases under par. 3 the application shall be submitted within 7 days after the occurrence of the circumstances.

(5) For termination of application of the special regime the terms under **Art. 109, par. 4 and 5** the revenue authority shall carry out an inspection and shall issue an act, confirming or legitimately refusing to terminate the application of the special regime.

(6) Any person, having chosen to apply the general rules for chargeability of the tax under **Art. 25** after the term referred to in par. 2, may apply for a permit for application of the special regime upon expiration of 12 months, as from the beginning of the month, following the month of termination of its application.

(7) The application of the special regime shall be terminated under the initiative of the revenue authority by issuing an act where:

1. it is found out that any of the conditions under **Art. 151a, par. 1** is not existing and the person has not complied with the obligation to file their application under par. 4 within the set term;

2. the person has set off a tax credit prior to occurrence of circumstances under **Art. 151d, par. 1**;

3. the person under par. 1 has not issued or recorded the issued protocol under **Art. 151c, par. 8** on the payable value added tax in case of received payment for carried out supply of goods or services in the reporting register under **Art. 124, par. 1, item 2** and in the statement-declaration under **Art. 125** for the period during which the tax has become chargeable.

(8) The revenue authority may terminate the application of the special regime for a person, having obtained a permit under **Art. 151a, par. 5**, where they find out that the circumstances under **Art. 176** are existing.

(9) The application of the special regime shall be terminated under par. 2, 3, 7 and 8 as from the day following the day of handing over of the act of termination of application of the special regime.

(10) The revenue authority shall delete the person from the special public register under **Art. 151a, par. 8** on the day of handing over of the act of termination of application of the special regime.

Tax event, chargeability and charging of tax

Art. 151c. (new – SG 101/13, in force from 01.01.2014) (1) The tax event of a supply, to which the provisions of this Chapter apply, shall occur in accordance with the general rules under this Act.

(2) A person applying the special regime shall be obliged on the date of occurrence of the tax event under par. 1 to charge the tax for the supply and:

1. to issue an invoice or a notice and to indicate the tax in a separate field;

2. to make a record of the invoice or the notice under item 1 in the sales record book for the respective tax period whereby the tax base and the amount of the tax shall not be taken into account for determination of the balance in the tax period.

(3) The tax for the supply under par. 1 shall be chargeable on the date of receipt of full or partial payment under the supply and the person, applying the special regime shall be obliged to make a record and

to take into account the amount of the tax from the protocol under par. 8 for determination of the balance in the respective tax period in the sales record book and in the statement-declaration under **Art. 125** for this tax period.

(4) In case of partial payment received on or after the date of the tax event, chargeability under par. 3 shall occur only regarding the part of the tax indicated in the invoice and/or the notice under par. 2, which corresponds pro rate to the amount of the made partial payment in relation to the total amount of the due payment payable as of the date of the tax event.

(5) For the partial down payment for the supply under par. 1 received prior to occurrence of the tax event, the provision of **Art. 25, par. 7** shall apply and charging shall be done according to the general legal procedure. The provision of par. 3 shall apply to the amount of the tax on the difference between the tax base under the supply and the advance paid amounts, exclusive the tax under this act for a partial down payment received prior to occurrence of the tax event.

(6) Where prior to starting to apply the special regime an invoice has been issued for a partial down payment under a taxable supply, the tax event of which occurs after the first day of the month following the month of obtaining of the permit for application of the special regime, the provision of par. 5 shall apply.

(7) In case of termination of application of the special regime, the tax for which the chargeability under par. 3 has not occurred, shall become chargeable on the date of handing over of the act or termination of application of the regime and the person shall be obliged to take it into account for determination of the balance for the tax period in which the application of the special regime has been terminated in the statement-declaration under **Art. 125**.

(8) For determination of the amount of tax under par. 3 and 7, a protocol shall be issued following a procedure, determined by the **Regulations for implementation of the act**, for each party by the supplier – a parson, applying the special regime. The tax shall be payable for the tax period, in which it has become chargeable.

Tax credit

Art. 151d. (new – SG 101/13, in force from 01.01.2014) (1) For the persons referred to in **Art. 151b, par. 1** the right to setting off of tax credit for a received supply, to which the supplier does not apply the special regime, shall occur for the tax period, in which full or partial payment for the supply has been made in favor of the supplier and shall be exercised within the term referred to in **Art. 72**.

(2) Paragraph 1 shall not apply to supply of goods or services which according to **Art. 151a, par. 2** are excluded from the scope of the special regime. The right to a tax credit for these supplies occurs and shall be exercised following the general legal procedures.

(3) For the persons referred to in **Art. 151b, par. 2** the right to setting off of a tax credit under a supply to which the supplier applies the special regime, and "cash accounting" is indicated in the invoice, shall occur for the tax period, in which full or partial payment for the supply has been made in favour of the supplier and shall be exercised within the term referred to in **Art. 72**.

(4) In case of partial payment made on or after the date of the tax event, the right to a tax credit under par. 1 shall occur for the part of the tax indicated in the invoice and/or the notice as of the date of the tax event, which corresponds pro rate to the amount of the made partial payment in relation to the total amount of the due payment payable as of the date of the tax event.

(5) For the partial down payment made prior to occurrence of the tax event, the right to a tax credit shall occur subject to compliance with the general legal procedures. The provision of par. 1 shall apply to the amount of the tax indicated in the issued invoice and/or notice, determined on the difference between the tax base under the supply and the advance paid amounts, exclusive the tax under this act.

(6) A person terminating the application of the special regime subject to compliance with the provision of **Art. 151b**, shall have the right to set off a tax credit for the tax, for which as a result of application of par. 1 this right has not been exercised. The right shall arise on the date of handing over of the

act of termination of application of the regime and shall be exercised within the term referred to in **Art. 72**.

(7) For a person terminating the application of the special regime, the right to setting off of a tax credit for a supply for which chargeability of the tax has not occurred regarding a supplier who is a person applying the special regime, and "cash accounting" is indicated in the invoice, shall occur subject to compliance with the provision of **Art. 68, par. 6**.

(8) For determination of the amount of tax credit under par. 1 and 6, a protocol shall be issued following a procedure, determined by the **Regulations for implementation of the act** by the consignee who is a parson referred to in **Art. 151b, par. 1**. The consignee shall not issue a protocol of suppliesv, to which the supplier has applied the provision of **Art. 151c, par. 8** and "cash accounting" is indicated in the invoice.

Documenting the supply

Art. 151e. (new – SG 101/13, in force from 01.01.2014) (1) The accomplished supplies, for which the chargeability of the tax under **Art. 151c, par. 3** has not occurred, shall be documented by indicating "cash accounting" obligatorily in the invoice or in the notice thereto.

(2) Paragraph 1 shall not apply to supply of goods or services which according to **Art. 151a, par. 2** are excluded from the scope of the special regime.

(3) Documenting and reporting of supplies under the special regime shall be done following a procedure, determined by the **Regulations for application of the act**.

Chapter eighteen.
SPECIAL TAXATION REGIMES FOR TAXABLE PERSONS, PROVIDING SERVICES, INTRA-COMMUNITY DISTANCE SALES OF GOODS, DOMESTIC DISTANCE SALES OF GOODS AND DISTANCE SALES OF GOODS, IMPORTED FROM THIRD COUNTRIES OR TERRITORIES (REPEALED, NEW – SG 105/14, IN FORCE FROM 01.01.2015, TITLE AMEND. – SG, 104/20, IN FORCE FROM 01.07.2021)

Section I.
General provisions (new – SG 105/14, in force from 01.01.2015)

Special regimes

Art. 152. (new – SG 105/2014, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.072021) (1) The special arrangements under this Chapter shall apply to a regime outside the Union, a regime within the Union and a regime for the distance selling of goods, imported from third countries or territories.

(2) A regime outside the Union may apply to supplies of services by a taxable person, not established in the territory of the European Union, the recipients of which are non-taxable persons, who are established, have a permanent address or habitual residence in the European Union.

(3) A Union regime may apply to the supply of services or intra-Community distance selling of goods or certain domestic distance selling of goods, made by:

1. (suppl. - SG 14/22, in force from 18.02.2022) taxable persons, not established in the Member State of consumption in the case of supplies of services to non-taxable persons, who are established, have a permanent address or habitual residence in the European Union or outside of it;

2. taxable persons for deliveries of intra-Community distance sales of goods under Art. 14, Para. 1;

3. taxable persons, who manage an electronic interface when facilitating the sale of goods under Art. 14a, Para. 5, items 1 and 3.

(4) For supplies of services, distance selling of goods or certain domestic distance selling of goods, for which the recipients are non-taxable persons, who are established, have a permanent address or habitual residence in the territory of a Member State, the supplier may choose to register for application of any of the special regimes under Para. 2 and 3 in the country or in another Member State.

(5) A regime for the distance selling of goods, imported from third countries or territories may be applied to goods in the form of consignments with an intrinsic value, not exceeding the BGN equivalent of EUR 150, with the exception of excise goods, when they are imported into any Member State and, regardless of the Member State, for which they are intended, by:

1. a taxable person, including who manages an electronic interface when established in the territory of the European Union and makes distance sales of goods within the territory of the European Union, imported from third countries or territories in the form of consignments with an own value not exceeding the BGN equivalent of EUR 150; in that case, the person may be represented by a representative, established in the territory of the European Union, or

2. a taxable person, including who operates an electronic interface, when established in the territory of a third country, with which the European Union has concluded a mutual assistance agreement, similar in scope to Directive 2010/24 / EU and Regulation (EU) № 904/2010, and imports the goods from that third country in the form of consignments with an own value, not exceeding the BGN equivalent of EUR 150, with which it makes distance sales on the territory of the European Union; in that case, the person may be represented by a representative, established in the territory of the European Union, or

3. a taxable person, including, who operates an electronic interface and is established in a third country, with which the European Union has not concluded a mutual assistance agreement, similar in scope to Council Directive 2010/24 / EU and Regulation (EU) № 904/2010; in this case the person must be represented by a representative, established in the territory of the European Union.

(6) For the purposes of a regime outside the Union:

1. a taxable person, who is not established in the territory of the European Union is a taxable person, who does not have a registered office and address of management in the territory of the European Union or a permanent establishment in the territory of the European Union;

2. Member State of identification is the Member State, in which the taxable person, not established in the territory of the European Union has chosen to register when he commences his activity as a taxable person - service provider, with recipients - non-taxable persons, who are established, have their permanent address or habitual residence in the European Union, in accordance with the provisions of this Chapter;

3. Member State of consumption is the Member State, in which the place of supply of the service is situated.

(7) For the purposes of the Union regime:

1. a taxable person, who is not established in the Member State of consumption is a taxable person, who has his registered office and a management address, or has a permanent establishment in the territory of the European Union, but who does not have a registered office and management address on the territory of a Member State of consumption;

2. Member State of identification is:

a) the Member State, in which the taxable person has his registered office and address of management, or in which he has a permanent establishment if he does not have a registered office and management address in the territory of the European Union;

b) where the taxable person does not have a registered office and an address of management in the territory of the European Union, but has a permanent establishment in more than one Member State, he may choose which of those Member States is the Member State of identification; the taxable person is bound by this decision during the calendar year of the election and the following two calendar years;

c) where a taxable person does not have a registered office and an address of management in the

territory of the European Union and does not have a permanent establishment there, the Member State of identification shall be the Member State, in which the dispatch or transport of the goods begins; where there is more than one Member State, in which the dispatch or transport of the goods begins, the taxable person may choose which of those Member States is the Member State of identification; the taxable person is bound by this decision during the calendar year of the choice and the following two calendar years;

3. Member State of consumption is:

a) in the case of a supply of services, the Member State, in which the place of performance of the supply of the service is situated;

b) in case of intra-community distance sales of goods by a taxable person, including by a taxable person, facilitating the sale under Art. 14a, Para. 5, item 1 - the Member State, in which the dispatch or transport of the goods to the consignee ends;

c) in case of delivery of goods by a taxable person, facilitating the sale under Art. 14a, Para. 5, item 3, when the dispatch or transportation of the goods starts and ends in the same Member State - that Member State.

(8) For the purposes of the distance selling regime for goods imported from third countries or territories:

1. a taxable person, who is not established in the territory of the European Union is a taxable person, who does not have a registered office and address of management in the territory of the European Union or a permanent establishment in the territory of the European Union;

2. representative is a person, established in the territory of the European Union and designated by the taxable person, making distance sales of goods, imported from third countries or territories as a person, who pays the tax and as a person, who acts on behalf of and for account of the taxable person in the performance of the obligations, specified in this special regime;

3. Member State of identification is:

a) the Member State, in which the taxable person chooses to register, where he is not established in the territory of the European Union;

b) the Member State, in which the taxable person has chosen to register and has a permanent establishment there, where he has no registered office and management address in the territory of the European Union, but has permanent establishments in more than one Member State; the taxable person is bound by this decision during the relevant calendar year and the following two calendar years;

c) the Member State, in which the taxable person has his registered office and address in the territory of the European Union;

d) the Member State, in which the representative has his registered office and address of management in the territory of the European Union;

e) the Member State, in which the representative has chosen to register and has a permanent establishment there, where he has no registered office and management address in the territory of the European Union, but has permanent establishments in more than one Member State; the representative shall be bound by this decision during the relevant calendar year and the following two calendar years;

4. Member State of consumption is the Member State, in which the dispatch or transport of the goods to the consignee ends.

Applicability of special regimes

Art. 153. (New – SG, 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A taxable person, who is not established in the territory of the country and performs services or distance sales of goods, for which recipients are non-taxable persons, who are established, have a permanent address or habitual residence in the territory of the country, and the person is not registered for application of any of the special regimes under Art. 152, Para. 1 in the country or in another Member State, shall apply the general rules of the Act.

(2) A person, registered on the grounds of Art. 156 for the application of the regime in the Union, for supplies of services to recipients of non-taxable persons, who are established, have a permanent address or habitual residence in the territory of the country, including when the supplies are made from a permanent establishment in another Member State, shall apply the general rules of the Act.

(3) A person, registered on the grounds of Art. 156 for the application of a regime in the Union, for supplies of services to recipients of non-taxable persons, who are established, have a permanent address or habitual residence in the territory of another Member State, in which the person has a permanent establishment, regardless whether the supply is made by that establishment, shall not apply this mode. For these supplies, the person shall apply the law of the Member State, in which his permanent establishment is located.

(4) A person, registered on the grounds of Art. 156 for application of a regime in the Union, for deliveries of intra-community distance sales of goods under Art. 14, Para. 1 and Art. 14a, Para. 5, item 1, sent or transported by another Member State, regardless whether the person has a permanent establishment in the territory of the other Member State, with recipients - non-taxable persons, who are established, have a permanent address or habitual residence in the territory of the country, shall apply this regime.

(5) The taxable person, who manages an electronic interface, registered on the grounds of Art. 156 for application of a regime in the Union, for deliveries of domestic distance sales of goods under Art. 14a, Para. 5, item 3 shall apply this regime.

(6) A taxable person, operating an electronic interface, registered in another Member State for the application of a system in the Union for the supply of domestic distance sales of goods to recipients of non-taxable persons, who are established, have a permanent address or habitual residence in the territory of the country, shall apply this regime.

(7) A person, registered in another Member State for the application of a system in the Union shall apply the regime for supplies of intra-Community distance sales of goods to recipients of non-taxable persons, who are established, have a permanent address or habitual residence in the territory of the country.

(8) A person, registered in another Member State for the application of a regime in the Union and not having a permanent establishment in the territory of the country, for supplies of services to non-taxable recipients, who are established, have a permanent address or habitual residence in the territory of the country, shall apply this regime.

(9) A taxable person, registered in another Member State for the application of a regime outside the Union shall apply that regime to supplies of services to non-taxable recipients, who are established, have a permanent address or habitual residence in the territory of the country.

(10) In the cases under Art. 14, Para. 2, a regime shall be applied in the Union.

(11) In the cases under Art. 152, Para. 5, the taxable person may not nominate more than one representative at the same time.

(12) For deliveries under Art. 152, Para. 5 in currencies, other than the Euro, their exchange rate shall be used, effective on the first working day of October, which shall apply from 1 January to 31 December of the following calendar year.

Section II.
Registration and de-registration for application of a regime outside the Union (new – SG 105/14, in force from 01.01.2015)

Special registration for application of a regime outside the EU

Art. 154. (new – SG 105/2014, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) Right to be registered for application of a regime outside the EU shall have the tax liable person, for whom the following circumstances are simultaneously present:

1. he supplies services to recipients - non-taxable persons, who are established or have a permanent address or habitual residence in a Member State, including in the country;

2. he is not established on the territory of the European Union;

3. he is not registered for the application of this special scheme in another Member State;

4. there is no restriction for registration under Para. 10;

5. has appointed an accredited representative under Art. 133, Para. 5.

(2) (In force from 01.04.2021, suppl. - SG 14/22, in force from 18.02.2022) The right under Para. 1 shall be exercised by the person, submitting to the territorial Directorate of the National Revenue Agency - Sofia, an application for registration, according to a model, determined by the Rules on the application of the Act. The application shall be submitted electronically in accordance with of the Tax-Insurance Procedure Code with qualified electronic signature.

(3) With the application under Para. 2, the person shall provide minimum the following information:

1. name, mailing address, e-mails, including web sites of the person;

2. national tax identification number, if applicable;

3. a declaration, that he has no seat and management address, and no permanent establishment on the territory of the European Union;

4. person’s bank account in EUR;

5. identification numbers from previous registrations of the person for application of a regime outside the Union, a regime inside the Union, and regime for distance sales of goods, imported from third countries or territories, if applicable.

(4) Within 7 days after the submission of the application under par. 2, the revenue authority shall carry out a check about the existing grounds for registration for application of a regime outside the Union. Within 7 days after the completion of the check the revenue authority shall issue an act by which registration takes place or is refused with justification thereof. Handing of the act over to the person under par. 1 shall be done electronically.

(5) As a date of registration shall be considered the first day of the quarter, following the calendar quarter for filing of the application under par. 2.

(6) (Amend. - SG 14/22, in force from 18.02.2022) The identification number for registration purposes for application of a regime outside the Union shall consist of 11 alpha-numeric characters containing the "EU" sign, and is to be used only for the purposes of applying a regime outside the Union.

(7) As a date of registration shall be considered the date of the first supply where the first provision of services referred to in par. 1, item 1 has been done before the date under par. 5, provided that the taxable person has filed a registration application following the provision of par. 2 by the 10th day of the month following the date of first supply at the latest.

(8) In case of change of the data stated in the filed application under par. 2, the person shall file electronically an application for updating by the 10th day of the month following the occurrence of the change.

(9) (Amend. - SG 14/22, in force from 18.02.2022) A person registered in another Member State for application of a regime outside the Union may get registered on the grounds of this Art. by filing electronically a registration application under par. 2 by the 10th day of the month following the date of change indicated by the person in the application and by notifying thereof the other Member State within the same term. In these cases, the date of registration under this Art. shall be the first day of the quarter following the calendar quarter of the submission of the application for registration electronically.

(10) (Suppl. - SG 14/22, in force from 18.02.2022) Restriction on registration under a regime outside the Union, due to systematic non-compliance by the persons shall be in force until the expiry of 8 consecutive tax periods, starting from the tax period, following the period of termination of the regime in any Member State of identification of the application of the regime outside the Union, of regime within the Union, or 24 tax periods, starting from the tax period, following the period of termination of the application

of the regime for distance selling of goods, imported from third countries or territories, in any one Member State of identification.

(11) When the registration for the application of a regime outside the Union of the taxable person is terminated on the grounds, that the person has not made supplies under Para. 1, item 1 for 8 consecutive tax periods, the person may register for application of the regime when he starts making such deliveries again.

Termination of the special registration for the application of a regime outside the EU

Art. 155. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) The registration for the application of a regime outside the Union shall be terminated on the initiative of the person, where they:

1. do not supply services with recipients - non-taxable persons, who are established or have a permanent address or habitual residence in a Member State, including in the country;

2. ceases to meet the requirements under **art. 154, par. 1**;

3. the person chooses not to apply regime outside the Union.

(2) (Suppl. - SG 14/22, in force from 18.02.2022) For termination of the registration under Para. 1, the person shall submit to the territorial directorate of the National Revenue Agency – Sofia, an application for de-registration in a standard form, determined by the Rules on the implementation of the Act. The application shall be filed electronically under the Tax-Insurance Procedure Code with a qualified electronic signature.

(3) In cases under par. 1, item 1 and 2, the person shall file the de-registration application by the 10th day of the month following the month in which the respective circumstance occurs at the latest.

(4) In cases under par. 1, item 3, the person shall file the de-registration application by the 10th day of the month following the month in which the respective circumstance occurs at the latest.

(5) Within 7 days after the submission of the de-registration application under par. 2, the revenue authority shall carry out a check for existing grounds for termination of de-registration for application of a regime outside the Union. Within 7 days after the completion of the check the revenue authority shall issue an act, certifying or refusing with justification the termination of the registration. Handing of the act over to the person whose registration for application of the regime is being terminated shall be done.

(6) In cases under par. 1, items 1 and 2, the date of termination of registration for application of a regime outside the Union is the first day of the quarter following the calendar quarter of sending electronically the de-registration act, and in cases under Para. 1, item 3 the date of termination of the registration for application of a regime outside the Union shall be the first day of the quarter following the calendar quarter for filing of de-registration application electronically.

(7) The registration for application of a regime outside the Union shall be terminated on the initiative of the revenue authority by issuing a de-registration act, where:

1. it is found out that the person has not supplied under Para. 1, item 1 eight subsequent tax periods and has failed to file a de-registration application for application of the regime, or

2. does not meet the conditions under **art. 154, par. 1**, or

3. (suppl. - SG 14/22, in force from 18.02.2022) regularly does not comply with the provisions of a regime outside the Union; in that case, the registration for the application of the Union regime and the regime for distance sales for goods imported from third countries or territories shall also be suspended.

(8) Regular non-compliance with the provisions of a regime outside the Union is present where:

1. on the grounds of Art. 159, Para. 12 the person, registered for application of the regime has been sent by the National Revenue Agency reminders for the last three previous tax periods and a statement-declaration under Art. 159, Para. 4 for every tax period has not been submitted within 10 days after sending of the reminder;

2. on the grounds of Art. 159, Para. 12, the person, registered for application of the regime has been sent by the National Revenue Agency reminders for the last three previous tax periods and the full amount

of the stated tax for every individual tax period has not been paid by the person within 10 days after sending of the reminder, except for the cases, where the unpaid balance is less than EUR100.00 for every tax period;

3. upon request by a revenue authority and one month after sending of a reminder by the National Revenue Agency the person has failed to submit the registers under **Art. 159, Para. 1**;

(9) In cases referred to in par. 7 handing of the act over to the person whose registration for application of the regime is being terminated, shall be done electronically. In these cases, the date on which the registration of the person for application of a regime outside the Union is terminated shall be the first day of the quarter following the calendar quarter of sending the act of de-registration electronically.

(10) (Amend. - SG 14/22, in force from 18.02.2022) A person registered on the grounds of Art. 154 may register for this regime in another Member State by filing electronically a de-registration application to the territorial directorate of the National Revenue Agency in Sofia following the provision of Para. 2 by the 10th day of the month following the change. Within the same term the person shall notify about the change the other Member State. In these cases, the date of termination of registration shall be the first day of the quarter following the calendar quarter of the submission of the application for termination of registration electronically.

Section III.
Registration and de-registration for application of a regime within the Union (new – SG 105/14, in force from 01.01.2015)

Special registration for application of a regime in the EU

Art. 156. (new – SG 105/2014, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) Right to be registered for the application of a regime within the Union shall have a taxable person, for whom the following circumstances are simultaneously present:

1. they perform deliveries;

a) (amend. - SG 14/22, in force from 18.02.2022) services with recipients non-taxable persons and with place of performance on the territory of another Member State in which the taxable person is not established, including at a permanent establishment, and/or;

b) intra - Community distance sales of goods to non - taxable persons, and / or

c) domestic distance sales of goods to non-taxable persons;

2. the person:

a) is based by the place of business and management address on the territory of the country or,

b) they are not based by the place of business and management address on the territory of the European Union, but there is an establishment on a permanent site on the territory of the country, or

c) they are not established at the seat and address of management on the territory of the European Union, but is established at a permanent establishment, both on the territory of the country and on the territory of another Member State, and are not registered for the application of this regime in the other Member State, or

d) they are not established at the seat and address of management and at a permanent establishment on the territory of the European Union, but the dispatch or transport of the goods, supplied by them begins only from the territory of the country, or

e) they are not established at the seat and address of management and at a permanent establishment on the territory of the European Union, but the dispatch or transport of the goods, supplied by them starts both from the territory of the country and from the territory of other Member States and have not been registered for application of this regime in those Member States;

3. there is no restriction for registration under Para. 15;

4. they have appointed an accredited representative under Art. 133 in the cases, when the taxable

person has not been established at the seat and address of management and at a permanent establishment on the territory of the European Union.

5. (new - SG 98/18, in force from 01.01.2019) the supplies under item 1, which they perform, shall not have their place of performance on the territory of the country.

(2) (in force from 01.04.2021) The right under Para. 1 shall be exercised by the person, submitting to the competent territorial Directorate of the National Revenue Agency an application for registration, according to a model, determined by the Rules for application of the Act. The application shall be submitted electronically in accordance with the Tax and Social Security Procedure Code with a qualified electronic signature.

(3) With the application under Para. 2, the person shall provide minimum the following information:

1. name, mailing address, e-mails, including web sites of the person;

2. person's bank account in EUR or in BGN in a Bulgarian bank or a branch in a foreign bank in the Republic of Bulgaria;

3. electronic declaration, that they are not registered for VAT purposes in another Member State;

4. permanent facilities in the territory of other Member States;

5. identification numbers from previous and current registrations of the person for application of a regime outside the EU, a regime inside the EU and a regime for the distance selling of goods, imported from third countries or territories, if applicable.

(4) Within 7 days after the submission of the application under Para. 2, the revenue authority shall carry out a check about the existing grounds for registration for application of a regime within the Union. Within 7 days after the completion of the check the revenue authority shall issue an act by which registration takes place or is refused with justification thereof. Handing of the act over to the person under par. 1 shall be done electronically.

(5) As a date of registration shall be considered the first day of the quarter, following the calendar quarter for filing of the application under par. 2.

(6) Identification number for registration purposes for application of a regime within the Union shall be the identification number under **Art. 94, Para. 2**.

(7) As a date of registration shall be considered the date of the first supply, where the first supply, referred to in Para. 1, has been done before the date under Para. 5, provided that the taxable person has filed a registration application following the provision of Para. 2 by the 10th day of the month latest, following the date of first supply.

(8) In case of change of the data stated in the filed application under par. 2 the person shall file electronically an application for updating by the 10th day of the month following the occurrence of the change.

(9) A person registered in another Member State for application of a regime in the EU, which moves his place of establishment to a seat and address of management on the territory of the country, if meets the conditions of Para. 1, may be registered on the basis of this Article.

(10) A person, registered in another Member State for the application of a regime in the EU, when he is not established at the seat and address of management, but has a permanent establishment in the territory of the European Union, in case he moves his permanent establishment to the territory of the country, if he meets the conditions of Para. 1, may be registered on the basis of this Article.

(11) A person, registered in another Member State for the application of a regime in the EU, who is not established at the seat and address of management on the territory of the European Union, but has a permanent establishment both in the country and on the territory of another Member State, if meets the conditions of Para. 1 may be registered on the basis of this Article after expiration of two calendar years, following the year, in which it is registered for the application of an EU regime in the other Member State.

(12) A person, registered in another Member State for the application of a regime in the EU, who is not established at his registered office and address of management and at a permanent establishment on the

territory of the European Union, if he begins to dispatch or transport the goods, supplied by him only from the territory of the country, if meets the conditions of Para. 1, may be registered on the basis of this Article.

(13) A person, registered in another Member State for the application of a regime in the EU, who is not established on his seat and address of management, and at a permanent establishment on the territory of the European Union, when he begins to dispatch or transport the goods, supplied by him as from the territory of the country, as well as from the territory of other Member States, if meets the conditions of Para. 1, may be registered on the basis of this Article.

(14) In the cases under Para. 9-13, the date of registration under this Article shall be considered as the date of the change, if the person submits an application for registration under Para. 2, not later than the 10th day of the month, following the occurrence of the change, and within the same term the person notifies the Member State of identification about the change.

(15) (Suppl. - SG 14/22, in force from 18.02.2022) Restriction on registration under the EU regime, due to systematic non-compliance by the person shall be in force until the expiry of 8 consecutive tax periods, starting from the tax period, following the period of termination of the regime in any Member State of identification of the application of a regime outside the EU, a regime within the EU, or 24 tax periods, starting from the tax period, following the period of termination of the regime for distance selling of goods, imported from third countries or territories in any one Member State of identification.

(16) (Amend. - SG 14/22, in force from 18.02.2022) The right under Para. 1 to be registered for the application of a regime in the EU shall also have a taxable person which performs deliveries with a place of performance under **Art. 20b, Para. 4** on the territory of the country, if with the application under Para. 2 notifies, that he wishes the place of performance of the deliveries to be determined according to Art. 20, Para. 1 and **Art. 21, Para. 6**.

(17) When the registration for the application of a regime in the EU of the taxable person is terminated on the grounds, that the person has not made deliveries under Para. 1, item 1 for 8 consecutive tax periods, the person may register for application of the regime, when he starts making such deliveries again.

Termination of the special registration for application of a regime within the EU

Art. 157. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) The registration for the application of a regime within the EU shall be terminated on the initiative of the person, where they:

1. he does not supply any more services and intra-Community distance sales of goods, including certain domestic distance sales of goods to non-taxable persons;

2. ceases to meet the requirements under art. 156, par. 1;

3. the person chooses not to apply any more a regime within the EU.

(2) For termination of the registration under par. 1, the person shall submit to the competent territorial directorate of the National Revenue Agency, an application for de-registration in a standard form determined by the Rules on the application of the Act. The application shall be filed electronically subject to compliance with the provisions of the **Tax-Insurance Procedure Code** with a qualified electronic signature.

(3) In cases under par. 1, item 1 and 2, the person shall file the de-registration application by the 10th day of the month following the month in which the respective circumstance occurs at the latest.

(4) In cases under par. 1, item 3, the person shall file the de-registration application within 15 days before the end of the quarter, preceding the calendar quarter, as from when they do not want to apply the regime.

(5) Within 7 days after the submission of the de-registration application under par. 2, the revenue authority shall carry out a check for existing grounds for termination of de-registration for application of a regime within the EU. Within 7 days after the completion of the check the revenue authority shall issue an

act, certifying the termination or refusing with justification the termination of the registration. Delivering the act to the person, whose registration for application of the regime is being terminated shall be done electronically.

(6) In cases under par. 1, items 1 and 2, the date of termination of registration for application of a regime within the EU shall be the first day of the quarter following the calendar quarter of sending of the de-registration act, electronically and in cases under Para. 1, item 3 - the date of termination of the registration for application of a regime within the EU shall be the first day of the quarter following the calendar quarter for filing of de-registration application electronically.

(7) The registration for application of a regime outside the EU shall be terminated on the initiative of the revenue authority by issuing a de-registration act, where it is found out that the person:

1. has not supplied under **Art. 156, Para. 1, item 1** for eight subsequent tax periods and has failed to file a de-registration application for application of the regime, or

2. does not meet the conditions under art. 156, par. 1, or

3. (suppl. - SG 14/22, in force from 18.02.2022) regularly does not comply with the provisions of a regime within the EU; in that case, the registration of the person for application of the non-Union regime and the regime for distance sales of goods imported from third countries or territories shall also be suspended.

(8) Regular non-compliance with the provisions of a regime within the Union is present where:

1. on the grounds of **Art. 159, Para. 12** the person registered for application of the regime has been sent by the National Revenue Agency reminders for the last three previous tax periods and a statement-declaration under Art. 159, Par. 4 for every tax period has not been submitted within 10 days after sending of the reminder;

2. on the grounds of Art. 159, Para. 12, the person registered for application of the regime has been sent by the National Revenue Agency reminders for the last three previous tax periods and the full amount of the declared tax for each tax period has not been paid by the person within 10 days after sending the reminder, except where the outstanding amount is less than EUR 100 for each tax period;

3. upon request by a revenue authority and one month after a subsequent reminder message has been sent by the National Revenue Agency, the person has not provided the registers under **Art. 159d, Para. 1**.

(9) In the cases under Para. 7, the delivery of the act to the person, to whom the registration for application of the regime is terminated shall be carried out electronically. In such cases, the date, on which the registration of the person, applying regime in the EU is terminated shall be the first day of the quarter, following the calendar quarter of dispatch of the deregistration act.

(10) Registered on the grounds of Art. 156, a person who moves his place of establishment to a registered office and address of management in the territory of another Member State shall be obliged to terminate his registration under this Article.

(11) Registered person on the grounds of Art. 156, who is not established at the seat and address of management in the territory of the European Union, when moves his permanent establishment in the territory of another Member State or is established at the seat and address of management in the territory of another Member State, shall terminate his registration under this Article.

(12) Registered person on the grounds of Art. 156, who is not established at the seat and address of management in the territory of the European Union, but has a permanent establishment both in the territory of the country and in the territory of another Member State, after expiration of two calendar years from the beginning in the year, following the year of registration, may register for the application of this regime in the other Member State, being obliged to terminate his registration under this Article.

(13) Registered person on the grounds of **Art. 156**, who is not established at the seat and address of management and at a permanent establishment in the territory of the European Union, if he starts to send or transport the goods, delivered by him only from the territory of another Member State, shall terminate his registration under this Article.

(14) Registered person on the grounds of Art. 156, who is not established at the seat and address of management and at permanent establishment in the territory of the European Union, if he starts to send or transport the goods, delivered by him both from the territory of the country and from the territory of other Member States, after the expiration of two calendar years from the beginning of the year following the year of registration may register for the application of this regime in the other Member State and shall be required to terminate its registration under this Article.

(15) (Amend. - SG 14/22, in force from 18.02.2022) The date of termination of the registration for application of the regime shall be the first day of the quarter, following the quarter of sending the deregistration act electronically. In the cases under Para. 10 – 14, the date of termination of the registration for application of the regime shall be the date of the change, if the person submits an application for de-registration under Para. 2, not later than the 10th day of the month, following the occurrence of the change, and within the same term the person submits an application for registration for application of the regime in the other Member State.

(16) When the conditions under Art. 20b, Para. 1, the registered person on the grounds of Art. 156 may terminate his registration, if he chooses not to apply a regime in the EU.

Section III "a".
Registration for application of a regime for distance sales of goods, imported from third countries or territories (New, SG, 104/20, in force from 01.07.2021)

Special registration for the application of a regime for distance selling of goods, imported from third countries or territories

Art. 157a. (New – SG, 104/20, in force from 01.07.2021) (1) (Suppl. - SG 14/22, in force from 18.02.2022) A taxable person registered on the grounds of Art. 96 or Art. 100, Para. 1, including one who operates an electronic interface, shall have the right to register for the application of a regime for distance selling of goods, imported from third countries or territories when the following conditions are simultaneously met:

1. he imports goods from third countries or territories in the form of consignments with an intrinsic value, not exceeding the BGN equivalent of EUR 150, excluding excise goods, for non-taxable persons, who are established, have a permanent address or habitual residence in a Member State, including in the country

2. a taxable person, who:

a) is established at the seat and address of management on the territory of the country, or

b) has not been established at the seat and address of management on the territory of the European Union, but has been established at a permanent establishment on the territory of the country, or

c) is not established at the seat and address of management in the territory of the European Union, but is established at a permanent establishment, both in the territory of the country and in the territory of another Member State, and is not registered for the application of this regime in another Member State, or

d) is not established at his registered office and address of management and permanent establishment in the territory of the European Union and is not registered for the application of this regime in another Member State, if established in a third country, with which the European Union has concluded a mutual assistance agreement within the scope of Directive 2010/24 / EU and Regulation (EU) № 904/2010, and imports goods from that third country;

3. a restriction for registration under Para. 18 is not in force.

(2) The right to register to perform the obligations under the regime for distance sales of goods, imported from third countries or territories shall have a person, registered on the grounds of **Art. 96, Para. 1** or **Art. 100, Para. 1**, for whom the following conditions are simultaneously met:

1. he acts as a representative on behalf and at the expense of the taxable person under Para. 1,

including who manages an electronic interface, in the performance of the duties, specified in the regime;

2. the person:

a) is established at the seat and address of management on the territory of the country, or

b) has not been established at the seat and address of management on the territory of the European Union, but has been established at a permanent establishment on the territory of the country, or

c) is not established at the seat and address of management in the territory of the European Union, but has a permanent establishment, both in the territory of the country and in the territory of another Member State, and is not registered for the application of this regime in another Member State;

3. there is no restriction for registration under Para. 20;

4. (new - SG 14/22, in force from 18.02.2022) is not in a winding-up procedure or has not been declared insolvent and has no due and unpaid tax obligations and liabilities for social security contributions collected by the National Revenue Agency.

(3) The representative under Para. 2 shall register any taxable person, including who manages an electronic interface, who is not established at a seat and address of management and at a permanent establishment in the territory of the European Union, but is established in a third country, with which the European Union has not concluded a mutual assistance agreement in the field of VAT, he is not registered for the application of this regime in another Member State, imports goods under Para. 1, item 1 and there is no restriction for registration under Para. 18. Each taxable person under Para. 1, item 2, who choses to have a representative under Para. 2 for application of a regime for distance sales of goods, imported from third countries or territories, shall be registered by this representative, if the person meets the conditions under Para. 1.

(4) (In force from 01.04.2021, suppl. - SG 14/22, in force from 18.02.2022) In the cases of Para. 1, 2 and 3, the person shall submit to the competent territorial Directorate of the National Revenue Agency an application for registration, according to a model, determined by the Rules on the application of the Act. The application shall be submitted electronically in accordance with the **Tax-Insurance Procedure Code** with a qualified electronic signature

(5) In the cases under Para. 1 with the application under Para. 4, the person shall provide at least the following information:

1. name, postal address, e-mail addresses, incl. person's websites;

2. identification number for VAT purposes or for registration for tax purposes;

3. bank account of the person in EUR or BGN in a Bulgarian bank, or a branch of a foreign bank in the Republic of Bulgaria;

4. identification numbers, if any, from previous and current registrations of the person, applying the non-EU regime, the EU regime and the distance selling regime for goods, imported from third countries or territories.

(6) In the cases under Para. 2 with the application under Para. 4 the representative shall provide at least the following information:

1. name, postal address and e-mail address;

2. Identity N of VAT

(7) In the cases under Para. 3 with the application under Para. 4, the representative shall provide at least the following information:

1. name, postal address, e-mail address and websites of the taxable person, he represents;

2. an identification number for VAT purposes or for tax registration of the taxable person, he represents;

3. a bank account of the taxable person he represents, in EUR or BGN in a Bulgarian bank or a branch of a foreign bank in the Republic of Bulgaria;

4. individual identification number under this regime of the representative under Para. 2.

(8) Registered persons shall apply this special regime to all distance sales of goods, imported from third countries or territories.

(9) Within 7 days from the receipt of the application under Para. 4, the revenue body shall check for existence of grounds for registration for application of a regime for distance sales of goods, imported from third countries or territories. Within 7 days from the end of the inspection, the revenue authority shall issue an act, by which it carries out the registration or shall refuse to register with reasons. The act shall be served electronically to the taxable person, acting without a representative or to the representative.

(10) (Amend. - SG 14/22, in force from 18.02.2022) The date of registration under the regime for distance sales of goods, imported from third countries or territories shall be considered the date of sending of the act under Para. 9, which determines:

1. individual VAT identification number of the taxable person for the application of this regime;

2. individual identification number of the representative for fulfillment of the obligations under this regime;

3. an individual VAT identification number for each person, represented by a representative for the application of this regime.

(11) The identification number for the purposes of registration for the application of the distance selling regime for goods, imported from third countries or territories shall consist of 12 alphanumeric characters and shall be used only for the purposes of the distance selling regime for goods, imported from third countries or territories.

(12) A person, registered in another Member State for the application of a regime for the distance selling of goods, imported from third countries or territories, who is not represented by a representative and who moves his place of establishment to a registered office and management address in the territory of the country, after termination of the special registration in the other Member State, if he meets the conditions of Para. 1, may be registered on the basis of this Article.

(13) A person, registered in another Member State for the application of a system for the distance selling of goods, imported from third countries or territories, where he is not established at his registered office and address of management, but has a permanent establishment in the territory of the European Union, represented by a representative, and in case he moves his permanent establishment on the territory of the country, after termination of the special registration in the other Member State, if he meets the conditions of Para. 1, may be registered on the basis of this Article.

(14) A person, registered in another Member State for the application of a system for distance selling of goods, imported from third countries or territories, who is not established at its registered office and address of management in the territory of the European Union, but is established as a permanent establishment in the territory, both in the territory of another Member State and not represented by a representative, after termination of the special registration in the other Member State, and if he meets the conditions of Para. 1, may be registered on the basis of this Article after the expiration of two calendar years, following the year, in which he is registered for application of a regime for distance sales of goods, imported from third countries or territories in the other Member State.

(15) In the cases under Para. 12 – 14, the person may register by submitting electronically an application for registration under Para. 4, not later than the 10th day of the month, following the date of the change, indicated by the person in the application, and within the same term shall notify the other Member State of the change. In such cases, the date of registration under this Article shall be the date of the change.

(16) In case of change of the data under Para. 5, 6 and 7 in the submitted application under Para. 4, the person shall submit electronically an application for updating, not later than the 10th day of the month, following the month of the occurrence of the change.

(17) Paragraphs 12 - 14 shall also apply to a representative, who acts on behalf of and at the expense of a taxable person, performing distance sales of goods, imported from third countries or territories, if he meets the conditions of Para. 2. In these cases Para. 15 and 16 shall apply.

(18) (Suppl. - SG 14/22, in force from 18.02.2022) Restriction on registration for application of a regime for distance sales of goods, imported from third countries or territories, due to systematic non-compliance by the person shall be in force until the expiration of 24 months, after the tax period, in which

the registration is terminated, when of the taxable person, the registration is terminated in any Member State of the identification of the application of the distance selling regime of goods, imported from third countries or territories, or until the end of 8 consecutive tax periods, starting from the tax period, following the period of termination of the regime outside the EU, or the regime in the EU, in any one Member State of identification.

(19) Paragraph 18 shall not apply in cases, where the termination of the registration for the application of the regime is due to systematic non-compliance by the representative.

(20) A restriction of the registration of a representative, acting on behalf of and at the expense of a taxable person, due to systematic non-compliance with the agent's obligations, relating to the application of the distance selling regime for goods, imported from third countries or territories shall be in force by expiry of 24 months after the month, in which the registration under the regime was terminated.

(21) A taxable person, whose registration for the application of the regime under Art. 157b, Para. 5, item 1 and Para. 7, item 1 on the grounds, that the person has not made deliveries for 24 consecutive tax periods, regardless of whether he acts with a representative or without a representative, may register for application of the regime, when he starts making such deliveries again.

(22) (New - SG 14/22, in force from 18.02.2022) Where a taxable person represented in another Member State by a representative, for whom are present the conditions of Para. 15, chooses to continue to be represented by him, the representative shall register the taxable person for the application of the regime under this Article.

Termination of the special registration for application of the regime for distance selling of goods, imported from third countries or territories

Art. 157b. (New – SG, 104/20, in force from 01.07.2021) (1) The registration for the application of the regime for distance sales of goods, imported from third countries or territories in the form of consignments with own value, not exceeding the BGN equivalent of EUR 150, except for excise goods, shall be terminated at the initiative of a taxable person, acting without representative when:

1. he does no longer make distance sales of goods, imported from third countries or territories;

2. ceases to meet the conditions under **Art. 157a, Para. 1**;

3. the person chooses not to apply the regime anymore, regardless whether he continues to make distance sales of goods, imported from third countries or territories.

(2) The registration of a representative for the application of the obligations under the distance selling regime for goods, imported from third countries or territories shall be terminated at the initiative of the representative when he:

1. has not acted as a representative on behalf of and at the expense of a taxable person, using this regime for 6 consecutive months;

2. ceases to meet the conditions under **Art. 157a, Para. 2**.

(3) The registration of a taxable person for the application of the regime for distance selling of goods, imported from third countries or territories, acting through a representative, shall be terminated by the representative, when the taxable person:

1. no longer makes distance sales of goods, imported from third countries or territories;

2. ceases to meet the conditions under Art. 157a, Para. 1, items 1 and 3 or Para. 3, sentence one;

3. chooses not to apply the regime anymore, regardless whether he continues to make distance sales of goods, imported from third countries or territories.

(4) (Suppl. - SG 14/22, in force from 18.02.2022) For termination of the registration under Para. 1 – 3, the person shall submit to the competent territorial Directorate of the National Revenue Agency an application for deregistration according to a model, determined by the Rules on the application of the Act. The application shall be submitted electronically in accordance with the **Tax-Insurance Procedure Code** with a qualified electronic signature.

(5) Registration for the application of the regime for distance selling of goods, imported from third countries or territories shall be terminated at the initiative of the revenue authority by issuing a deregistration act, when it is established, that the taxable person, who does not act through a representative:

1. has not carried out distance sales of goods, imported from third countries or territories and has not applied for deregistration for the application of the regime, or

2. does not meet the conditions under **Art. 157a, Para. 1**, or

3. (suppl. - SG 14/22, in force from 18.02.2022) systematically fails to comply with the provisions of the regime; in that case, the registration of the person for application of the Union regime and an outside the Union regime shall also be suspended.

(6) The registration of a representative for the application of the obligations under the distance selling regime for goods, imported from third countries or territories shall be terminated at the initiative of the revenue authority by issuing a deregistration act, when it is established, that the representative:

1. for 6 consecutive months has not acted as a representative on behalf of and at the expense of a taxable person, using this regime and has not applied for deregistration for the application of the regime, or

2. does not meet the conditions under **Art. 157a, Para. 2**, or

3. systematically fails to comply with the provisions of the regime.

(7) Registration for the application of the regime for distance selling of goods, imported from third countries or territories shall be terminated at the initiative of the revenue authority, by issuing a deregistration act, when it is established, that a taxable person, acting through a representative:

1. has not carried out distance sales of goods, imported from third countries or territories and has not applied for deregistration for the application of the scheme, or

2. does not meet the conditions under Art. 157a, Para. 1, items 1 and 3 or Para. 3, sentence one, or

3. (suppl. - SG 14/22, in force from 18.02.2022) systematically fails to comply with the provisions of the regime; in that case, the registration of the person for application of the Union regime and the regime outside the Union shall also be suspended.

(8) Where the taxable person, including when acting through a representative, chooses not to apply the scheme, the person or representative, acting on his behalf and on his expense shall submit an application for deregistration, no later than 15 days before the end of the month, preceding the month, from which he intends not to apply the regime. In this case, the date of termination of the registration for application of the regime shall be the first day of the month, following the month of submission of the application for deregistration, after which the taxable person is not entitled to apply the regime.

(9) Registered on the grounds of Art. 157a, Para. 1 and 2, a person, who moves his place of establishment to a registered office and management address in another Member State shall be obliged to terminate his registration under this Article and may choose to register for the application of this regime in the other Member State.

(10) When registered on the grounds of Art. 157a, Para. 1 and 2, a person who is not established at the seat and address of management in the territory of the European Union, moves his permanent establishment to the territory of another Member State or is established at the seat and address of management or at a permanent establishment on the territory of another Member State, may choose to register for the application of this regime in the other Member State, being obliged to terminate his registration under this Article.

(11) Registered on the grounds of **Art. 157a, Para. 1 and 2**, a person, who is not established at the seat and address of management on the territory of the European Union, but has an establishment on a permanent establishment both on the territory of the country and on the territory of another Member State, after the expiration of two calendar years from the beginning of the year, following the year of registration, may choose to register for the application of this regime in the other Member State, being obliged to terminate his registration under this Article.

(12) In the cases under Para. 9 – 11, the person shall submit an application for deregistration under Para. 4 not later, than the 10th day of the month, following the date of the change, indicated by the person in

the application, and within the same term shall notify the other Member State of the change.

(13) Within 7 days from the receipt of the application for deregistration under Para. 4, the revenue body shall carry out an inspection for existence of grounds for termination of the registration for application of the regime. Within 7 days from the end of the inspection, the revenue authority shall issue an act, by which it performs or with reasons refuses the termination of the registration. The service of the act to the person, to whom the registration for application of the regime is terminated shall be done electronically.

(14) The date of termination of the registration for application of the regime shall be the first day of the month, following the month of sending the deregistration act electronically. In the cases under Para. 9 – 11, the date of termination of the registration shall be considered to be the date of the change.

(15) With the exception of the cases of systematic non-compliance with the obligations of the regime under Para. 16 by the taxable person, upon termination of his registration, the individual identification number for VAT purposes, determined for the use of the import regime, shall remain valid for the period, necessary for the import of goods, which were delivered before the date of termination of registration, however, it may not exceed two months from that date.

(16) Systematic non-compliance with the obligations of the distance selling regime for goods, imported from third countries or territories by a taxable person or representative shall be present when:

1. pursuant to **Art. 159a, Para. 12**, the person, registered for application of the regime, reminder messages have been sent by the NRA for the last three previous tax periods and a reference-declaration under Art. 159a, Para. 2 for each tax period has not been provided within 10 days after the sending of a reminder message;

2. pursuant to Art. 159a, Para. 12, the person, registered for application of the regime has been sent by the National Revenue Agency reminders for the last three previous tax periods and the full amount of the declared tax for each tax period has not been paid by the person within 10 days after sending the reminder, except where the outstanding amount is less than EUR 100 for each tax period;

3. upon request by a revenue authority or by a competent tax authority of a Member State of consumption and one month after a subsequent reminder message has been sent by the National Revenue Agency, the person has not provided the registers under **Art. 159d, Para. 1**.

(17) In the cases under Para. 5, items 1 and 2 and Para. 7, items 1 and 2, the service of the act to the person, to whom the registration for application of the regime is terminated shall be carried out electronically. In these cases, the date, on which the registration of the person for application of the regime is terminated shall be the first day of the month, following the month of sending the deregistration act electronically.

(18) In the cases under Para. 5, item 3 and Para. 7, item 3, the service of the act to a taxable person, to whom the registration for application of the regime is terminated, shall be carried out electronically. The registration shall be terminated from the day, following the date of sending the deregistration act electronically.

(19) In the cases under Para. 2 and Para. 6, items 1 and 2, the service of the act to the representative, to whom the registration for application of the regime is terminated, shall be carried out electronically and shall be sent also to the taxable persons, whom he represents. In these cases, the registration of the taxable persons, who are represented by the representative, shall also be terminated. The registration shall be terminated from the first day of the month, following the month of sending the deregistration act.

(20) In the cases under Para. 6, item 3, the date on which the registration of the representative for application of the regime is terminated shall be the date after the date of sending the deregistration act by electronic means to the representative and to the taxable persons, whom he represents. In these cases, the registration of the taxable persons, who are represented by the representative, shall also be terminated.

(21) (New - SG 14/22, in force from 18.02.2022) When the conditions are present under Para. 12 for a representative under Art. 157a, the registration of the taxable person, who is represented by the representative, shall also be terminated. The date of termination of registration under the taxable person’s

regime shall be the first day of the month following the month of sending the de-registration act.

(22) (Suppl. - SG 14/22, in force from 18.02.2022) A taxable person under Para. 21, for whom are present the conditions under Art. 157a, Para. 3, sentence one, may choose to continue to be represented by the representative for whom are present the conditions under Para. 12, or to choose a new representative under Art. 157a, Para. 2. Taxable person under Para. 21, for whom the conditions under Art. 157a, Para. 3, sentence two are present, may choose to continue to be represented by the representative for whom are present the conditions under Para. 12, to choose a new representative under Art. 157a, Para. 2 or to be registered for the purposes of the regime according to the conditions for determining the Member State of identification.

Section IV.
Taxation and declaration of deliveries in application of special regimes (new – SG 105/14, in force from 01.01.2015, title, amend. – SG, 104/20, in force from 01.07.2021)

Taxation of deliveries in the application of special regimes

Art. 158. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) The place of performance of deliveries, for which the special regimes under **Art. 152, Para. 2, 3 and 5**, carried out by a person, registered under this Chapter, is in the Member State of consumption.

(2) The taxable amount, the date of occurrence of the chargeable event and the chargeability of the tax on deliveries of services and intra-Community distance deliveries of goods under this Chapter shall be determined by the legislation of the Member State of identification.

(3) The tax event and the chargeability of the tax on distance sales of goods, imported from third countries or territories shall occur at the time of delivery, and the goods are considered delivered at the time the payment was accepted.

(4) The moment of acceptance of the payment under Para. 3 shall be the earlier of the two moments - the moment, when the confirmation of payment or the message for authorization of payment or the commitment to pay by the recipient is received by the taxable person or on behalf of the taxable person, applying the import regime, or the moment of the cash payment actually made.

(5) A person, registered for application of a regime outside the EU or a regime within the EU shall be obliged to calculate the collectable tax on the added value for a provided service within the scope of the respective regime, by:

1. including the amount of the tax for determination of the result according to the statement-declaration for application of a special regime for the respective tax period in the Member State of identification;

2. providing the information about the supply to the electronic register, kept in compliance with the laws of the Member State of identification;

(6) The tax rate of the supplies under this Chapter shall be the tax rate, applicable in the Member State of consumption.

(7) The legislation of the Member State of identification shall apply to the documentation of supplies of services and goods under this Chapter.

(8) (New - SG 14/22, in force from 18.02.2022) For supplies for which apply the special regimes under Art. 152, Para. 2, 3 and 5, made by a person registered under Chapter Eighteen, the tax shall be exigible for the Member State of consumption where the place of performance of the supply is situated.

Tax period, statement-declaration and the payment of the tax, when applying a regime

outside the EU and a regime within the EU

Art. 159. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) The tax period for the persons, registered under Art. 154 and 156 shall be three months and shall coincide with the calendar quarter.

(2) In cases referred to in Art. 154, Par. 7 and Art. 156, Par. 7, the primary tax period shall cover the time from the date of the first supply to the end of the calendar quarter.

(3) In cases under **Art. 154, Par. 9** and **Art. 156, Par. 9 - 13**, the primary tax period shall cover the time from the date of change up to and including the last day of the calendar quarter, in which the change has taken place. Respectively, under **Art. 155, par. 10** and **Art. 157, Par. 10 - 14** the last tax period shall cover the time from the first day of the calendar quarter in which the change has taken place up to and including the date of change.

(4) The person registered on the grounds of Art. 154, or Art. 156 shall submit a statement-declaration for application of a special regime in a standard form, specified in the Rules on Application of the Act, for each tax period by the end of the month, following the tax period, to which the declaration refers, notwithstanding whether during this period they have carried out supplies. Where the last day of the month is a day off, **Art. 22, Par. 7** of the Tax-Insurance Procedure Code shall not apply.

(5) The statement-declaration referred to in par. 4 shall be filed to the competent territorial directorate under Section II or Section III of this Chapter electronically. The persons registered on the grounds of Art. 154 and 156 shall file a statement-declaration electronically by a qualified electronic signature according to the provisions of the **Tax-Insurance Procedure Code** by entering of data or by filing of a file generated in advance. The form, the structure and the validation scheme of the file shall be approved by an order of the Managing Director of the National Revenue Agency.

(6) The competent territorial directorate under Section II and Section III of this Chapter shall allocate to the person electronically a unique reference number to every filed statement-declaration under Para. 4.

(7) The statement-declaration under Para. 4, where the information shall contain indication of identification number of the person for the purposes of application of the respective regime and, separately for every Member State of consumption, applicable tax rate, total amount of tax bases of completed supplies for which the regime is applied and for which the value added tax at the respective rates has become collectable, total amount of the due tax at the respective rates, the total amount of tax due separately for each Member State of consumption and the total amount of the due tax on the added value for the respective tax period for:

1. provision of services;
2. intra-community distance sales of goods;
3. domestic distance sales of goods under Art. 14a, Para. 5, item 3.

(8) When the goods are sent or transported from the territory of other Member States, the reference-declaration in addition to the information under Para. 7 for these supplies shall also include a VAT identification number or a national tax number, issued to the person by the Member State, from which the goods are dispatched or transported.

(9) A person registered on the grounds or **Art. 156**, having one or more permanent facilities in the territory of other Member States, shall indicate also identification numbers for VAT purposes, or national tax numbers, issued by the Member States, where every facility is located, and the information under Para. 7 for supplies of services, carried out from these permanent facilities in the respective tax period, for which the value added tax at the applicable rates has become collectable and are with a place of performance in the territory of a Member State of consumption where the person has got a permanent facility.

(10) The values under Par. 7, 8 and 9 shall be indicated in EUR. For supplies in other foreign currencies, exchange rates fixed on the last day of the tax period shall apply, by applying the exchange rate published by the European Central Bank on this day, or, where such exchange rate is not published on this

day, the rate published on the next day shall apply.

(11) A person, registered on the grounds of **Art. 154** or **Art. 156** within the term of submission of the statement-declaration under Par. 4 shall be obliged to deposit the total amount of the value added tax, due for the respective tax period, to the state budget to the account of the National Revenue Agency in EUR, without rounding it. The tax shall be considered deposited on the date on which the amount has been received on the account. When paying the amount, the person shall indicate the reference number of the respective statement-declaration.

(12) Where a person registered on the grounds of Art. 154 or Art. 156 has failed to submit within the set term statement-declaration under par. 4 or has failed to deposit the tax under Par. 11, or has deposited a tax in a lower amount, the National Revenue Agency shall send to the person a reminder electronically on the 10th day after the day on which the statement-declaration should have been submitted, the tax deposited respectively and inform the other Member States by electronic means, that a reminder has been issued.

. The subsequent actions for determination and collection of the tax after the reminder has been sent by the National Revenue Agency shall be done by the competent tax authorities of the Member State of consumption.

(13) Irrespective of the reminders, issued by the Member State of consumption and the actions, taken under Para. 12, the reference-declaration shall be submitted under Para. 5.

(14) Upon undertaking of actions according to the provision of Par. 12 by the competent tax authorities of another Member State of consumption the tax for the respective tax period payable for this Member State shall be deposited to an account of the same Member State.

(15) In the reference-declaration under Para. 4, supplies of goods or services shall not be indicated, if they are exempted according to the legislation of the Member State of consumption, as well as supplies outside the scope of a regime in the EU under **Art. 153**.

(16) Where a taxable person is registered to apply a regime outside the EU, he shall file declarations and pay the tax due in the Member States for identification for each regime.

Tax period, reference-declaration and payment of the tax, when applying the regime for distance sales of goods, imported from third countries or territories

Art. 159a. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) The tax period for persons, registered under **Art. 157a** persons is on month.

(2) The reference-declaration for application of the regime for distance sales of goods, imported from third countries or territories, shall be submitted by a person, registered on the grounds of Art. 157a, according to a model, determined in the Rules on the application of the Act.

(3) Reference-declaration under Para. 2 shall be submitted to the competent territorial directorate for each tax period by the end of the month, following the tax period, to which the declaration refers, regardless whether deliveries have been made during the period. When the last day of the month is a non-working day, **Art. 22, Para. 7** of the Tax-Insurance Procedure Code shall not apply.

(4) (Suppl. - SG 14/22, in force from 18.02.2022) Reference-declaration under Para. 2 shall be submitted electronically under the Tax-insurance Procedure Code with a qualified electronic signature by entering the data or submitting a previously generated file. The form, structure and validation scheme of the file shall be approved by an order of the Executive Director of the National Revenue Agency.

(5) The representative under Art. 157a, Para. 2 shall submit a reference-declaration under Para. 2 for each registered person, represented by him under **Art. 157a, Para. 3**.

(6) The competent territorial directorate shall provide the person electronically with a unique entry number for each submitted reference-declaration under Para. 2.

(7) In the reference-declaration under Para. 2 shall indicate the identification number of the person for the purposes of applying this regime and separately for each Member State of consumption shall be indicated the applicable tax rates, the total amount of the tax bases of the supplies, to which the regime

applies and for which the value added tax under the relevant rates has become chargeable, the total amount of tax due at the relevant rates, the total amount of tax due, separately for each Member State and the total amount of value added tax due for the relevant tax period.

(8) Errors (unreported and / or incorrectly reflected values) in a submitted reference-declaration shall be corrected within three years from the expiration of the term for submission of the initial reference-declaration, including after the application of this regime.

(9) Corrections of mistakes under Para. 8 shall be carried out in the next reference-declaration under Para. 2, including for issued credit and / or debit notices for a delivery, made during a previous period, indicating the respective Member State of consumption, the tax period and the amount of the tax, in connection with which adjustments are required. After this period, adjustments in the submitted reference-declaration shall be made in accordance with the legislation of the respective Member State of consumption. Where the country is a Member State of consumption, the adjustments shall be made in accordance with the Rules on the application of the Act.

(10) The values under Para. 7 and 9 shall be expressed in Euro. For deliveries in other currencies, the exchange rate on the last day of the tax period shall be used, using the exchange rate, published by the European Central Bank for that day or, if no such rate is published on that day, the rate published on the following day.

(11) A person, registered on the grounds of **Art. 157a, Para. 1 and 2** shall be obliged within the term under Para. 3 for submission of the reference-declaration to pay the total amount of the value added tax, which is due for the respective tax period, in the state budget on the account of the National Revenue Agency, in EUR, without rounding it off. The tax shall be considered paid on the date, on which the amount is credited to the account. When paying the amount, the person shall indicate the incoming number of the respective reference-declaration.

(12) When ra person, registered on the grounds of **Art. 157a, Para. 1 and 2** has not submitted within the term under Para. 3 reference-declaration or has not paid the tax under Para. 11, or has paid a tax in a smaller amount, the National Revenue Agency shall send to the person a reminder message electronically on the 10th day after the day, on which the reference-declaration should have been submitted, respectively the tax should have been paid, and inform the other Member States by electronic means, that a reminder has been issued. The subsequent actions for determining and collecting the tax after sending the reminder message by the National Revenue Agency shall be carried out by the competent tax authorities of the Member State of consumption.

(13) Regardless of the issued reminders and the actions taken under Para. 12, the reference-declaration shall be submitted under Para. 3.

(14) After taking actions under Para. 12 by the competent tax authorities of another Member State of consumption, the tax for the relevant tax period due to that Member State shall be paid into the account of that Member State.

Tax credit when applying a regime outside the EU and a regime within the EU

Art. 159b. (New – SG, 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A person, registered on the grounds of **Art. 154** or registered in another Member State for application of a regime outside the Union shall be entitled to reimbursement of the value added tax for received supplies of goods and/or services with a place of performance in the territory of the country in connection with carried out by him provision of services for which the person applies the regime under **Art. 81**.

(2) When a person, registered on the grounds of **Art. 154**, or registered in another Member State for application of a regime outside the EU is also registered on the grounds of **Art. 96**, shall have the right to deduct a tax credit under the general rules of the Act for received deliveries of goods and / or services with a place of performance on the territory of the country, in connection with deliveries of services, for which the

person applies the regime.

(3) A person, registered in another Member State for application of a regime within the Union, if it is registered on the grounds of **Art. 96**, **97**, or **Art. 100, par. 1** shall be entitled to a deduction of a tax credit according to the general provisions of the act for received supplies of goods and/or services with a place of implementation in the territory of the country in connection with supplies, made by him for which the person applies the regime.

(4) A person, registered in another Member State for application of a regime within the Union, if it is not registered on the grounds of Art. 96, 97, or Art. 100, Para. 1, shall be entitled to refunding for received deliveries of goods and / or services with a place of performance on the territory of the country in connection with deliveries, made by him, for which the person applies the regime under Art. 81.

(5) A person, registered on the grounds of Art. 156, who is not established on the territory of the European Union, and is not registered on the grounds of Art. 96, shall have the right to refund of value added tax for received deliveries of goods and / or services with place of performance on the territory of the country in connection with deliveries, made by him, for which the person applies the regime under **Art. 81, Para. 2**, provided for persons, who are not established on the territory of the European Union.

(6) (Suppl. - SG 14/22, in force from 18.02.2022) When a person is registered on the grounds of **Art. 156** and on the grounds of Art. 96 or Art. 100, Para. 1, it shall have the right to deduct a tax credit under the general rules of the Act for received deliveries of goods and / or services with a place of performance on the territory of the country in connection with deliveries, made by him, for which the person applies the regime.

Tax credit when applying a regime for distance sales of goods, imported from third countries or territories

Art. 159c. (New – SG, 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A person, registered in another Member State for the application of a regime for distance selling of goods, imported from third countries or territories, established in the territory of the European Union, if registered on the basis of **Art. 96**, **97** or **Art. 100, Para. 1**, shall have the right to deduct a tax credit under the general rules of the Act for received deliveries of goods and / or services with a place of performance on the territory of the country in connection with deliveries, made by him, for which the person applies the regime.

(2) A person, registered in another Member State for the application of a regime for distance selling of goods, imported from third countries or territories, established in the territory of the European Union, if he is not registered on the grounds of **Art. 96**, **97** or **Art. 100, Para. 1**, shall have the right to reimbursement for received deliveries of goods and / or services with a place of performance on the territory of the country in connection with deliveries, made by him, for which the person applies the regime under **Art. 81, Para. 2**, provided for persons, who are not established in the Member State of recovery but are established in the territory of the European Union.

(3) (Repealed - SG 14/22, in force from 18.02.2022)

(4) (Repealed - SG 14/22, in force from 18.02.2022)

Electronic register

Art. 159d. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A person, registered on the grounds of **Art. 154**, **156** or **157** or a taxable person, who is not registered on the grounds of **Art. 156** or **Art. 157a, Para. 1 and 3** and is not registered in another Member State for application of a regime in the EU, a regime outside the EU, or a regime for distance sales of goods, imported from third countries or territories, and makes deliveries under **Art. 14** with a place of performance

on the territory of the country, shall be obliged to keep an electronic register.

(2) The information in the register under, Para. 1 shall be recorded in a way suitable for it to be provided immediately electronically and for each individual delivery of goods and / or services in a structured file format upon request of a revenue authority or by the competent bodies of the Member States.

(3) When a taxable person or a representative, acting on his behalf and for his account is asked to submit electronically the electronic register kept under Para. 1, and the person has not provided it within 20 days from the date of the request, the Member State of identification shall remind the taxable person or the representative to provide this register.

(4) The persons under Para. 1 shall store the information in the electronic registers under Para. 1 for a period of 10 years, as from the end of the year, during which the respective supply has taken place.

Corrections of the statement-declaration for application of a regime outside the EU and regime in the EU

Art. 159e. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) Mistakes (missing and/or wrongly stated values) made in a filed statement-declaration for application of a special regime by a person registered on the grounds of **Art. 154** or **156**, shall be corrected by the person.

(2) An issued credit and/or debit note for a supply, made in a previous period shall be registered according to the provision of Para. 1.

(3) Corrections under Para. 1 shall be made within three years after the expiration of the period for filing of the statement-declaration for application of the respective regime, including after termination of its application. After this period, corrections in a filed statement-declaration shall be made according to the laws applicable in the respective Member State of consumption.

Refunding of overpaid tax under a statement-declaration for application of a regime non-EU regime, regime in the EU and distance selling regime for goods, imported from third countries or territories

Art. 159f. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) Overpaid tax under a statement-declaration for application of a special regime by a person registered on the grounds of Art. 154, or 157a shall be set off or refunded according to the provisions of the **Tax-Insurance Procedure Code**, unless the overpaid tax has already been transferred to other Member States of consumption.

(2) Payable tax under a statement-declaration for application of a special regime, deposited to the state budget in an account of the National Revenue Agency, but on the grounds of **Art. 159, Para. 14** or **Art. 159a, Para. 14** it is payable in another Member State of consumption, shall be deducted or refunded to the person under par. 1 according to the procedure of the **Tax-Insurance Procedure Code**.

(3) Overpaid tax as a result or correction under **Art. 159a, Para. 8 and 9**, or **Art. 159e** shall be refunded according to the procedure of the **Tax-Insurance Procedure Code**, unless it is transferred to other Member States of consumption. Where the overpaid tax is transferred to other Member States of consumption, it shall be refunded to the person from the respective Member State of consumption according to the correction made.

(4) Overpaid tax under a statement-declaration for application of a special regime filed in another Member State by a person, registered in this Member State for application of a regime within the EU or a regime outside the EU, or regime for distance sales of goods, imported from third countries, which has been transferred from the Member State or has been paid by the person to the state budget to an account of the National Revenue Agency, shall be set off or refunded to the person following the provisions of the **Tax-**

Insurance Procedure Code.

(5) Overpaid tax by a person, who is not established on the territory of the country, registered for application of a regime in the EU, a regime outside the EU or a regime for distance sales of goods, imported from third countries or territories in another Member State or under **Art. 154**, **156** or **157a**, shall be refunded in a bank account. When the account is not in a Bulgarian bank or in a branch of a foreign bank in the Republic of Bulgaria, all bank fees in connection with the refund of the tax, as well as with the exchange of currency shall be at the expense of the person.

Obligations when carrying out supplies with a place of implementation in the territory of the state by a person, registered in another Member State for application of a regime outside the EU or a regime within the EU or a regime for the distance selling of goods, imported from third countries or territories

Art. 159g. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A person, registered in another Member State for the application of a regime outside the EU, a regime in the EU or a regime for the distance selling of goods, imported from third countries or territories to declare these deliveries, indicating them in the reference declaration in accordance with the legislation of the Member State of identification. A reference-declaration, submitted in the Member State of identification shall be considered a reference-declaration submitted under this Act.

(2) A person registered in another Member State for application of a regime outside the Union or a regime within the Union, or a regime for distance sales of goods, imported for third countries or territories, carrying out supply of services with a place of implementation in the territory of the country shall be obliged to deposit the due tax according to the statement-declaration under par. 1 within the term set by the law of the Member State of identification. The tax shall be deemed deposited on the date on which the amount has been received in the account of the Member State of identification, or, is it has not been received in this account, on the date, on which it has been received in the state budget in an account of the National Revenue Agency.

(3) A person, registered in another Member State for the application of a regime outside the Union, a regime in the Union or a regime for the distance selling of goods, imported from third countries or territories who carries out delivery under these regimes, with a place of performance on the territory of the country, shall be obliged to provide upon request by a revenue authority the electronic register, kept in accordance with the legislation of the Member State of identification.

(4) Following an addressed reminder to the persons about the fulfillment of their obligations under par. 1 and 2 by the competent tax authorities of the Member State of identification, where the country is a Member State of consumption, the following activities for determination and collection of the tax shall be done by the National Revenue Agency according to the provisions of the **Tax-Insurance Procedure Code**. Following actions undertaken by the National Revenue Agency, the tax payable for the respective tax period for the country as a Member State of consumption shall be deposited by the person to the state budget in an account of the National Revenue Agency.

(5) Where the country is a Member State of consumption, until the expiration of three years of the legal term according to the laws of the Member State of identification, the statement-declaration not filed within the set term shall be filed, corrections in a filed statement-declaration shall be made accordingly, in this Member State, and after this term the statement- declaration shall be filed, corrections in a filed statement-declaration shall be made accordingly, according to a procedure, determined by the Rules on the application of the Act.

(6) Where a person, established in a third country, with which the European Union has not concluded an agreement on mutual assistance in the field of VAT, similar in scope to Directive 2010/24 / EU and Regulation (EU) № 904/2010, and registered in another Member State for the application of

a regime for distance selling of goods, imported from third countries or territories is represented by a representative, registered for the application of the obligations under the regime in the other Member State, the representative shall be jointly and severally liable for the obligations under this Act.

Switching over between a regime outside the Union and a regime within the Union

Art. 159h. (new – SG 105/14, in force from 01.01.2015, repealed - SG 14/22, in force from 18.02.2022)

Special registers

Art. 159i. (new – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) For persons, registered in the country for the application of a non-Union regime, a Union regime or a distance selling regime for goods, imported from third countries or territories, and a representative, registered in the country for the application of the obligations under the distance selling regime, imported from third countries or territories, the National Revenue Agency shall create and maintain a special register, which is part of the register under **Art. 80, Para. 1** of the Tax Insurance Procedure Code.

(2) The revenue authority shall register in the special register under par. 1, for every person under par. 1, the date of registration for application of the respective regime and the date of termination of the registration for application of the regime.

Chapter nineteen.
INVESTMENT GOLD

Supplies of investment gold

Art. 160. (1) Exempt shall be the supplies related to investment gold, which for the purposes of this Act shall be:

1. supplies of investment gold, including: of investment gold, presented by certificates for distributed or non-distributed gold; gold which is traded at accounts; loans of gold and swaps, with right to ownership or claim regarding investment gold; supplies concerning investment gold with future and forward contracts, leading to transferring the right to ownership or claim regarding investment gold;

2. services by agents, who act on behalf of and at expense of someone else, in connection with supplies of investment gold.

(2) Tax liable persons, who produce investment gold or process gold into investment gold, as well as tax liable persons, who usually provide gold for industrial purposes, may choose the supplies under par. 1, item 1 to be leviable. The tax liable persons, who carry out intermediate services regarding supplies of investment gold, may choose the supplies under par. 1, item 2 to be chargeable, when the supply, in connection with which the intermediate service has been made, is leviable.

(3) The right under par. 2 may be exercised, when the following conditions are simultaneously present:

1. recipient under the supplies is a person, registered under this Act;

2. in the invoice, issued for the supply is indicated, that the tax will be charged by the recipient.

Investment gold

Art. 160a. (New - SG 97/17, in force from 01.01.2018) (1) For the purposes of this Act, investment gold shall be:

1. gold in the form of bars or minted bars with weights accepted by the gold markets, and with purity equal to or over 995 thousandths;

2. gold coins included in the order under **Art. 175, Para. 5**, for which the following conditions are simultaneously fulfilled:

a) their purity is equal to or over 900 thousandths;

b) they were cut after the year 1800;

c) they have been or are legal payment instrument in the country of their origin;

d) gold usually sold at a price which does not exceed the value of the gold at market prices, which is to be found in the coins in amount of more than 80 percent;

3. gold coins not included in the order under **Art. 175, Para. 5** but included in the Gold Coin List, which meet the criteria laid down in Article 344 (1), paragraph 1, item 2 of Council Directive 2006/112/EC of 28 November 2006 on the Common system of value added tax (special investment gold scheme), published by 1 December of the year in the "C" series of the Official Journal of the European Union, valid for the calendar year following the year of publication; investment gold shall also be considered to be all coin issues included in this list for the year, to which the list applies;

4. gold coins not included in the list under item 3 or in the order under **Art. 175, Para. 5**, but for which a document issued by the Governor of the Bulgarian National Bank certifies that the conditions under item 2 for investment gold are present at the same time.

(2) The Bulgarian National Bank shall issue the document under Para. 1, item 4 of the person who submitted a request for certification of gold coins as investment gold after providing information on these coins.

(3) The order and the necessary documents for inclusion of gold coins in the order under **Art. 175, Para. 5** shall be determined by the regulation for the application of the act.

Charging the tax by the recipient

Art. 161. (1) Charging the tax shall be carried out by the recipient – a person, registered under this Act, at:

1. supplies of golden materials or of half-finished products with purity 352 thousandth or more;

2. supplies related to investment gold, for which the right under **art. 160** has been exercised, and in the invoice, issued by the provider, has been indicated, that the tax will be charged by the recipient.

(2) The tax shall be charged via issuing a protocol.

Right to tax credit

Art. 162. (1) Regardless of the fact that the subsequent supply related to investment gold is exempt, the registered persons shall have the right to tax credit for:

1. the tax charged by them by the procedure of **art. 161**;

2. (suppl. – SG 106/08, in force from 01.01.2009) the received supply, intra-community acquisition or the import of gold different from investment gold which has later been processed by the person or at his/her expense into investment gold;

3. the received services leading to change of the form, weight or the purity of the gold, including of investment gold.

(2) (suppl. – SG 106/08, in force from 01.01.2009) Regardless of the fact that the subsequent supply concerning investment gold is exempt, the registered persons who produce investment gold or process gold into investment gold shall have the right to deduction of tax credit regarding the supplies, intra-

community acquisition or the import on the territory of the state of goods or services related to the production or the processing of this gold.

Documentation

Art. 163. (1) The supplies related to investment gold, as well as the supplies of golden materials or half-finished products with purity 325 thousandths or more, shall be documented by issuing an invoice, which except for the requisites under **art. 114** should also include:

1. description of the gold, sufficient for its identification, at least containing: form, weight, purity and others;

2. date and address of the physical supply of the gold;

3. name, address and personal identification number and/or type, number, issuer of official identity document of the persons, who has compiled the document.

(2) The invoices under par. 1 shall be kept for a period of 10 years, considered from the end of the year, during which the respective supply has been carried out.

Chapter nineteen "a".
SUPPLY OF GOODS AND SERVICES UNDER APPENDIX NO 2, HAVING A PLACE OF PERFORMANCE ON THE TERRITORY OF THE COUNTRY, REGARDING WHICH THE TAX IS EXIGIBLE FROM THE RECIPIENT (New – SG 108/06, in force from 01.01.2007)

Tax event and exigibility of the tax

Art. 163a. (New – SG 108/06, in force from 01.01.2007) (1) Tax event for the supplies of goods and services, laid down in **Appendix No 2** shall occur according to the general provisions of this Act.

(2) The tax regarding the supplies under para 1 shall be exigible from the recipient – a person, registered under this Act, regardless whether the provider is a tax liable or tax non-liable person.

(3) (amend. – SG 95/09, in force from 01.01.2010) The tax regarding the supplies under para 1 shall become exigible by the manner of **Art. 25, paras 6 and 7**.

Charging a tax by the recipient

Art. 163b. (New – SG 108/06, in force from 01.01.2007) (1) The charging of the tax shall be carried out by the recipient by way of issuing:

1. a protocol under **Art. 117, para 2** within the term referred to in **Art. 117, para 3** – in case the provider is a tax liable person;

2. a general protocol for all supplies with regards to which the tax has become exigible during the respective tax period – where the providers are natural persons, who are not tax liable; the protocol shall be issued on the last day of the respective tax period.

(2) The protocol under para 1, item 2 shall obligatorily contain:

1. number and date;

2. name and identification number under **Art. 94, para 2** of the person, who issues it;

3. tax period;

4. description of the goods and services;

5. total sum of the purchase prices of the goods and services referred to in item 4 regarding the tax period;

6. tax charged for the period;

7. (new – SG 98/13, in force from 01.01.2014; amended date of entering into force – SG 104/13, in force from 01.12.2013) designation and identification number under **Art. 84 of the Code of Tax Insurance Procedure** of the supplier of goods under Attachment No. 2, Section Two.

Documenting the supplies

Art. 163c. (New – SG 108/06, in force from 01.01.2007) Where the provider is a tax liable person, the supplies of goods and services, laid down in **Appendix No 2** shall be documented by issue of invoice, in which "**Art. 163a, para 2**" shall be indicated as a ground for charging a tax.

Limitation of the scope

Art. 163d. (new – SG 98/13, in force from 01.01.2014; amended date of entering into force – SG 104/13, in force from 01.12.2013) The provisions of this Chapter shall not apply where the provisions of **Art. 7**, **13**, **15**, **16** and **28** are existing regarding the supply of goods or services under **Attachment No. 2**.

Transfer of greenhouse gas emission allowances

Art. 163e. (New - SG 18/19, in force from 28.02.2020 until 31.12.2026 (*), amend. with respect to the period of application - SG 52/22, in force from 01.07.2022) (1) For greenhouse gas emission allowance transfers under Annex No 2, Part Three, on which the recipients are persons not residing in the territory of the country, the general rules of the Act apply.

(2) For greenhouse gas emission allowance transfers under Annex No 2, Part Three with a place of performance on the territory of the country of which the suppliers are persons registered for VAT purposes in another Member State, the general rules of the Act apply.

Chapter twenty .
INVESTMENT PROJECTS

Special order for charging tax at import

Art. 164. (1) Regardless of **art. 56**, the tax at import of goods may be charged by a person, registered under this Act, if he/she has permission, issued by the procedure of **art. 166**, and imports goods (except for excise ones) following a list, approved by the Minister of Finance.

(2) The importer shall exercise his/her right under par. 1, as:

1. (amend. – SG 94/10, in force from 01.01.2011) declares in the submitted customs document for importation, that he/she will use this regime;

2. declares, that by the moment of implementing the import, he/she is a person, registered under this Act, and does not have exigible or not paid tax duties and obligations for insuring installments, collected by the National Revenue Agency.

(3) When the importer has exercised his/her right under par. 1, the customs bodies shall let the lifting of the goods, without the tax being effectively paid or secured.

(4) The importer shall charge the tax under par. 1 by the procedure of **art. 57, par. 3**.

(5) For the tax charged under par. 4, the importer shall have right of tax credit under the conditions of **art. 69** and **73**.

Reduced 30 days period for tax reimbursement

Art. 165. A person registered under this Act shall be entitled to reimburse the tax under **art. 88, par. 3** in a period of 30 days since submitting the reference-declaration, when the circumstances under **art. 92, par. 4** are present.

Issuing a permission

Art. 166. (1) (amend. – SG 105/14, in force from 01.01.2015) A permission to apply the special procedure for charging the tax at import and/or for reimbursement of the tax in a period of 30 days shall be issued to a person who meets simultaneously the following conditions:

1. he/she realizes investment project, approved by the Minister of Finance;

2. he/she is registered under this Act;

3. there are not exigible and unpaid tax duties and obligations for insuring instalments, collected by the National Revenue Agency;

4. (amend. – SG 86/06; amend.– SG 113/07, in force from 01.01.2008; amend. – SG 105/14, in force from 01.01.2015) there are conditions available for granting of a minimum aid according to Regulation (EU) No. 1407/2013 of the Commission of 18 December 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ, L 352/1 of 24 December 2013).

(2) The investment project shall be approved by the Minister of Finance, when the following circumstances are simultaneously present:

1. the term of implementing the project is up to two years;

2. (amend. - SG 101/13, in force from 01.01.2014) the amount of the investments is over 5 million BGN for a period not longer than two years;

3. (amend. - SG 101/13, in force from 01.01.2014) more than 20 new working places are created;

4. the person is able to finance the project, as well as to construct and maintain sites, providing its implementation, as:

a) credit contracts and trade loans;

b) contracts for financial leasing;

c) bank and other guarantees;

d) letters for undertaking obligation for financing of the project by the owners of the capital;

e) own assets;

f) the prognostic incoming cash flows are reliable, correspond to the market conditions and are sufficient for covering the investment and current expenses of the project.

(3) The permission shall be issued for a period of up to two years on the grounds of a written request enclosing the following documents:

1. projects, developments and plans for constructing and maintaining sites and business plan for economic stability and profitableness of the investment project;

2. (amend. - SG 95/16) analysis of the financial status confirmed by a registered auditor in the context of the **Independent Financial Audit Act** in case the person has been carrying out activity more than one year; enclosed to the analysis shall also be the full annual financial reports for the analyzed periods;

3. documents certifying the possibilities of financing the project under par. 2, item 4;

4. (amend. - SG 14/22, in force from 18.02.2022) list of the goods, which the person will import in pursuance of the investment project; the list of the imported goods shall obligatorily contain information about the quantity, the value, the code from the Combined nomenclature (CN) and the number of the contract for supply of the goods;

5. certificates for the circumstances under par. 1, items 2 and 3;

6. (amend. – SG 113/07, in force from 01.01.2008; amend. – SG 105/14, in force from 01.01.2015)

a declaration of the person about the amount of the received minimum aids for the last three tax years, including the current year; in case of transformation of companies and transfer of an undertaking, the person shall file a declaration according to the provisions of par. 3, paragraphs 8 and 9 of Regulation (EU) No. 1407/2013 of the Commission of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;

7. (new - SG 105/14, in force from 01.01.2015) a declaration of the person(s) about the amount of the amount of the received minimum aids for the last three tax years, including the current year, where they meet the definition of "the same company" within the meaning of Art. 2, paragraph s of Regulation (EU) No. 1407/2013 of the Commission of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;

(4) (new - SG 105/14, in force from 01.01.2015) The received minimum aids under par. 3, items 6 and 7, regardless their form and source, for the last three tax years, including the current one must not exceed a limit of the equivalent in BGN of 200.000 EUR, calculated by the official exchange rate of the Lev to EUR as of the date of the permit; for enterprises, carrying out road cargo transportation for others' account or against payment – a limit of the equivalent in BGN of 100 000 EUR, whereby the aid does not include the cost of acquisition of cargo vehicles for road transport; these limits shall apply, no matter whether the aid is financed fully or partially with European Union resources.

(5) (new – SG 113/07, in force from 01.01.2008; prev. par. 4, amend. – SG 105/14, in force from 01.01.2015) The minimum aid for the approved investment project shall be accumulated:

1. up to the limits, determined in par. 4 with:

a) other minimum aid, provided according to Regulation (EC) No. 1407/2013 of the Commission of 19 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid and

b) the minimum aid, provided according to Regulation (EU) No. 360/212 of the Commission on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid for enterprises providing services of a common economic interest up to the limit set in the said regulation, and

c) the minimum aid, provided according to other regulations on the minimis aid, and also

2. (amend. - SG 85/17) with any other state aid, received for the same investment project, approved by a decision of the European Commission or having received an evaluation under **Art. 28, Para. 1 of the State Aid Act** to the maximum allowable intensity.

(6) (amend. – SG 86/06, prev. par. 4 – SG 113/07, in force from 01.01.2008; revoked, prev. par. 5 – SG 105/14, in force from 01.01.2015) The Minister of Finance shall issue permission in one month period since the entering of the request, if the requirements under par. 1 and 2 are present. When according to the **State Aid Act** and the regulation for its implementation a notification to the European Commission is required, the permission shall be issued in one month period since the date of the decision of the European Commission, with which the provision of the aid is permitted.

(7) (new – SG 113/07, in force from 01.01.2008; revoked – SG 105/14, in force from 01.01.2015)

(8) (prev. par. 5 – SG 113/07, in force from 01.01.2008; revoked – SG 105/14, in force from 01.01.2015).

(9) (prev. par. 6, amend. – SG 113/07, in force from 01.01.2008; revoked – SG 105/14, in force from 01.01.2015).

(10) (prev. par. 7 – SG 113/07, in force from 01.01.2008; revoked – SG 105/14, in force from 01.01.2015).

(11) revoked – SG 105/14, in force from 01.01.2014) A person having received a permission under par. 6 shall be obliged to file to the Ministry of finance information about the implementation of the investment project:

1. for the year of the issuance of the permission and for the next calendar year – by the 20th January of the year following the year for which the information applies;

2. for the rest of the period of implementation of the investment project – by the 20th day of the month, following the month of expiration of the term of validity of the permission.

Refusal to issue and withdrawal of the permit

Art. 167. (amend. – SG 105/14, in force from 01.01.2015) (1) The permit under **Art. 166, par. 6** shall not be issued where as a result of getting of the minimum aid under **Art. 166** the limits or the maximum allowable intensity for the approved state aid have been exceeded.

(2) In the permit under **Art. 166, par. 6** the amount of the minimum aid for the approved investment project must be indicated obligatorily.

(3) Issuance or refusal for issuance of a permit shall be done by a written order of the Minister of Finance.

(4) Within 6 months after the issuance of the permit under **Art. 166, par. 6**, issuance of a new permit shall be allowed for goods, which will be imported or acquired additionally for the implementation of an already approved investment project. No corrections in an issued permit shall be allowed.

(5) The refusal for issuance of a permit may be appealed following the provisions of the **Code of Administrative Procedure**.

(6) An issued permit shall be withdrawn in the following cases:

1. where the person ceases to meet the provisions of **Art. 166, par. 1**;

2. upon expiration of the term under **Art. 166, par. 3**.

(7) Where the respective competent authority finds out that the terms and conditions under **Art. 166** are existing, they notify the Minister of Finance thereof.

(8) The permission shall be withdrawn by an order of the Minister of Finance, which may be appealed by the order of the **Code of Administrative Procedure**.

(9) The Minister of Finance shall give to the customs administration information about the issued and withdrawn permissions, as well as the lists under **art. 166, par. 3, item 4**.

Chapter twenty "a".
DEFERRED TAX CHARGE ON IMPORTATION (NEW - SG 98 OF 2018, IN FORCE FROM 01.07.2019)

Conditions for Deferred Tax Charge on import

Art. 167a. (New - SG 98/18, in force from 01.07.2019) Deferred tax charge on importation may be applied by a person who at the time of import meets the following conitions at the same time:

1. carries out import of goods specified in Annex 3;

2. any goods declared in the customs document for import have a customs value equal to or greater than BGN 50 000;

3. is registered on the grounds of **Art. 96**, **97** or **Art. 100, Para. 1** not less than 6 months prior to importation;

4. has no chargeable and unpaid public liabilities collected by the National Revenue Agency.

Order for deferred tax charge on import

Art. 167b. (New - SG 98/18, in force from 01.07.2019) (1) The importer shall declare in the submitted customs import document that he will apply deferred tax charge on importation.

(2) Where the importer meets the conditions under **Art. 167a**, the customs authorities shall release

the goods, without the tax being effectively paid or secured.

(3) For the tax charged under **Art. 57**, the importer shall be entitled to a tax credit under the conditions of Chapter Seven.

Chapter twenty one.
SPECIAL PROVISIONS REGARDING THE NEW VEHICLES

Special provisions for intra-community supply and intra-community acquisition of new vehicle

Art. 168. (1) (suppl. – SG 94/10, in force from 01.01.2011) Any person, not registered under this Act, and any person registered under **Art. 97a, Para 1 and 2** and **Art. 99**, who carries out intra-community acquisition of new vehicle under **art. 13, par. 2** or implements occasional intra-community supply of new vehicle under **art. 7, par. 2** shall be obliged to declare the intra-community acquisition or the implemented occasional supply in 14 days period since the expiration of the tax period, during which the tax for the acquisition or the supply has become exigible under **art. 63** or **51**.

(2) The declaring shall be carried out with the submission of declaration in the territorial directorate of the National Revenue Agency, where the person is registered or is subject to registration under the **Tax-insurance procedure code**.

(3) The declaration under par. 2 shall be submitted in a form, specified with the regulation for implementation of the law.

(4) The tax due for the intra-community acquisition shall be deposited by the order and in the terms of **art. 91**.

(5) In the cases of carrying out intra-community supply under par. 1, for the person shall arise the right of reimbursement of the tax paid for the acquired vehicle, if the following conditions are present:

1. the person:

a) possesses invoice that meets the requirements of **art. 114** – when the vehicle has been purchased on the territory of the state, or

b) (amend. – SG 94/10, in force from 01.01.2011) possesses customs document for importation – in cases of import, or

c) the person has submitted declaration under par. 2 for intra-community acquisition – in the cases of intra-community acquisition under par. 1.

2. (amend. – SG 105/14, in force from 01.01.2015) the tax for the intra-community acquisition or the import has been deposited to the state budget by the procedure and in the terms of **art. 90** and **91**.

(6) The right of reimbursement of the tax under par. 5 shall be exercised, as the amount of the tax for reimbursement shall be indicated in the declaration under par. 2.

(7) The amount of the tax, which shall be subject to reimbursement under par. 5, may not be greater than the amount of the tax, which would have been exigible from the person, in case the supply were not chargeable with zero rate.

(8) At implementing occasional supply under par. 1 by a natural person, who is not sole trader, the person shall issue a document, which contains the requisites under **art. 114, par. 1, items 3-15**.

Chapter twenty one "a".
SPECIAL PROVISIONS CONCERNING VALUE ADDED TAX WITH RESPECT TO THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (NEW - SG 107/20, IN FORCE FROM 01.01.2021)

Supplies from or to the United Kingdom of Great Britain and Northern Ireland

Art. 168a. (New - SG 107/20, in force from 01.01.2021) (1) The United Kingdom of Great Britain and Northern Ireland shall be a third country from January 1, 2021.

(2) (Amend. - SG 14/22, in force from 18.02.2022) Northern Ireland shall be deemed to be the territory of a Member State for the purposes of this Act when:

1. the supplier of the goods is a taxable person who is identified for VAT purposes in Northern Ireland by a VAT identification number containing the mark/prefix "XI", or the recipient is a taxable person or a non-taxable legal person who is identified for VAT purposes in Northern Ireland by a VAT identification number containing the "XI" mark/prefix, and

2. the supply is:

a) intra-Community supply or intra-Community acquisition of goods;

b) intra-Community supply or intra-Community acquisition of new vehicles;

c) supplies of goods to be assembled or installed;

d) supplies of goods under Chapter Eighteen, or

e) supplies of goods under the call-off stock arrangement.

(3) (Amend. - SG 14/22, in force from 18.02.2022) For the purposes of this Act, Northern Ireland shall be deemed to be the territory of a Member State also when a taxable person with a VAT identification number containing the "XI" character/prefix is an intermediary in a tripartite operation.

(4) (Amend. - SG 14/22, in force from 18.02.2022) The persons under Para. 2, item 1 and Para. 3, who are established on the territory of Northern Ireland and are not established on the territory of the Republic of Bulgaria, shall be entitled to a refund of accrued value added tax for goods purchased by them on the territory of the latter country by the order of **Art. 81, Para. 2**.

Part nine.
OTHER PROVISIONS

Chapter twenty two.
INFORMATION

Public information

Art. 169. (1) Public information shall be such for the registration under this Act, that includes:

1. name, identification number under **art. 84** of the Tax-insurance procedure code, identification number under **art. 94, par. 2** and correspondence address of the person;

2. date of registration and termination of the registration;

3. date of publication of the circumstances under items 1 and 2.

4. (new – SG 105/14, in force from 01.01.2015, amend. - SG 96/19, in force from 01.01.2020, amend. – SG, 104/20, in force from 01.07.2021, amend. - SG 14/22, in force from 18.02.2022) grounds for registration under the Act upon registration on the grounds of **Art. 96**, **97**, **97a**, **99**, **Art. 100, Para. 1 and 2, Art. 151a**. and Art. 156, Para. 1 and 16.

(2) The information under par. 1 shall be accessible and shall be published in the internet site of the revenue administration.

(3) The information under par. 1 may be provided by the revenue administration and at a written request by a person.

(4) The circumstances under par. 1 shall be considered as known by third bona fide persons since the date of publishing the information under par. 1, item 3.

Exchange of information (Title amend. - SG 88/16, in force from 01.01.2017)

Art. 170. (1) (amend. – SG 94/10, in force from 01.01.2011, amend. - SG 98/18, in force from 01.07.2019) The customs administration shall give to the revenue administration information via electronic way about the customs documents for import accepted and the tax payments received regarding import of goods in a term up to 14 days since the expiration of each calendar month, as well as information about the persons who have declared that they will apply deferred tax charge on import.

(2) The information shall be submitted under conditions and by order, determined with order of the Minister of Finance.

(3) (New - SG 88/16, in force from 01.01.2017) The National Revenue Agency shall, upon request, provide information to the Bulgarian Food Safety Agency on available public debts of any entity-operator of a food bank.

(4) (New - SG 88/16, in force from 01.01.2017, amend. - SG 52/20, in force from 09.06.2020) The National Revenue Agency shall immediately notify the Bulgarian Food Safety Agency for the presence of circumstances under Art. 106, para. 1, item 6 of the Foodstuffs Act.

Exchange of information with the tax administrations of other Member States

Art. 171. (1) The revenue administration may freely exchange information, concerning the levying with value added tax, with the tax administrations of other Member States, under the condition that this information will be used only for determining the tax obligations of persons and/or during the appealing the amount of these tax obligations.

(2) The information, received by the way of par.1 from other Member States, may be used as proof for determination of the obligations under this Act, as well as regarding administrative and court procedure.

(3) Paragraphs 1 and 2 shall also be applied in the cases, when the information is exchanged electronically.

Chapter twenty three.
APPLYING INTERNATIONAL TREATIES AND REIMBURSEMENT OF TAX TO PERSONS NOT SETTLED ON THE TERRITORY OF THE STATE

Exempt import by virtue of international treaties and import of goods by armed forces of foreign states

Art. 172. (1) (amend. - SG 101/13, in force from 01.01.2014) Exempt from tax shall be the import of goods, for which an act or international treaty, ratified and promulgated by the respective procedure, provides exemption from taxes of the import, duties or other takings (payments, levying) with effect, equal to indirect tax.

(2) (suppl. – SG 113/07, in force from 01.01.2008, amend. - SG 14/22, in force from 18.02.2022) Exempt from tax shall be the import of goods brought into the territory of the country by Commands/staffs of the NATO Organization or by the armed forces of other states, which are parties to the North Atlantic Treaty, for using by these armed forces or by the civilian personnel accompanying them, or for supplying their canteens or mess halls, when the forces take participation into the joint defensive activities under the North Atlantic treaty on the territory of the country and/or on the territory of another country.

(3) (New - SG 14/22, in force from 01.07.2022) Exempt from tax shall be the import of goods brought into the territory of the country by the armed forces of other Member States of the European Union, for use by these armed forces or by the accompanying civilian personnel, or for supplying their canteens or

mess halls when the forces participate in defense activities on the territory of the country and/or on the territory of another country, aimed at implementing the activities of the European Union within the framework of the common security and defense policy defined in Title V, Chapter 2, Section 2 of the Treaty on European Union , hereinafter referred to as the "CSDP".

(4) (Previous Para. 3, amend. - SG 14/22, in force from 18.02.2022) The procedure for applying Para. 1, 2 and 3 shall be determined by the **Rules for implementation of the law**.

Exempt supplies by virtue of international treaties and supplies, recipients of which are the armed forces of foreign states or institutions of the European Union

Art. 173. (1) (Amend. - SG 101/13, in force from 01.01.2014) For supplies which are exempt from value added tax by virtue of international treaties, settlements, agreements, conventions or others similar, to which the Republic of Bulgaria is a party, which are ratified and promulgated in the respective order, a zero tax rate shall be applied.

(2) For applying the zero rate, the provider shall be obliged to request in writing a statement by the competent territorial directorate of the National Revenue Agency regarding the grounds of exemption. Enclosed to the request shall be the documents proving the grounds for applying the exemption, determined with the **Rules on implementation of the law**.

(3) The restrictions on the right of tax credit under **art. 70** shall not be applied with respect to the goods or services which are only used for implementation of supplies under Para. 1.

(4) (Amend. – SG 95/09, in force from 01.01.2010, repealed - SG 14/22, in force from 18.02.2022)

(5) (Amend. – SG 95/09, in force from 01.01.2010; amend. – SG 94/10, in force from 01.01.2011) Zero rate taxable shall be the supplies of goods and services exceeding BGN 400 and having place of performance on the territory of the country and recipients – the institutions of the European Union, the European Atomic Energy Community, the European Central Bank, the European Investment Bank or the bodies set up by the European Union to which the Protocol of 8 April 1965 on the privileges and immunities of the European Union applies, within the limits and under the conditions of that Protocol and the agreements for its implementation or the headquarters agreements, in so far as it does not lead to distortion of competition. To apply the zero rate the provider shall have documents in writing as evidence for the contractual relations with the institutions of the European Union.

(6) (New – SG 94/10, in force from 01.01.2011) Zero tax rate shall apply to taxable supplies of goods and services with place of performance on the territory of the country, where all of the following conditions have been met:

1. recipients are:

a) commands/headquarters of the North Atlantic Treaty Organisation;

b) (amend. - SG 14/22, in force from 18.02.2022) armed forces of other contracting parties to the North Atlantic Treaty, to be used by these armed forces or their accompanying civilian personnel, or for the supply of their canteens or mess halls, when the forces participate in the joint defense activities of the North Atlantic Treaty on the territory of the country and/or on the territory of another state;

c) diplomatic and consular missions and their staff members;

d) (amend. - SG 14/22, in force from 18.02.2022) international organisations recognised as such by the public authorities of the host Member State, or members of such organisations, within the limits and under the conditions laid down by the international conventions establishing the organisations or by headquarters' agreements;

e) (new - SG 14/22, in force from 01.07.2022) the armed forces of other Member States of the European Union, for use by these armed forces or by the accompanying civilian personnel, or for supplying their canteens or mess halls when the forces participate in defense activities on the territory of the country and/or on the territory of another country, aimed at implementing the activities of the European Union within the framework of the CSDP.

2. the Republic of Bulgaria is not a host state of the persons referred to in item 1.

(7) (New – SG 94/10, in force from 01.01.2011) The documents certifying the circumstances referred to in Para. 6 shall be determined in the **Rules on implementation of this Act**.

(8) (New - SG 14/22, in force from 01.01.2021) Zero tax rate shall be applied to taxable supplies of goods and services with place of performance on the territory of the country when recipients are the European Commission or an agency or body established under European Union law, when the European Commission or such agency or body purchases these goods or services during the performance of tasks assigned to them by European Union law in response to the COVID-19 pandemic.

(9) (New - SG 14/22, in force from 01.01.2021) The zero tax rate under Para. 8 shall not apply, when the goods and services received from the European Commission or the relevant agency or body are used immediately or at a later date for subsequent supplies against remuneration.

(10) (New - SG 14/22, in force from 01.01.2021) When the conditions for application of the zero rate, provided in Para. 8, cease to apply, the European Commission or the relevant agency or body which has received a zero-rated supply shall inform the state, and the supply of those goods or services shall be taxable under the conditions applicable at that time.

(11) (New - SG 14/22, in force from 18.02.2022) A zero-rate taxable supply shall be the supply of goods or services to another Member State, intended for the armed forces of a State-party to the North Atlantic Treaty, other than the Member State of destination, for use by those armed forces or by the accompanying civilian personnel or to supply their canteens or mess halls when the forces participate in the joint defense activities of the North Atlantic Treaty.

(12) (New - SG 14/22, in force from 01.07.2022) A zero-rate taxable supply shall be the supply of goods or services to another Member State intended for the armed forces of a Member State, other than the Member State of destination itself, for use by those armed forces or their accompanying civilian personnel or for supplying their canteens or mess halls when the forces are involved in defense activities aimed at carrying out European Union activities within the framework of the CSDP.

(13) (New - SG 14/22, in force from 01.07.2022) As intra-Community acquisition of goods for consideration shall be considered the use of goods by the armed forces of the Republic of Bulgaria when participating in defense activities aimed at carrying out activities of the European Union within the framework of the CSDP, for the needs of these armed forces or the accompanying civilian personnel, which goods have been purchased in another Member State and for which the general rules for taxation in that other Member State have not been applied, when the import of these goods does not meet the requirements for exemption provided for in Art. 172, Para. 3.

(14) (New - SG 14/22, in force from 18.02.2022) As intra-Community acquisition of goods for consideration shall be considered the use of goods by the armed forces of the Republic of Bulgaria, which is a party to the North Atlantic Treaty, for use by these armed forces or by the accompanying civilian personnel, when the forces participate in the joint defense activities of the North Atlantic Treaty, which goods have been purchased in another Member State and for which the general rules on taxation in that other Member State have not been applied, where the importation of these goods does not meet the requirements for exemption provided for in Art. 172, Para. 2.

(15) (New - SG 14/22, in force from 18.02.2022) Exempt shall be the intra-community acquisitions with a place of performance on the territory of the country of goods, the import of which on the territory of the country would be exempt from tax pursuant to:

1. Article 172, Para. 2, or

2. (In force from 01.07.2022) Article 172, Para. 3.

Tax reimbursement for the diplomatic representations, consulates, representations of intergovernmental organizations and members of their personnel

Art. 174. (1) The charged tax shall be reimbursed for supplies, for which recipients are:

1. diplomatic representations;
2. consulates;
3. representations of international organizations;
4. the members of the personnel of the recipients under items 1, 2 and 3.

(2) The procedure and the necessary documents for reimbursement of the tax under par. 1 shall be determined with ordinance of the Minister of Finance.

Verifying the status of a person exempt from value added tax, regarding whom the Republic of Bulgaria is a host state

Art. 174a. (new – SG 106/08, in force from 01.01.2009) (1) (amend. – SG 94/10, in force from 01.01.2011, amend. - SG 14/22, in force from 18.02.2022) The status of a person exempt from value added tax, indicated in Art. 172, Para. 2, **Art. 173, para 5** and **Art. 174**, regarding whom the Republic of Bulgaria is a host state, shall be verified by a certificate issued by the National Revenue Agency.

(2) The procedure for issuing the certificate and its form shall be specified by the **Regulations for implementation of the law**.

Chapter twenty four.
LEGAL POWERS OF THE MINISTER OF FINANCE

Authorities of the Minister of Finance

Art. 175. (1) The Minister of Finance shall issue **Regulation for implementation of this Act**.

(2) (amend. – SG 95/09, in force from 01.01.2010) The Minister of Finance shall issue the ordinances under **art. 81, par. 2**, **art. 118, par. 4** and **art. 174, par 2**.

(3) If it is necessary, the Minister of Finance shall determine with order:

1. special procedure for documentation and reporting some types of supplies, for which the application of the general order shall create practical difficulties;
2. the information, which is public and collected under this Act;
3. the information collected under this Act which may be provided for the tax administrations of other countries;
4. (revoked - SG 97/17, in force from 01.01.2018)
5. (amend. – SG 94/10, in force from 01.01.2011; revoked – SG 105/14, in force from 01.01.2015)

(4) The orders under par. 3 shall be published in the State gazette.

(5) (New - SG 97/17, in force from 01.01.2018) The Minister of Finance, together with the Governor of the Bulgarian National Bank, shall determine by an order the list of gold coins traded on the territory of the Republic of Bulgaria representing investment gold. The order shall be published on the official website of the **Ministry of Finance** and the **Bulgarian National Bank**.

Chapter twenty five.
LEGAL POWERS OF THE REVENUE BODIES AND TAX EVASION PREVENTION

Refusal or termination of registration in connection with tax violations

Art. 176. The competent revenue body may refuse to register or to terminate the registration of a person who:

1. is impossible to be found at the address for correspondence, indicated by him/her in the way of the **Tax-insurance procedure code**;

2. changes his/her address for correspondence and does not notify in the way provided for this;

3. does not fulfil systematically his/her obligations under this Act;

4. (amend. – SG 95/09, in force from 01.01.2010) has public duties, collected by the National Revenue Agency, the total amount of which exceeds the amount his/her assets, reduced with his/her duties;

5. (new – SG 95/09, in force from 01.01.2010) fails to provide an electronic address for correspondence for more than three months after the obligation for notification has arisen.

6. (new – 94/12, in force from 01.01.2013) fails to present or to provide access to issued or drawn up by him/her original accounting documents, requested by the revenue authority, unless the documents have been lost or destroyed, and the person has advise the revenue authorities thereof.

Registration with collateral

Art. 176a. (new – SG 108/07, in force from 19.12.2007, revoked - SG 97/17, in force from 01.01.2018)

Requesting and amount of collateral

Art. 176b. (new – SG 108/07, in force from 19.12.2007, revoked - SG 97/17, in force from 01.01.2018)

Collateral for supply of liquid fuels

Art. 176c. (New - SG 60/16) (1) Every tax liable person must provide collateral in cash, in government bonds or in an unconditional and irrevocable bank guarantee for a one-year term before the competent territorial directorate of the National Revenue Agency, when for the current tax period:

1. they carry out taxable supplies of liquid fuels with tax rate of 20 per cent and a total value of their tax bases over 25 000 BGN, or

2. (amend. - SG 97/17, in force from 01.01.2018) the total value of the tax bases in intra-community acquisitions of liquid fuels has exceeded 25 000 BGN, or

3. (amend. - SG 97/17, in force from 01.01.2018) they receive liquid fuels, released for consumption under **Art. 20, para. 2, item 1 of the Excises and Tax Warehouses Act** with total value of their tax bases of over 25 000 BGN, if no basis for collateral has arisen on other grounds.

(2) (Amend. - SG 98/18, in force from 01.01.2019) The collateral under para. 1 shall be in an amount not less than 20 percent of the tax base of taxable transactions, acquisitions or the value of the received liquid fuels, released for consumption for the previous tax period. In subsequent supplies with location of implementation on the territory of the country of liquid fuels, which were the subject of intra-community acquisition or were secured in their release for consumption, collateral shall not be provided by the person who has carried out the intra-community acquisition or received the liquid fuels released for consumption.

(3) (Amend. - SG 98/18, in force from 01.01.2019) Where a person under para. 1 has not made taxable supplies or intra-community acquisitions, or has not received liquid fuels cleared for consumption under **Art. 20, para. 2, item 1 of the Excises and Tax Warehouses Act** with a total value of supplies, acquisitions or releases over 25 000 BGN for the previous tax period, the amount of the collateral shall be fixed in accordance with para. 2 based on the estimated monthly tax base on taxable supplies or acquisitions of liquid fuels, or the value of released for consumption liquid fuels which is calculated based on 12 months.

(4) In case of change in circumstances which are relevant for determining the amount of collateral, new collateral shall be provided within 7 days prior to the change. New collateral shall be with the duration of the already provided collateral under para. 1 and shall be in the amount of no less than 20 percent of the tax base of taxable supplies/intra-community acquisitions of liquid fuels or the value of received liquid fuels, released for consumption, with which is exceeded the rate of 20 per cent of the tax base of taxable supplies, acquisitions or the value of the received liquid fuels released for consumption, for which collateral has already been provided.

(5) Collateral under para. 1 shall be provided within 7 days before the date of:

1. the occurrence of the tax event of the supply, with whose tax base the 25 000 BGN is exceeded, or

2. the occurrence of the tax event in the intra-community acquisition, with whose tax base the 25 000 BGN is exceeded, or

3. the release of liquid fuels for consumption under **Art. 20, para. 2, item 1 of the Excises and Tax Warehouses Act**, with whose value the 25 000 BGN is exceeded.

(6) Where the conditions under para. 1 are present, the person shall be obliged to provide a new collateral no later than 14 days before the expiry of the previous collateral. The size of the new collateral shall be defined under para. 2.

(7) (Suppl. - SG 97/17, in force from 01.01.2018) The collateral shall be released and the person shall be deleted from the register under para. 10 before the expiry of the one-year period, when the registration of the person under this Act is terminated, when the person has no transactions under para. 1 to be carried out and no outstanding liabilities for value added tax, fines or pecuniary sanctions in connection with violations under the law.

(8) Licensed warehouse keeper within the meaning of the **Excises and Tax Warehouses Act**, a person who carries out supplies under **Art. 24, para. 1, item 1** and **Art. 26, para. 2 of the Excises and Tax Warehouses Act**, and a person who has met the requirements of **Art. 118, para. 6** only for his supplies, accounted for under that same provision, shall be exempt from the obligation to provide collateral.

(9) Competent revenue authority may terminate the registration under this act and may remove from the register under para. 10 a person who has not provided collateral, or has not provided collateral in full amount, or on time.

(10) For persons under para. 1, the National Revenue Agency shall establish and maintain an electronic public register, part of the register under **Art. 80, para. 1 of the Tax-insurance Procedure Code**, in which shall be entered identification data for the persons providing collateral, its size and period of validity, the record date and the date of deletion.

(11) Competent revenue authority shall enlist the person in the register under para. 10 within 7 days from the provision of the collateral. Upon release of the collateral, a competent revenue authority shall delete the person from the register on the day of the release, and shall notify that person.

(12) The procedure for providing, release and usage of the collateral under this Article shall be determined by the **Implementing Regulation of the Value Added Tax Act**.

(13) (New - SG 97/17, in force from 01.01.2018) Any registered agricultural producer who carries out refueling of vehicles, machinery, equipment or other technical equipment registered under the **Act on Registration And Control Of Agricultural And Forestry Machinery**, or any budget organization, when carrying out intra-Community acquisitions of liquid fuels, or receiving liquid fuels released for consumption under **Art. 20, Para. 2, item 1 of the Excises And Tax Warehouses Act** for own consumption, shall be exempt from the obligation to provide collateral.

(14) (New - SG 97/17, in force from 01.01.2018) Any person other than the persons under Para. 13, who has made an intra-Community acquisition of liquid fuels, or received liquid fuels released for consumption under **Art. 20, Para. 2, item 1 of the Excises And Tax Warehouses Act** which are destined for own consumption, shall be exempt from the obligation to provide collateral, if it is entered in the register under Para. 15.

(15) (New - SG 97/17, in force from 01.01.2018, suppl. - SG 98/18, in force from 01.01.2019) For the persons under Para. 14, the National Revenue Agency shall establish and maintain a public electronic register, part of the register under **Art. 80, Para. 1 of the Tax-Insurance Procedure Code**. The order for entry and the content of the register shall be determined by the **Regulation for the application of the act**.

LIability of persons in cases of abuse

Art. 177. (1) (amend. – 94/12, in force from 01.01.2013) Registered person – recipient of leviable supply shall be liable for the exigible and not deposited tax by another person, as long as he/she has used right to deduct tax credit, directly or indirectly connected with the exigible and not deposited tax.

(2) The liability under Para. 1 shall be realized when the registered person has known or was obliged to know that the tax would not be paid, and this has been proven by the audit authority pursuant to art. **117-120 of the Tax-insurance procedure code**.

(3) For the purposes of par. 2, it shall be accepted that the person has been obliged to know, when the following conditions are simultaneously implemented:

1. the exigible tax under par. 1 has not been effectively deposited as a result for tax period, from whoever previous provider regarding leviable supply with subject the same goods or service, regardless of the fact whether in the same, changed or processed form, and

2. the leviable supply is apparent, circumvent the law or has a price, that is significantly different from market one.

(4) The liability under par. 1 shall not be bound to receiving a certain benefit from not depositing the exigible tax.

(5) Under the conditions of Para. 2 and 3, liability shall also be borne by the previous supplier of the person who owes the tax.

(6) In the cases under para. 1 and 2, the liability shall be incurred in respect of the direct recipient of the supply for which the tax due has not been paid and, where the recovery is unsuccessful, the liability may be incurred in respect of each subsequent consignee in the order of supplies.

(7) Paragraph 6 shall apply accordingly with respect to previous suppliers as well.

Chapter twenty six.
COMPULSORY ADMINISTRATIVE MEASURES AND ADMINISTRATIVE AND PUNITIVE PROVISIONS

Art. 178. A taxable person under this Act who is obliged to but fails to submit an application for registration or an application for termination of registration within the deadlines established under this law, shall be liable to a fine – for natural persons who are not sole traders, or with proprietary sanction – for legal persons and sole traders, in the extent from 500 to 5 000 BGN.

Art. 179. (1) (amend. – SG 108/07, in force from 19.12.2007; amend. – 94/12, in force from 01.01.2013; prev. Art. 179, amend. – SG 105/14, in force from 01.01.2015) A person who is obliged to but fails to submit the reference-declaration under **Art. 125, para. 1**, the declaration under **Art. 125, para. 2**, the reporting registers under **Art. 124**, or fails to submit them within the prescribed time limits, shall be liable to a fine - for natural persons who are not traders, or by a proprietary sanction - for legal persons and sole traders, in the amount from 500 to 10 000 BGN.

(2) (new - SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) Para. 1 shall also apply to a person, who is not established in the territory of the country and is registered in another Member State for the application of a system in the Union, a regime outside the Union, a regime for distance selling of goods, imported from third countries or territories or a representative, registered for

application of the obligations under the respective regime to represent such person, or registered person under **Art. 154**, **156** or **157a**, who is obliged, but does not submit a reference-declaration for application of a special regime for performed deliveries with a place of performance on the territory of the country, or does not submit it within the stipulated term.

(3) (New, SG, 104/20, effective from 01.07.2021) Para. 1 shall also apply to a person under Art. 57b, who did not submit a monthly declaration under **Art. 57c, Para. 5** or fails to submit it within the stipulated term, or fails to submit the register under **Art. 57c, Para. 8**.

Art. 180. (1) (amend. – SG 108/07, in force from 19.12.2007; suppl. – SG 95/15, in force from 01.01.2016) A registered person who is obliged to but fails to charge a tax within the time limits provided for in this Act, shall be liable to a fine for natural persons who are not traders, or to a proprietary sanction for legal persons and sole traders, in the amount of the unpaid tax, but not less than BGN 500. In case of a repeated violation, the amount of the fine or the proprietary sanction shall be double the amount of the uncharged tax but not less than BGN 1 000.

(2) Paragraph 1 shall also apply when the person has not charged tax since he/she has not submitted application for registration and has not been registered under this Act within the time period.

(3) (amend. – SG 108/07, in force from 19.12.2007; amend. – SG 95/15, in force from 01.01.2016) At violation under par. 1, when the registered person has charged the tax within 6 months from the end of the month, during which the tax was supposed to be charged, the fine, respectively the proprietary sanction shall be in the extent of 5 percent of the tax, but no less than 200 BGN, and in the event of repeated offence, no less than 400 BGN.

(4) (amend. – SG 108/07, in force from 19.12.2007; amend. – SG 95/15, in force from 01.01.2016) In case of violation under par. 1, where the registered person has charged the tax after the time limit under para 3 has expired, however not later than 18 months from the end of the month, during which the tax was supposed to be charged, the fine or the proprietary sanction shall amount to 10 percent of the tax, and not less than 400 BGN, and in case of repeated offence – no less than 800 BGN.

Art. 180a. (new – SG 106/08, in force from 01.01.2009) (1) A registered person who is obliged to but fails to charge tax within the time periods provided for in this Act in those cases where the tax is exigible from the person as the ine liable for payment under **Chapter eight** and that he/she is entitled to full tax credit, shall be punished with a fine for natural persons who are not traders, or with a proprietary sanction for legal persons and sole traders, in the extent of five percent of the non-charged tax, but no less than 50 BGN.

(2) Paragraph 1 shall also apply when the person has not charged tax, because he/she has not submitted an application for registration and has not been registered within the fixed time period.

(3) Upon violation under par. 1, where the registered person has charged the tax during the period following the period, during which the tax was supposed to be charged, the fine, respectively the proprietary sanction shall be in extent of 2 percent of the tax, but no less than 25 BGN.

(4) In the cases referred to in para 1, where the person has notified the revenue authorities pursuant to **Art. 126, para 3, item 2** within two months from the end of the month, in which the tax was supposed to be charged, the fine, respectively the proprietary sanction shall be in extent from 100 to 300 BGN.

(5) In case of repeated violation under para 1 and 2, the amount of the fine or the proprietary sanction shall be 20 percent of the non-charged tax, and not less than 500 BGN, and in the cases referred to in para 4 – from 200 to 600 BGN.

Art. 180b. (new - SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) (1) A person, not established in the territory of the country and registered in another Member State for the application of a regime in the Union, a regime outside the Union or a regime for distance selling of goods, imported from third countries or territories, or a representative, registered for the

application of obligations under the respective regime in another Member State to represent such a person or a registered person under **Art. 154**, **156** or **157a**, and fails to charge a value added tax for carried out supplies with a place of implementation in the territory of the country under within the tax period, in which the tax for the supply is chargeable, shall be fined – for natural persons who are not traders, or penalized with a proprietary sanction – for legal persons and sole traders, in an amount of 25 per cent of the non-charged tax or the tax in the lower amount, however not less, than BGN 250.

(2) In case of repeated violation under par. 1, the amount of the fine or of the proprietary sanction shall be the double amount of the non-charged tax, however not less than BGN5000.

Art. 180c. (New - SG 60/16) (1) A person who is obliged to but fails to supply within the deadline the collateral under **Art. 176c**, or does not provide collateral, or the collateral provided is not in the amount under **Art. 176c**, shall be punished with a fine - for natural persons who are not traders, or with a proprietary sanction - for legal entities and sole traders, in the amount of the collateral due.

(2) For repeated violation, the fine, respectively the sanction under para. 1, shall be double the amount of the collateral due.

(3) (Amend. - SG 14/22, in force from 18.02.2022) In case of violation under para. 1, when the person has provided collateral within the 7-day period, following the expiration of the period, within which said person should have submitted the collateral, the fine, respectively the proprietary sanction, shall be amounting to 25 percent of the collateral due.

Art. 181. (1) (amend. – SG 108/07, in force from 19.12.2007, amend. – SG, 97/2016, in force from 01.01.2017) Registered person who fails to submit information from the accounting registers or submits information on technical media, different from the one indicated in the accounting registers, shall be punished with a fine – for natural persons who are not sole traders, or with proprietary sanctions – for legal entities and sole traders, in an amount from 500 up to 10 000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be from 1 000 to 20 000 BGN.

Art. 181a. (new – SG 105/14, in force from 01.01.2015) (1) (Amend. – SG, 104/20, in force from 01.07.2021) A person, who is obliged to keep and not provide upon request by a revenue body the electronic register under **Art. 14a, Para. 10**, **Art. 159d, Para. 1**, the reporting under **Art. 14a, Para. 11** or the electronic register, kept in accordance with the legislation of the Member State of identification, shall be punished by a fine - for natural persons, who are not traders, or by a property sanction - for legal persons and sole traders, in the amount of BGN 500 to 10,000.

(2) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be from BGN1000 to BGN20 000.

Art. 181b. (New - SG 96/19, in force from 01.01.2020) (1) A person who, being obliged, does not keep an electronic register under Art. 123, para. 5 and 6 or does not keep the electronic register as required by this Act shall be punished by a fine - for natural persons who are not traders, or with a proprietary sanction – for legal entities and sole traders, in the amount of BGN 500 to BGN 5000.

(2) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be from BGN 1000 to BGN 10 000.

Art. 181c. (New - SG 96/19, in force from 01.01.2020) (1) A person who, being obliged, did not record in the sales record the information from the register under Art. 123, para. 5, respectively, in the purchase record, the information from the register under **Art. 123, para. 6** for the tax period during which such information or changes thereto are recorded in the relevant register, shall be punished by a fine - for natural persons who are not traders, or with a proprietary sanction – for legal entities and sole traders, in the amount of BGN 100 to BGN 1000.

(2) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction

shall be from BGN 200 to BGN 2000.

Art. 181d. (New - SG 96/19, in force from 01.01.2020) (1) A person who, being obliged, does not provide upon request by the revenue authority electronic register of art. 123, para. 5 and 6, shall be punished by a fine - for natural persons who are not traders, or with a proprietary sanction – for legal entities and sole traders, in the amount of BGN 500 to BGN 5000.

(2) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be from BGN 1000 to BGN 10 000.

Art. 181e. (New - SG 96/19, in force from 01.01.2020) (1) A person who, being obliged, does not keep accountability under **Art. 123, para. 7** or does not keep accountability in accordance with the requirements of the Act shall be punished by a fine - for natural persons who are not traders, or with a proprietary sanction – for legal entities and sole traders, in the amount of BGN 500 to BGN 5000.

(2) In case of repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be from BGN 1000 to BGN 10 000.

Art. 182. (1) (amend. – SG 108/07, in force from 19.12.2007) Any registered person who fails to issue a tax document or fails to reflect the issued or obtained tax document down in the accounting registers regarding the respective tax period, which event leads to determining the tax in lower extent, shall be punished with fine – for natural persons who are not sole traders, or with proprietary sanction – for legal persons and sole traders, equal to the determined smaller amount of the tax, and not less than 1 000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007) At violation under par. 1, when the registered person has issued or reflected the tax document in the period, following the tax period, during which the document was supposed to be issued or reflected, the fine, respectively the proprietary sanction shall be in the amount of 25 per cent of the determined smaller amount of the tax, and not less than 250 BGN.

Art. 183. (1) (amend. – SG 108/07, in force from 19.12.2007) A person who is not registered under this Act and issues a tax document, in which he/she indicates tax, shall be punished with fine – for natural persons who are not sole traders, or with proprietary sanction – for legal persons and sole traders, in the extent of the tax indicated in the document but no less than 1000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007, amend. - SG 98/18, in force from 01.01.2019) At repeated violation under par. 1, the amount of the fine or the proprietary sanction shall be the double amount of the tax indicated in the document, but no less than 5 000 BGN.

Art. 184. (1) (amend. – SG 108/07, in force from 19.12.2007) A person who does not submit the declaration under **art. 168, par. 2** or does not submit it in term, shall be punished with fine – for natural persons who are not sole traders, or with proprietary sanction – for legal persons and sole traders, in the extent from 1 000 up to 10 000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007) At repeated violation, the fine, respectively the sanction under par. 1, shall be in the extent from 5 000 to 20 000 BGN.

Art. 185. (amend. – SG 23/13, in force from 08.03.2013) (1) A person who fails to issue a document under **Art. 118, para 1** shall be fined – in case of natural persons that are not sole traders in the amount from BGN 100 to 500, or be imposed a property sanction - in case of legal persons and sole traders – in the amount from BGN 500 to 2 000.

(2) Outside the cases under para. 1, any person who commits a violation or allows a violation of **Art. 118** or of a statutory instrument related to the implementation thereof, shall be punished with fine – for natural persons who are not traders, amounting to between BGN 300 and 1 000, or with proprietary sanction – for legal persons and sole traders, in the amount from 3000 to 10 000 BGN. Where the violation does not result in failure to indicate income, the sanction under Para 1 shall apply.

(3) In the cases under par. 1 the natural person who actually has been obliged to issue a document under **Art. 118, para 1** and has accepted payment, without issuing such document, shall be punished with

fine from 100 to 500 BGN.

(4) At repeated offence under par. 1 the amount of the fine shall be from BGN 200 to 1 000 and of the proprietary sanction from BGN 1000 to 4 000.

(5) In case of repeated violation under Para 2 the amount of the fine shall be between BGN 600 and 2 000 and of the property sanction – between BGN 6 000 and 20 000. Where the violation does not result in failure to indicate income, the sanction under Para 4 shall apply.

(6) Any person who does not fulfill their obligation to keep the document under **Art. 118, para. 1** until they have left the site shall be imposed a fine of BGN 5 which shall be collected on the spot with a receipt.

Art. 185a. (new - SG 24/18) (1) A developer/distributor of software who declares untrue data in the declaration under **Art. 118, para. 14** shall be fined – in case of natural persons that are not sole traders in the amount from BGN 1000 to 3000, or be imposed a property sanction - in case of legal persons and sole traders – in the amount from BGN 5000 to 10 000.

(2) Upon repeated violation under par. 1, the amount of the fine shall be from BGN 2000 to 6 000 and of the proprietary sanction from BGN 10 000 to 20 000.

Art. 185b. (new - SG 24/18) (1) (Amend. – SG, 104/20, in force from 12.12.2020) To a person under **Art. 118, Para. 18**, who has chosen to use in a commercial site sales management software, included in the list under **Art. 118, Para. 16**, but who for management of sales in this site uses other software / module from software, not included in the list under **Art. 118, Para. 16**, a fine shall be imposed - for the natural persons, who are not traders, in the amount of BGN 1,000 to 3,000, or a property sanction - for the legal persons and the sole traders, in the amount of BGN 5,000 to 10,000.

(2) Upon repeated violation under par. 1, the amount of the fine shall be from BGN 2000 to 6 000 and of the proprietary sanction from BGN 10 000 to 20 000.

Art. 186. (amend. – SG 23/13, in force from 08.03.2013) (1) (amend. – SG, 97/2016, in force from 01.01.2017) The compulsory administrative measure representing the closing of the facility for a period of up to 30 days, regardless of the provided fines and proprietary sanctions, shall be imposed on a person who:

1. (amend. – SG, 104/20, in force from 12.12.2020) does not:

a) (amend. – SG, 104/20, in force from 12.12.2020) issue the respective sale document under **Art. 118**;

b) (amend. – SG, 104/20, in force from 12.12.2020) put into operation or does not register in the National Revenue Agency a fiscal device or an integrated automated system for management of the commercial activity;

c) (repealed - SG 98/18, in force from 01.01.2019)

d) amend. – SG, 104/20, in force from 12.12.2020) submission of data from ESFP under **Art. 118** to the National Revenue Agency;

e) (amend. - SG 24/18, repealed - SG, 104/20, in force from 12.12.2020).

2. uses a fiscal device or an integrated business management system, which does not meet the requirements of approved type and has not been approved by the Bulgarian Institute of Metrology;

3. (new – SG, 97/2016, in force from 01.01.2017, repealed - SG, 104/20, in force from 12.12.2020).

4. (new - SG 97/17, in force from 01.01.2018) uses electronic systems with fiscal memory which:

a) are not of an approved type;

b) have been modified by adding or removing individual components without first notifying the National Revenue Agency;

c) have broken or missing seals;

d) allow a mode of operation while interrupting connection(s) and/or communication(s) between the different modules not in accordance with the order set with the ordinance of **Art. 118, Para. 4**.

5. (new - SG 24/18, amend. – SG, 104/20, in force from 12.12.2020) has chosen to manage the sales in a commercial site through software, included in the list under Art. 118, Para. 16, but for sales

management uses in this commercial site software / software module, not included in the list under Art. 118, Para. 16.

(2) In the cases under par. 1, item 2, the fiscal device shall be seized by the revenue body in favour of the state and shall be destroyed, and the right of the person to use integrated business management systems shall be withdrawn.

(3) The compulsory administrative measure under par. 1 shall be imposed with motivated order of the revenue body or by a person authorized thereby.

(4) The appeal of the order under par. 3 shall be processed by the procedure of the **Administrative procedure code**.

Art. 186a. (New, SG, 104/20, effective from 12.12.2020) Irrespective of the envisaged fine or property sanction, the coercive administrative measure under Art. 186 shall not be applied to a person under Art. 118, Para. 18, who for the first time did not issue a respective document for sale under Art. 118, provided that for sales management has selected and uses only software, included in the list under **Art. 118, Para. 16**.

Art. 187. (1) (Amend. and suppl. - SG 97/17, in force from 01.01.2018) In applying the compulsory administrative measure under **art. 186, par. 1**, the access to the site or the sites of the person shall be prohibited, and the goods available in these sites and the warehouses, adjacent to them shall be removed by the person or by a person authorized thereby. The measure shall be applied for the site or the sites, where the violations are found, including when, at the time of sealing, the site or sites are being managed by a third party, if that third party knows that the site will be sealed. The National Revenue Agency shall disclose on its website the lists of sites subject to sealing and their location. It shall be assumed that said third party knows when an announcement for the sealing was permanently affixed onto the site, and/or the information regarding the site being sealed and his location has been disclosed on the revenue administration's website.

(2) When the removal is connected with significant difficulties for the revenue bodies and/or with significant expenses for the person, the body who has ruled the closing may order that the goods in the site or the sites to be left under safe keeping by the person. The disposition shall not be with regards to the goods – subject of the violation under **art. 186, par. 1, item 2**.

(3) In the cases under par. 1, when the goods have not been removed by the person in the provided term, the revenue body shall remove them, placing them in front of the site, without obligation to guard them, and shall not be responsible for their damaging, spoiling or loss, which are at the person’s expense.

(4) (suppl. – SG 95/09, in force from 01.01.2010) The compulsory administrative measure shall be ceased by the body, who has imposed it at a request of the administratively punished person and after it has been proved by him/her, that the fine or the proprietary sanction has been fully paid. The opening shall be carried out under obligation for collaboration on the person’s behalf. In case of repeated violation the unsealing of the site before expiration of one month from its sealing shall not be allowed.

Art. 188. (1) (prev. text of Art. 188, amend. - SG 100/19, in force from 01.01.2020) The compulsory administrative measure under **art. 186, par. 1** shall be subject to preliminary execution under the conditions of the **Art. 60, para. 1 - 7** of the Administrative procedure code.

(2) (new - SG 100/19, in force from 01.01.2020) The court ruling shall not be subject of appeal.

Art. 189. (1) (amend. – SG 95/09, in force from 01.01.2010) Any person liable for payment of the tax under **art. 91, par. 1 and 2**, who does not deposit in term the exigible tax, shall be punished with a fine for natural persons who are not sole traders, or with proprietary sanction for legal persons and sole traders in the amount from 500 to 2 000 BGN.

(2) At repeated offence under par. 1, the amount of the fine or the proprietary sanction shall be in the extent of the non-deposited tax, but no less than 4 000 BGN.

Art. 190. (1) Any revenue body who, in the stipulated period, does not reimburse tax, when the conditions for its reimbursement under this Act are present, shall be punished with a fine in the extent from 500 to 2 000 BGN.

(2) At repeated offence under par. 1, the fine shall be in the extent from 1 000 to 4 000 BGN.

Art. 191. (1) Any customs body who, being obliged to, does not charge tax under this Act, or charges tax in a smaller extent, or releases goods from customs control without paying the due tax, shall be punished with a fine in the extent from 500 to 2 000 BGN.

(2) At repeated offence under par. 1, the fine shall be in the extent from 1 000 to 4 000 BGN.

Art. 191a. (New - SG 97/17, in force from 01.01.2018) (1) Whoever performs servicing, putting into operation, registration of FD/ IBMS or uninstalling of fiscal memory not in accordance with the procedure established herein, shall be punished with a fine in the amount from BGN 1 000 to 5 000. The same penalty shall be imposed on a person who violates the integrity of the seals of any electronic system with fiscal memory not according to the established order.

(2) In case of repeated offense under Para. 1, the fine shall be between BGN 2 000 and 10 000.

Art. 192. (amend. – SG 23/13, in force from 08.03.2013) Upon establishing any violations under **art. 185**, committed by manufacturers, importers or persons carrying out servicing of fiscal devices, the chairperson of the Bulgarian Institute of Metrology or a person authorized thereby shall:

1. issue compulsory instructions related to his powers;

2. withdraw the approval on the type of fiscal devices or the approval on integrated automatic system of management of the commercial activity;

3. (amend. - SG 97/17, in force from 01.01.2018) revoke the permit of the person providing the service.

Art. 193. (1) Establishing the violations of this Act and of the normative acts for its implementation, issuing, appealing and implementing the penal decrees shall be carried out by the procedure of the **Administrative Violations and Penalties Act**.

(2) The acts for violations shall be issued by the revenue bodies, and the penal decrees shall be issued by the executive director of the National Revenue Agency, or by an official authorized thereby.

Additional provisions

§ 1. For the purposes of this Act:

1. (amend. - SG 96/19, in force from 01.01.2020) "Territory of the state" shall be the geographical territory of the Republic of Bulgaria, as well as the continental shelf and the exclusive offshore economic zone in which the State exercises sovereign rights, jurisdiction and control in accordance with **Art. 42** and / or **Art. 47** of the Act on the Sea Waters, the Internal Water Ways and the Ports of the Republic of Bulgaria.

2. "Territory of Member State" shall be the territory of any Member State, on which the Treaty establishing the European economic community is applied, indicated for any Member State in art. 299 of this treaty, as:

a) in this territory shall not be included:

aa) for the Federal Republic of Germany: island Helgoland and the territory of Beusingen;

bb) for Kingdom Spain: Ceuta, Melila and the Canary islands;

cc) for the Republic of Italy: Livinjo, Campione D'Italia and the Italian waters of the Lugano lake;

dd) (amend. – SG 105/14, in force from 01.01.2015) for the Republic of France: French territories, referred to in Art. 349 and Art. 355, paragraph 1 of the Treaty on the Functioning of the European Union;

ee) for the Republic of Greece: the mount Athos;

ff) for the Republic of Finland: the Aland islands;

gg) (new – SG 108/07, in force from 19.12.2007, repealed - SG 107/20, in force from 01.01.2021)

b) the supplies originating in or intended for:

aa) Kingdom of Morocco – for the purposes of this Act they will be considered as supplies originating in or intended for the French Republic;

bb) (repealed - SG 107/20, in force from 01.01.2021)

cc) (new – SG 108/07, in force from 19.12.2007) Sovereign bases of the United Kingdom of Great Britain and Northern Ireland in Akrotiry and Dakelia – for the purposes of this Act shall be treated as deliveries, occurring in or designated to Cyprus.

3. (amend. – SG 94/10, in force from 01.01.2011) "The European Union " and the "territory of the European Union " shall be the territory of the Member States;

4. "Third territory" or "third state" shall be any territory, different from the territory of the Member States.

5. (amend. - SG 96/19, in force from 01.01.2020) "New buildings" shall be the buildings:

a) which by the date, on which the delivery tax has become exigible, are at stage of concluding "rough construction", or

b) for which by the date, on which the delivery tax has become exigible, 60 months from the date on which a permit for use or a certificate of commissioning was issued pursuant to the Spatial Development Act, or

c) that meet the following conditions:

aa) are parts which are detached as separate objects from existing buildings as a result of upgrading and / or additional construction and these parts may be subject to separate supplies or represent buildings for which the direct costs of reconstruction, major renovation and / or reconstruction incurred are at least one-third of the market price of those buildings to the date on which a new permit for use or a certificate of commissioning was issued pursuant to the Spatial Development Act, or

bb) by the date on which their delivery tax became chargeable 60 months have not expired since the date, on which a new permission for use or a certificate of commissioning has been issued by the procedure of the Spatial Development Act.

6. (amend. – SG 108/06, in force from 01.01.2007) "Adjacent terrain" shall be the sum of the built area within the meaning of the **Spatial Development Act** and the area around the built area, determined on the basis of 3 m. distance from the external outlines of the surrounding walls of the first over-ground floor or of the semi-underground floor of the building in the regulated real estate.

7. "Activities or deliveries, carried out by the state, the state and local bodies in their capacity of body of the state or local government" shall be the activities or deliveries, carried out by person, established by law, when:

a) they are carried out as fulfillment of his/her authorities, originating from normative act, and may not be carried out by trader, except if this has been imposed on him/her by law;

b) fee is established by a normative act.

8. "Free of charge" shall be delivery, for which there is not remuneration or the value of the given exceeds the received manifold.

9. "Goods with insignificant value" and "services with insignificant value" shall be the goods or the services, market price of which is under 30 BGN and the delivery is not part of series of deliveries, under which a recipient is always the same person.

9a. (New - SG 88/16, in force from 01.01.2017, amend. - SG 52/20, in force from 09.06.2020) "Foodstuff with negligible value" within the meaning of **Art. 6, para. 4, item 4** is a commodity entered in the list under Art. 96, para. 2 of the Foodstuffs Act and is donated within the deadlines set under Art. 96, para. 3 of the same Act.

9b. (New - SG 88/16, in force from 01.01.2017, amend. - SG 52/20, in force from 09.06.2020)

"Operator of a food bank" is an entity, authorized under Chapter Four of the Foodstuffs Act.

10. "Permanent site" shall be trade representation, branch, office, chamber, studio, plant, workshop (factory), shop, trade store, service, installation site, construction site, mine, quarry, drill, petrol or gas well, source or others similar, aiming extracting natural resources, a certain premises (own, rented or used on other grounds) or other place, via which a person carries out thoroughly or partially economic activity on the territory of a state.

11. (suppl. – SG 95/09, in force from 01.01.2010; suppl. – SG 105/14, in force from 01.01.2015, amend. – SG, 104/20, in force from 01.07.2021) "Person, settled on the territory of the state" shall be a person, who has his/her seat of business and registered office on the territory of the state or has permanent site on the territory of the state. Shall not be deemed settled on the territory of the country a foreign person that has a site on the territory of the country, which is not involved in the delivery. The second sentence shall not apply for the purposes of application of a regime within the Union, a regime outside the Union or regime of distance sales of goods, imported from third countries or territories.

12. (amend. – SG 94/10, in force from 01.01.2011) "Person, settled on the territory of the European Union " is person, who has his/her seat of business and registered office on the territory of the European Union or has permanent site on the territory of the European Union.

13. (amend. – SG 41/07; amend. - SG 105/14, in force from 01.01.2015, amend. – SG, 97/2016, in force from 01.01.2017) "Telecommunication services" shall be the services, relating to transfer, emission or accepting signals, words, images and sounds or information of any nature on cable, radio- optical or other electric magnet systems, including related to them transfer or giving the right to use the capacity of such transfer, emission, transmission or acceptance with inclusion of provision of access to global information networks and services, listed in Art. 6a of the Council Implementing Regulation (EU) No. 1042/2013 of 7 October 2013 amending Implementing Regulation (EU) No. 282/2011 as regards the place of supply of services (OJ, L 284/1 of 26 October 2013).

14. (amend. - SG 105/14, in force from 01.01.2015) "Services, supplied electronically" shall be the services, provided in Annex II to Directive 2006/112/EC of 28 November 2006 on the common system of value added tax and Art, 7 of Council Implementing Regulation (EU) No. 282/2011 of 15 March 2011 establishing measures for application of Directive 2006/112/EC on the common system of value added tax (OJ, L 77/1 of 23 March 2011) and also in the Council Implementing Regulation (EU) No. 1042/2013 of 7 October 2013 amending Implementing Regulation (EU) No. 282/2011 as regards the place of supply of services.

Where the service provider and his/her client correspond via e-mail that itself shall not mean, that the service carried out is performed via electronic way.

14a. (new - SG 105/14, in force from 01.01.2015, amend. – SG, 97/2016, in force from 01.01.2017) "Services for radio- and television broadcasting" are the services listed in Art. 6b of the Council Implementing Regulation (EU) No. 1042/2013 of 7 October 2013 amending Implementing Regulation (EU) No. 282/2011 as regards the place of supply of services.

15. (amend. – SG 113/07, in force from 01.01.2008) "Subsidies and funding, directly connected with the delivery" shall be the subsidies and funding, the granting of which is directly connected with the price of the provided goods and services. There shall not be considered as subsidies and funding, directly connected with the delivery, the subsidies and funding, intended exclusively for:

a) covering expenses;

b) financing expenses, including for acquiring or liquidation of assets.

16. "Market price" shall be the price within the meaning of § 1, item 8 of the Additional provisions of the Tax-insurance procedure code, determined via the methods for determination of market prices within the meaning of § 1, item 10 of the Additional provisions of the Tax-insurance procedure code.

17. "New vehicles" shall be:

a) vessels with length over 7,5 meters (except for those, intended for transportation of passengers or freights, for navigation, for commercial, industrial or fishing activities, for rescuing and help operations), for

which one of the following conditions is present:

aa) by the date of occurrence of the tax event of their delivery no more than three months have passed, considered from the date of their primal registration, or

bb) by the date of occurrence of the tax event of their delivery they have not been sailing more than 100 hours;

b) aeronautical vehicles with maximum flight weight over 1550 kg, intended for transportation of passengers or freights (except for those, intended for aviation operators, who maintain international air-routes), for which one of the following conditions is present:

aa) by the date of occurrence of the tax event of their delivery no more than three months have passed considered from the date of their first registration, or

bb) by the date of occurrence of the tax event of their delivery, they have not flown more than 40 hours;

c) motor vehicles with engine capacity over 48 cubic cm or power over 7,2 kilowatts, designated for transportation of passengers or freights, for which one of the following circumstances is present:

aa) by the date of occurrence of the tax event of their delivery no more than 6 months have passed considered from the date of their first registration, or

bb) by the date of occurrence of the tax event of their delivery, they have not travelled more than 6 000 km.

18. (amend. – SG 95/09, in force from 01.01.2010; amend. – 94/12, in force from 01.01.2013) "Passenger car" shall be automobile, in which the number of the seats for sitting, without the seat of the driver, is not more than 5. It shall not be a passenger car a lorry, which is designated for freight transportation, or a passenger car, which has permanently integrated additional technical equipment for the purposes of the activity carried out by the registered person.

18a. (new – 94/12, in force from 01.01.2013) "Key activity" in the meaning of **Art. 70, par. 2, item 5** shall be the activity of the registered person, where the total amount of the supplies carried out by the person under one or more of the activities listed in **Art. 70, par. 2, item 1 – 4** represent more than 50 per cent of the total value of all supplies accomplished by the person over the last 12 months before the current month, regardless whether 12 months after the registration under this Act have elapsed or not.

19. (amend. – SG 99/11, in force from 01.01.2012) "Second hand goods" shall be used chattels, suitable for subsequent use in the same state or after a repair, which may be used for the purpose they have been created for. The following are not second hand goods:

a) works of art;

b) collections articles;

c) antique articles;

d) the precious metals and precious stones regardless of what form they are in.

20. "Works of art" shall be:

a) paintings, collages and others similar decorative works, drawings and graphics, made thoroughly by the hand of artist, except for plans and sketches for architectural, engineering, industrial, commercial, topographical and others similar purposes, manually decorated manufactured articles, theatre decors, movie decors and other types decors;

b) original engravings and lithographs, as author imprints, produced in limited amounts, directly in black and white or in colour on one or several plates, made thoroughly by the hand of the artist, regardless of whether during the process of production or the material used, except for mechanical or photomechanical process;

c) original sculptures and works of the plastic arts made of any material, sculpted thoroughly by the hand of the sculptor; sculptural casts of the original up to 8 copies, whose realization is being controlled by the author or by artists authorized thereby;

d) tapestries and boards, manually made upon artistic design, up to 8 copies;

e) single ceramic works, thoroughly made by the author and signed by him/her;

f) enamelled paintings on copper plate, manually made, up to 8 copies, signed by the author or with seal from the studio, except for jewels and works of gold and silver;

g) artistic photos, prepared for print by the author or under his/her control, with signature of the author and with a serial number, up to 30 copies, regardless of the size.

21. "Collections articles" shall be postal or revenue stamps with or without postmark, under the condition that they are not in circulation, as well as collections and collections articles, which are of interest from the point of view of botanic, zoology, mineralogy, anatomy, history, archaeology, palaeontology, ethnography or numismatics.

22. "Antique articles" shall be the articles, different from the works of art and collections articles, which are over 100 years old.

23. Dealer of second hand goods, works of art, collections articles and antique articles shall be tax liable person, who in the process of his/her economic activity purchases, acquires or imports second hand goods, works of art, collections articles and antique articles with purpose to sell them, regardless of the fact whether the person acts as a commissioner within the meaning of the **Commerce Act**.

24. (revoked - SG 97/17, in force from 01.01.2018)

25. "Standard software" shall be a programme product, recorded on technical carrier, which is designated for common usage and does not admit the specific features in the activity of the certain consumer.

26. "Transport processing of goods" shall be the services of unloading, loading, re-loading, alignment and support of the goods, providing containers, as well as other services, provided directly in connection with the transport.

27. (amend. – SG 94/10, in force from 01.01.2011) "Trader of natural gas, electricity, heat and cooling energy" shall be tax liable person, whose economic activity is connected with the purchase of natural gas, electricity, heat and cooling energy and subsequent sale of these goods and whose own consumption of those products is negligible.

28. (amend. – SG 108/07, in force from 19.12.2007) "Processing of a vessel" shall be all operations of acceptance, the stay and the leave of a vessel, carried out in the harbour in the territory of the state.

29. "Processing of aeronautical vehicle during international journey" shall be the ground servicing the aeronautical vehicle in the sense of § 3, item 18 from the additional provisions of the **Civil Aviation Act** , except for the services for which a state fee is due under the Ordinance for fees for using the airports for public purposes and air navigation services in the Republic of Bulgaria (prom. SG 2/1999; amend. SG 15/2000, SG 9 and 62 from 2001, SG 19/2002, SG 16/2003, SG 32 and 71 from 2004, SG 15 and 96 from 2005, SG 22/2006).

30. "Processing of mobile rolling stock during international journey" shall be the following operations: shunting for moving the wagons from and towards the loading and unloading sites; stay of the wagon during loading and unloading; measuring empty wagons on wagon scales before loading; measuring loaded wagons on wagon scales; disinfection, desinsection and deratisation of wagons for loading with freights, when this is a requirement according to BSS; maintenance of temperature regime during the loading and transportation of the freights, which require such a regime; carrying out customs and other administrative formalities, connected with the transportation of goods from import and for export; transfer and drawing, including alignment of the wagons from and for ferry boat; change of bogies of wagons with different rail base.

31. "Repair" shall be the activity of carrying out subsequent expenses, connected with separate asset, which do not lead to economic benefit over that of the primarily estimated standard effectiveness of this asset.

32. (suppl. – 94/12, in force from 01.01.2013, amend. - SG 96/19, in force from 01.01.2020) "Improvement" shall be:

a) for buildings that are, or would be, fixed assets - any upgrading, additional construction, reconstruction, major renovation or conversion resulting in a "new building" under item 5, letter "c",

subletter "aa";

b) for goods, including real estate other than buildings, and services that are or would be fixed assets - the activity of carrying out subsequent expenses, connected with separate asset, which lead to economic benefit over that of the primarily estimated standard effectiveness of this asset.

33. "Payment instruments, replacing the money" shall be:

a) the purchase receipts;

b) the purchase vouchers or coupons;

c) the clips.

34. "Related persons" shall be the persons within the meaning of § 1, item 3 from the Additional provisions of the **Tax-insurance procedure code**.

35. "Repeated" shall be the offence, committed in one year period since the entering into force of the penal provision, with which the person has been punished for the same kind of offence.

36. (amend. - SG 58/16) "Free area", "temporarily stored goods", "customs procedure", "non-Union goods" shall be the legal terms within the meaning of the customs legislation.

37. (suppl. – SG 108/06, in force from 01.01.2007; amend. – SG 94/10, in force from 01.01.2011; amend. – SG 19/11, in force from 08.03.2011; amend. – SG 99/11, in force from 01.01.2012) "Tour operator", "tourist agent", "main tourist services" shall have the meaning of the **Tourism Act** and the tour operator tourist agent are registered pursuant to the Tourism Act.

37a. (new – SG 99/11, in force from 01.01.2012) "Traveler" means any person - recipient of a common tourist service, which is not accepted with the purpose of subsequent sale.

38. (amend. – SG 94/10, in force from 01.01.2011, amend. - SG 58/16) "Importer" shall be the person – liable for paying the import duties, as well as the person, who has received goods on the territory of the state from third states or territories, which are part of the customs territory of the European Union.

39. (suppl. – SG 108/07, in force from 19.12.2007; suppl. – SG 113/07, in force from 01.01.2008; amend. – SG 94/10, in force from 01.01.2011) "Excise goods" shall be the goods under **art. 2, par. 1, 2 and 3 from the Excises and Tax Warehouses Act**, except for the natural gas, supplied through natural gas system situated within the territory of the European Union or any network connected to such a system, and electrical energy.

40. (amend. – SG 23/13, in force from 08.03.2013) "Fiscal device" shall be the device for registering and reporting sales of goods or services via issuing fiscal cash receipts and for keeping data for the turnovers registered in fiscal memory. Fiscal devices shall be the following:

a) fiscal memory electronic cash devices;

b) fiscal printers;

c) fiscal memory electronic systems reporting sales volumes of liquid fuels by approved means for measuring of costs within the meaning of the **Measurements Act**;

d) fiscal devices in self-service machines.

41. "Trade site" shall be any site, premises or facility (for example: tables, stands and others similar) in the open or under shelters, in or from which sales of goods and services are carried out, regardless of the fact that the premises or the facility may be simultaneously used for other purposes (for example: office, dwelling or others similar) or to be production warehouse or vehicle, from which sales are carried out.

42. "Systematic offences" shall be the offences, carried out in one year period since the entering into force of the penal provision, with which the person has been punished one more time for the same offence.

43. "Work with chattels" shall be treatment, processing or repair of goods.

44. "VIES declaration (Value Added Tax Information Exchange System)" shall be generalized declaration, used for the purposes of the control and the exchange of information between the Member States.

45. (New – SG 108/06, in force from 01.01.2007; amend. – SG 99/11, in force from 01.01.2012;

amend. – SG 30/13, in force from 26.03.2013; amend. SG 101/13, in force from 01.01.2014, amend. - SG 97/17, in force from 01.01.2018) "Accommodation" shall be basic tourist services within the meaning of item 69 of the **additional provisions of the Tourism Act**, except for delivery of common tourist service.

46. (New – SG 108/06, in force from 01.01.2007) "Extraction of waste" shall be any activity as a result of which waste is formed.

47. (New – SG 108/06, in force from 01.01.2007) "Treatment of waste" shall be any activity related to collecting, preservation, sorting and mechanical processing of waste, without changing the chemical composition thereof.

48. (New – SG 108/06, in force from 01.01.2007) "Processing of waste" shall be any activity shall be any activity that changes the properties or the composition of the waste, turning it into raw material for the production of end products or into end products.

49. (new – SG 108/07, in force from 19.12.2007) "Vehicles in the sense of Art. 23" shall be such motorized or non-motorized, as well as the other equipment and devices, designed to transport goods or people from a place to another, which can be pulled, towed or pushed by vehicles and which are usually designed and suited for use for transportation of goods and people. Vehicles shall be also:

a) trailers, semi-trailers and railway carriages;

b) motorized and non-motorized ground vehicles, such as motorcycles, bicycles, three-wheel bicycles, travel trailers, excluding travel trailers permanently fixed to the ground;

c) self-propelled and non-self-propelled vessels;

d) motorized and non-motorized aircrafts;

e) vehicles designed for transportation of diseased and injured persons;

f) agricultural tractors and other self-propelled agricultural and forest machinery;

g) non-combat military vehicles and vehicles for intelligence or civil defense purposes;

h) mechanically and electronically propelled disability chairs.

The containers shall not be vehicles in the sense of **Art. 23**.

50. (new – SG 108/07, in force from 19.12.2007; revoked – SG 95/09, in force from 01.01.2010)

51. (new – SG 108/07, in force from 19.12.2007) "Majority partner or stake holder" means a person, holding more than 33 per cent of the stakes, respectively of the shares of the company.

52. (new – SG 108/07, in force from 19.12.2007) "Pending liabilities" are the determined collectable liabilities of the person, except for those fully secured, deferred and postponed liabilities.

53. (new – SG 108/07, in force from 19.12.2007) "Active implantable medical product" is the product pursuant to the provision of § 1, item 1 of the **Additional provisions of the Medical Devices Act**.

54. (new – SG 106/08, in force from 01.01.2009) "Import of a commercial nature" shall be import meeting the following conditions:

a) which takes place occasionally;

b) which consists exclusively of goods for the personal or family use of the passengers, or of goods intended as presents;

c) the nature or quantity of the goods must not be such as to indicate that they are being imported for commercial reasons.

55. (new – SG 106/08, in force from 01.01.2009) "Personal luggage" shall be regarded as the whole of the luggage which a passenger is able to present to the customs authorities upon arrival, as well as luggage which he presents later to the same authorities, subject to proof that such luggage was registered as accompanied luggage, at the time of his departure, with the company which has been responsible for conveying the passenger. Fuel other than that referred to in **Art. 58, para 8** shall not be regarded as personal luggage.

56. (new – SG 106/08, in force from 01.01.2009) "Air passengers" and "sea passengers" means any passengers travelling by air or sea other than private pleasure-flying or private pleasure-sea-navigation;

57. (new – SG 106/08, in force from 01.01.2009) "Private pleasure-flying" and "private pleasure-sea-navigation" means the use of an aircraft or a sea-going vessel by its owner or the natural or legal person

who enjoys its use either through hire or through any other means, for purposes other than commercial and in particular other than for the carriage of passengers or goods or for the supply of services for consideration or for the purposes of public authorities;

58. (new – SG 106/08, in force from 01.01.2009) "Electronic data interchange" ("EDI") is the transfer of commercial, administrative and business information between computer systems, by data messages, structured using agreed formats as defined in Article 2 of European Commission Recommendation 1994/820/EC of 19 October 1994 relating to the legal aspects of electronic data interchange.

59. (new – SG 106/08, in force from 01.01.2009) "Electronic data interchange message" ("EDI message") is a message which consists of set of information, structured using agreed formats, prepared in a computer readable form and capable of being automatically and unambiguously processed.

60. (new – SG 106/08, in force from 01.01.2009) "Acknowledgement of receipt of electronic data interchange message " is a procedure by which, on receipt of an electronic data interchange message, the syntax and semantics are checked, and a corresponding acknowledgement is and by the receiver.

61. (new – SG 95/09, in force from 01.01.2010, amend. - SG, 104/20, in force from 01.12.2020, amend. – SG, 111/21, in force from 01.01.2022, amend. with respect to the period of application of the changes in the State Gazette issue 104 of 2020 (*) - SG 52/22, in force from 01.07.2022) "Restaurant and catering services" are the restaurant services and catering services within the meaning of Art. 6 of Council Implementing Regulation (EU) № 282/2011 of 15 March 2011, laying down measures for the implementation of Directive 2006/112 / EC on the common system of value added tax. It is not a restaurant or catering service of delivery of prepared or uncooked food from supermarkets, shops and the like.

62. (new – SG 95/09, in force from 01.01.2010, amend. and suppl. - SG 55/20, in force from 01.07.2020, repealed – SG, 104/20, in force from 01.12.2020, amend. – SG, 111/21, in force from 01.01.2022, amend. with respect to the period of application of the changes in the State Gazette issue 104 of 2020 (*) - SG 52/22, in force from 01.07.2022)

63. (new – SG 95/09, in force from 01.01.2010, amend. - SG 58/16, amend. - SG, 104/20, effective from 01.01.2021) "Third country, with which the European Union has legal instruments for mutual assistance" means a third country, with which the EU has concluded a mutual assistance agreement similar in scope to Directive 2010/24 / EU and Regulation (EU) № 904/2010.

64. (new – SG 94/10, in force from 01.01.2011) "Air traffic management" and "air navigation services" shall be services in the sense of § 3. Items 44 and 48 of the Additional Provisions of the **Civil Aviation Act**, supplied by deliverers of air navigation services at:

a) flying though the serviced air space;

b) flying through zones and areas of airports.

65. (new – 94/12, in force from 01.01.2013) "authenticity of origin" shall mean certification of the identity of the supplier or of the issuer of the invoice/invoice notification by the supplier or by the consignee of the supply.

66. (new – 94/12, in force from 01.01.2013) "Integrity of content" shall mean, that the content of the invoice and of the invoice notification remains unchanged. The format of electronic invoice and electronic invoice notification may be amended.

67. (new – SG 23/13, in force from 08.03.2013) "Integrated business management system" shall be a system for registration and reporting of sales of goods or provision of services by issuance of cash slips (system receipts), which provides automatic control over the movement of goods or provision of services from their entry in to the site to the financial reporting of sales.

68. (amend. – SG 23/13, in force from 08.03.2013; revoked - SG 95/15, in force from 01.01.2016)

69. (new – SG 23/13, in force from 08.03.2013) "End user" within the meaning of **Art. 118, para 11, item 4** shall be a natural or legal person who acquires liquid fuels for own use from an final distributor.

70. (new – SG 23/13, in force from 08.03.2013) "Final distributor" shall be a petrol station, gas

station, methane station and other similar facilities, carrying out refueling of liquid fuels, designated for the fuel tanks of different motor vehicles, from storage tanks for these fuels.

71. (new – SG 98/13, in force from 01.01.2014 to 31.12.2026 (*); amend. reg. date of entering into force – SG 104/13, in force from 01.12.2013; amend. regarding the period of application – SG 109/13, in force from 01.01.2014; amend. as regards to the period of application - SG 95/15, in force from 01.01.2016, amend. regarding the period of application - SG 98/18, in force from 01.01.2019, amend. regarding the period of application - SG 18/22, in force from 01.01.2022, amend. with respect to the period of application - SG 52/22, in force from 01.07.2022) Code as per CN are tariff codes under the Combined nomenclature, established by Attachment I to Council Regulation (EEC) No. 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff.

72. (new – SG 101/13, in force from 01.01.2014) "First destination" in the territory of the country within the meaning of **Art. 55, par. 1, item 2** is the place, indicated in the Bill of Lading or in another document, with which the goods are imported to the country. Where such place is not indicated in any of the documents accompanying the goods, the place where goods are being first reloaded from one transport mean onto another one in the territory of the country shall be deemed as first destination.

73. (new – SG 101/13, in force from 01.01.2014) "Domestic waste" are "household waste" and "similar to household waste". "Household waste" is waste generated by households. "Similar waste" is waste which by its nature and content is comparable to household waste, except for industrial waste and agricultural and forestry waste.

74. (new – SG 101/13, in force from 01.01.2014) "Industrial waste" is waste generates as a result of production activity of natural persons and legal entities.

75. (new – SG 101/13, in force from 01.01.2014) "Construction waste" is waste resulting from construction and demolition, corresponding to waste codes, listed in Chapter 17 of the Index to Commission Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to **Art. 1, paragraph 4** of Council Directive 91/689/EEC on hazardous waste, as amended.

76. (new – SG 101/13, in force from 01.01.2014) "Hazardous waste" is waste having one or more hazardous properties, listed in Attachment No. 3 to § 1, item 12 of Supplementary provisions of the Waste Management Act.

77. (new – SG 101/13, in force from 01.01.2014) "Ferrous and non-ferrous scrap" is process waste, generated from making, processing or mechanical treatment of ferrous and non-ferrous metals and their alloys, rejected machinery, facilities, details and structures of industrial, construction or domestic nature, except for hazardous waste.

78. (new – SG 101/13, in force from 01.01.2014) "Domestic ferrous and non-ferrous scrap" is ferrous and non-ferrous scrap, generated as a result of the usual life of people in houses, administrative, social and public buildings. Ferrous and non-ferrous waste, generated in points of sale, handcraft facilities, and leisure and entertainment facilities shall be compared thereto.

79. (new – SG 105/14, in force from 01.01.2015, repealed – SG, 104/20, in force from 01.07.2021).

80. (new – SG 105/14, in force from 01.01.2015, repealed, - SG, 104/20, in force from 01.07.2021).

81. (new – SG 105/14, in force from 01.01.2015, repealed, - SG, 104/20, in force from 01.07.2021).

82. (new – SG, 97/2016, in force from 01.01.2017) "Immovable properties" are those, listed in Art. 13b of Council Implementing Regulation (EU) N 1042/2013 of 7 October, 2013 amending Council Implementing regulation (EU) N 282/2011 in relation to the place of delivery of services.

83. (new – SG, 97/2016, in force from 01.01.2017) "Long term assets" are those, representing part of the economic assets of the tax liable person:

a) immovable properties under p. 82 and vehicles under p. 49, with the exception of those under letter "h" and

b) (amend. - SG 97/17, in force from 01.01.2018) the different ones under letter "a" goods and

services, which are or would be long term assets in the meaning of the **Act on Corporative Income Taxation** with tax base in acquiring, production or import, equal, or larger than BGN 5 000.

84. (new - SG 24/18) "Sales management software at point of sale" is any software or software module, regardless of the technology for its implementation used to process information for the sale of goods and/or services at point of sale for which there is an obligation to issue a fiscal receipt.

85. (new - SG 24/18) "Developer of sales management software at point of sale" is a person, resident in the European Union, which produces software for sales management at a point of sale and distributes it on the territory of the country.

86. (new - SG 24/18) "Distributor of sales management software at point of sale" is a person, resident in the European Union, which distributes it on the territory of the country.

87. (new - SG 24/18, amend. - SG 96/19, in force from 01.01.2020) "Electronic shop" is software accessed through the Internet using a web browser or a mobile application and through which the sale of goods/services takes place through a distance contract under **Art. 45** of the Consumer Protection Act, giving the customer the choice of goods / services through a consumer basket or otherwise, as well as providing contact information of the buyer, the delivery address and payment method.

88. (new - SG 98/18, in force from 01.01.2019) "Voucher" means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services, and where the goods or services to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument.

89. (new - SG 98/18, in force from 01.01.2019) "Voucher for a specific purpose" is a voucher in which the place of delivery of the goods or services to which the voucher refers, and the value added tax due for those goods or services may be determined at the time of the issue of the voucher.

90. (new - SG 98/18, in force from 01.01.2019) "Multi-purpose voucher" is a voucher other than a voucher for a specific purpose.

91. (new - SG 96/19, in force from 01.01.2020) "Register under Article 123, para. 5" is a register, which contains the information referred to in Art. 54a (1) of Implementing Regulation (EU) 2018/1912.

92. (new - SG 96/19, in force from 01.01.2020) "Register under Article 123, para. 6" is a register, which contains the information referred to in Art. 54a (2) of Implementing Regulation (EU) 2018/1912

93. (new - SG 96/19, in force from 01.01.2020) "Persons acting in concert" within the meaning of Art. 96, para. 10 are persons in the management, control and / or capital of which participate related under **§ 1, item 3, letters "a", "b", "c" and "l"** of the additional provisions of the Tax-Insurance Procedure Code persons or persons from the relationships between them or between each of them and a third party according to the economic, organizational, family or other connectedness / connection existing between them, it can be concluded that they act in concert and can negotiate conditions other than the usual ones between themselves.

94. (new - SG 96/19, in force from 01.01.2020) "Upgrading", "complementary construction", "reconstruction", "major renovation", "reconstruction" are terms within the meaning of the **Spatial Development Act.**

95. (new - SG 96/19, in force from 01.01.2020) "Elements of the technical infrastructure" are those within the meaning of **Art. 64** of the Spatial Development Act.

96. (new - SG 96/19, in force from 01.01.2020) "Unattended credit or debit card payment" is a payment through a payment transaction initiated through the Internet and made through the software identification of a credit or debit card or other card based payment instrument from a Virtual POS Terminal without physically reading the card and without the physical presence of the seller and the buyer on sales where the provision of goods or services takes place at a place other than the merchant's premises.

97. (new - SG 96/19, in force from 01.01.2020) "Household needs" within the meaning of **Art. 118, para. 11, item 7** is the consumption of liquefied petroleum gas (LPG) or natural gas by an individual for his household.

98. (new - SG 55/20, in force from 01.07.2020 until 30.06.2022; repealed – SG 71/20, in force from

01.08.2020 till 31.12.2022, amend. – SG, 111/21, in force from 01.01.2022, amend. with respect to the period of application (*) - SG 52/22, in force from 01.07.2022)

99. (new - SG 55/20, in force from 01.07.2020 until 30.06.2022; repealed – SG 71/20, in force from 01.08.2020 till 31.12.2022, amend. – SG, 111/21, in force from 01.01.2022, amend. with respect to the period of application (*) - SG 52/22, in force from 01.07.2022)

100. (new - SG 55/20, in force from 01.07.2020 until 31.12.2022, amend. – SG, 111/21, in force from 01.01.2022, repealed - SG 52/22, in force from 01.07.2022)

101. (new – SG 71/20, in force from 01.08.2020 till 31.12.2022, amend. – SG, 111/21, in force from 01.01.2022, repealed - SG 52/22, in force from 01.07.2022)

102. (new - SG 104/20, in force from 01.07.2021) "Register under Art. 159d, Para 1" shall be a register, which contains the information from Art. 63c of Implementing Regulation (EU) 2019/2026.

103. (new - SG 104/20, in force from 01.07.2021)"The reporting under Art. 14a, Para 12" shall contain the information from Art. 54c, Para. 2 of Implementing Regulation (EU) 2019/2026.

§ 1a. (new – SG 95/09, in force from 01.01.2010) This Act implements the provisions of:

1. Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services (OJ, L 44/11 of 20 February 2008).

2. Council Directive 2008/117/EC of 16 December 2008 amending Directive 2006/112/EC on the common system of value added tax to combat tax evasion connected with intra-Community transactions (OJ, L 14/7 of 20 January2009).

3. (new – SG 94/10, in force from 01.01.2011) Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax (OJ L 10/14 of 15 January 2010).

4. (new – SG 94/10, in force from 01.01.2011) Council Directive 2009/69/EC of 25 June 2009 amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to imports (OJ L 175/12 of 4 July 2009).

5. (new – SG 94/10, in force from 01.01.2011) Council Directive 2009/132/EC of 19 October 2009 determining the scope of Article 143(b) and (c) of Directive 2006/112/EC as regards exemption from value added tax on the final importation of certain goods (OJ L 292/5 of 10 November 2009).

6. (new – 94/12, in force from 01.01.2013) Directive 2010/45/EC of the Council of 13 July 2010 amending Directive 2006/112/EC on the common system of value added tax as regards the rules on invoicing (OJ, L189/1 of 22 July 2010).

7. (new – SG 98/13, in force from 01.01.2014; amended date of entering into force – SG 104/13, in force from 01.12.2013) Council Directive 2013/43/EC of 22 July 2013 amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud (OJ, L 201/4 of 26 July 2013).

8. (new – SG 105/14, in force from 01.01.2015) Council Directive 2013/61/EU of 17 December 2013 amending Directives 2006/112/EC and 2008/118/EC as regards the French outermost regions and Mayotte in particular (OJ, L 353/5 of 28 December 2013).

9. (new – SG, 97/2016, in force from 01.01.2017) Council Directive (EU) 2016/856 of 25 May 2016, amending Directive 2006/112/EC on the common system of VAT in relation to the term of obligation for application of the minimum standard tax (OJ, L 142/12 of 31 May 2016).

10. (new - SG 98/18, in force from 01.01.2019) Council Directive (EU) 2016/1065 of 27 June 2016 amending Directive 2006/112/EC as regards of tax treatment of vouchers (OJ, L 177/9 of 1 July 2016).

11. (new - SG 98/18, in force from 01.01.2019) Directive (EU) 2017/2455 of the Council of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations applicable to the supply of services and the distance sales of goods (OJ, L 348/7 of 29 December 2017).

12. (new - SG 98/18, in force from 01.01.2019) Directive (EU) 2018/912 of the Council of 22 June 2018 amending Directive 2006/112/EC on the common system of value added tax as regards the obligation to respect a minimum standard rate (OJ, L 162/1 of 27 June 2018).

13. (new - SG 96/19, in force from 01.01.2020) Council Directive (EU) 2018/2057 of 20 December 2018 amending Directive 2006/112/EC on the common system of value added tax as regards the temporary application of a generalised reverse charge mechanism in relation to supplies of goods and services above a certain threshold (OB, L 329/3 of 27 December 2018).

14. (new - SG 96/19, in force from 01.01.2020) Council Directive (EU) 2018/1695 of 6 November 2018 amending Directive 2006/112/EC on the common system of value added tax as regards the period of application of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud (OB, L 282/5 of 12 November 2018).

15. (new - SG 96/19, in force from 01.01.2020) Council Directive (EU) 2018/1910 of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States (OB, L 311/3 of 7 December 2018).

16. (new - SG 96/19, in force from 01.01.2020) Council Directive (EU) 2018/1713 of 6 November 2018 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals (OB, L 286/20 of 14 November 2018).

17. (new - SG 96/19, in force from 01.01.2020) Council Directive (EU) 2019/475 of 18 February 2019 amending Directives 2006/112/EC and 2008/118/EC as regards the inclusion of the Italian municipality of Campione d'Italia and the Italian waters of Lake Lugano in the customs territory of the Union and in the territorial application of Directive 2008/118/EC (OB, L 83/42 of 25 March 2019).

18. (new – SG, 104/20, in force from 01.07.2021) Council Directive (EU) 2019/1995 of 21 November 2019, amending Directive 2006/112 / EC as regards the provisions relating to distance selling of goods and certain domestic deliveries of goods (OJ L 310/1 of 2 December 2019).

19. (new - SG 107/20, in force from 01.01.2021) Council Directive (EU) 2020/1756 of 20 November 2020 amending Directive 2006/112/EC on the common system of value added tax as regards the identification of taxable persons in Northern Ireland (OJ, L 396/1 of 25 November 2020).

20. (new - SG 14/22, in force from 18.02.2022) Council Directive (EU) 2020/2020 of 7 December 2020 amending Directive 2006/112/EC as regards temporary measures in relation to value added tax applicable to COVID-19 vaccines and in vitro diagnostic medical devices in response to the COVID-19 pandemic (OJ, L 419/1 of 11 December 2020).

21. (new - SG 14/22, in force from 18.02.2022) Council Directive (EU) 2019/2235 of 16 December 2019 amending Directive 2006/112/EC on the common system of value added tax and Directive 2008/118/EC concerning the general arrangements for excise duty as regards defence efforts within the Union framework (OJ, L 336/10 of 30 December 2019).

22. (new - SG 14/22, in force from 18.02.2022) Council Directive (EU) 2021/1159 of 13 July 2021 amending Directive 2006/112/EC as regards temporary exemptions on importations and on certain supplies in response to the COVID-19 pandemic (OJ, L 250/1 of 15 July 2021).

Transitional and concluding provisions

§ 2. This Act shall revoke the **Value Added Tax Act** (prom. SG 153/1998; corr. SG 1/1999; amend. SG 44, 62, 64, 103 and 111/1999; amend. SG 63, 78 and 102 from 2000, amend. SG 109/2001; amend. SG 28, 45 and 117 from 2002; amend. SG 37, 42, 86 and 109 from 2003; amend. SG 53, 70 and 108 from 2004; amend. SG 28, 43, 76, 94, 95, 100, 103 and 105 from 2005, SG 30 and 54 from 2006).

§ 3. (In force from 04.08.2006) (1) The Minister of Finance shall issue the Rules for Implementation of the Act and the ordinances under this Act in period of three months since the promulgation of the Act in the State Gazette.

(2) The Rules and the ordinances under par. 1 shall enter into force on the day, on which this Act enters into force.

§ 4. (1) All persons, registered under the revoked Value Added Tax Act by the date of entering into force of the Act, shall also be considered registered under this Act. In these cases the identification number under art. 94, par. 2 and the certificate for registration under art. 104 shall be issued ex officio.

(2) The commenced and not finished registration procedures or such for terminating the registration by the date of entering into force of the Act shall be finished by the order of this Act.

(3) Regardless of par. 2, when for the registered person has occurred grounds for termination of the registration in the last tax period, the person may stay registered under this Act, if the grounds for voluntary registration under this Act are present.

(4) The tax charged for the available assets regarding termination of the registration prior to entering into force of this Act shall be deposited in 30 days term since the date of terminating the registration.

(5) When the term for submitting the registration list under art. 68 or 70 of the revoked Value Added Tax Act shall expires after entering into force of this Act, the list shall be submitted in three days term since the date of registration under the revoked Value Added Tax Act.

§ 4a. (new – SG 12/09, in force from 13.02.2009) (1) Traders referred to in Art. 30 of the Tobacco and Tobacco Products Act, who are registered after January 1, 2009 according to **Art. 100, para 1**, or who are in registration proceedings, may submit applications at the authorized territorial directorate of the National Revenue Agency for declaring their registration invalid.

(2) Applications mentioned in para 1 shall be submitted by April 1, 2009 and the registration is considered invalid from January 1, 2009.

§ 5. (1) The reference – declaration for the last tax period before entering into force of this Act shall be submitted by the 14-th day of the month, following the month, for which it is about, as for the result, indicated in it (tax for reimbursement or tax for depositing) all rights and obligations under this Act shall arise.

(2) The annual reference-declaration under art. 101, par. 1 of the revoked Value Added Tax Act shall be submitted by 15 April 2007, as the result indicated in it shall not participate in procedure for reimbursement under this Act, and the tax shall be deposited or reimbursed in three months term since its submitting.

§ 6. (1) For the registered persons, for whom a three month procedure regarding tax deduction for reimbursement under the revoked Value Added Tax Act has started by the date of entering into force of this Act, the procedure for deduction shall continue by the order of **art. 92, par. 1** of this Act.

(2) By the date of entering into force of this Act all unfinished 9 month procedures regarding tax deduction for reimbursement under the revoked Value Added Tax Act shall be finished by the last day of the month, preceding the month of entering of this Act into force.

(3) In the cases under par. 2 the tax surplus for reimbursement shall be declared by the persons in the reference-declaration for the last tax period before entering of this Act into force, as it shall be deducted and reimbursed by the revenue body in 45 days term since its submission.

(4) Tax surplus for reimbursement under art. 77, par. 1, item 4 of the revoked Value Added Tax Act, which has not been restored by the date of entering into force of this Act, shall be deducted and

reimbursed by the revenue body in 45 days term since the submission of the reference-declaration, in which the surplus is indicated.

(5) Tax, subject to reimbursement on the grounds of art. 77, par. 2 of the revoked Value Added Tax Act, that has not been restored by the date of entering into force of this Act, shall be deducted and restored by the revenue body in the respective terms under art. 77, par. 2 of the revoked Value Added Tax Act.

§ 7. (1) When payment in advance has been received in connection with exempt delivery within the meaning of the revoked Value Added Tax Act, which is leviable delivery within the meaning of **art. 12, par. 1** of this Act (except for the ones leviable with zero rate) and for which the tax event occurs after entering into force of this Act, the registered person – provider, shall document the delivery via issuing invoice, in which he/she shall indicate the whole tax base for the delivery. For the delivery shall be applied the tax regime by the date of occurrence of the tax event under this Act.

(2) In case payment in advance has been received in connection with leviable delivery within the meaning of the revoked Value Added Tax Act, which within the meaning of this Act is exempt delivery and for which the tax event occurs after entering into force of this Act, the registered person – provider, shall document the delivery via annulment of the invoice issued for paying in advance and issuing new invoice, in which he/she shall indicate the whole tax base for the delivery. For the annulment a protocol under **art. 116, par. 4** of this Act shall be issued. For the delivery shall be applied the tax regime by the date of occurrence of the tax event of the delivery under this Act.

§ 8. (1) When the tax event of delivery has occurred until entering into force of this Act and the tax document for the delivery is issued after its entering into force, the delivery shall be documented via issuing invoice under **art. 114** of this Act, and for its issuing the tax regime by the date of occurrence of the tax event of delivery shall be applied.

(2) When after entering into force of this Act grounds occur for alteration of the tax base of delivery, which has actually been carried out and documented by the entering of this Act into force, the alteration of the tax base shall be carried out via issuing a tax notification under **art. 115** of this Act, as at its issuing the tax regime by the date of occurrence of the tax event of the documented delivery carried out shall be applied.

§ 9. (1) In case under the conditions of a contract for financial leasing the goods have actually been provided before entering into force of this Act, any subsequent payment (redemption instalment) under this contract, due after entering into force of this Act, shall be considered as separate delivery the tax event for which occurs on the earlier of the two dates – the date of paying or the date, on which it has become due.

(2) Paragraph 1 shall be applied only when in one month term from entering into force of this Act the tax liable person – provider submits before the territorial directorate of the National Revenue Agency regarding his/her registration a list, which obligatorily contains the following information:

1. recipient according to the contracts under par. 1;

2. number and amount of the instalments under each contract, for which tax document has been issued, but have not been received;

3. number and amount of the instalments under each contract, for which the tax event under par. 1 will occur after entering into force of this Act.

(3) For contracts, which are not included in a list submitted by the order of par. 2, it shall be considered, that on the date of entering into force of this Act the person carries out delivery under **art. 6, par. 2, item 3**, and its tax base is equal to the sum of the instalments, due after entering into force of this Act, without the tax due for them.

§ 10. When before entering into force of this Act the goods have actually been provided by commissionee /truster of commissioner/trustee and have not been provided by the commissioner/trustee to

third person, it shall be considered, that the tax event of the delivery of the goods between the comissionee/the truster of commissioner/the trustee shall occur on the date of occurrence of the tax event of the delivery of the goods to the third person.

§ 11. The provision of **art. 50** of this Act shall also be applied in the cases of deliveries of goods or services, for which there is not present right of deduction of tax credit on the grounds of art. 65, par. 1of the revoked Value Added Tax Act.

§ 12. Tax documents, issued by the entering into force of this Act and meeting the requirements of the revoked Value Added Tax Act, shall be considered that they meet the requirements of the law.

§ 13. The right to deduction of tax credit, that has occurred on the grounds of the revoked Value Added Tax Act, which has not been exercised by the date of entering into force of this Act and the terms for its exercising under art. 67, 69 and 71 of the revoked Value Added Tax Act have not expired, may be exercised in any of the three tax periods, following the tax period, during which this right has occurred.

§ 14. (1) Import shall also be the implementation of customs formalities with regards to declaring free movement of goods, for which are present the circumstances under Annex V, chapter four "Customs union" of the Protocol to the Treaty concerning the accession of the Republic of Bulgaria to the European Union.

(2) In the cases under par. 1 the tax event shall occur and the tax shall become exigible by the order of **art. 54, par. 2** of this Act.

(3) The tax base in the cases under par. 1 shall be determined by the procedure of **art. 55, par. 1-4** of this Act.

(4) The charging of the tax shall be implemented by the procedure of **art. 56** of this Act.

(5) Regarding the tax deposition the provisions of **art. 60** and **90** of this Act shall be applied.

(6) Till the occurrence of the tax event under par. 2 the tax shall be secured by the order of and to the extents, specified in **art. 59** of this Act.

(7) (new – SG 113/07, in force from 01.01.2008) Regardless of par. 1, no tax shall be payable when carrying out customs formalities related to declaration for free circulation of transport means, when all the following conditions are concurrently available:

1. as of 31 December 2006 inclusive the transport means are under the regime of temporary import with full exemption from customs levies;

2. the transport means are acquired in or are imported from another Member State, including Romania;

3. as of the time of declaration for free circulation, the transport means are placed under the regime of temporary import with full exemption from customs levies;

4. the date of first registration of the vehicles is not later than 31 December 1998, inclusive;

5. the amount of the tax does not exceed 100 BGN inclusive.

§ 15. (amend. – SG 108/06, in force from 01.01.2007) (1) The VAT accounts within the meaning of art. 20, item 17 of the revoked Value Added Tax Act regarding which there are no pecuniary funds, shall be closed upon request by the holders or ex officio by the banks by the 31st of January 2007.

(2) In case there are funds available regarding the VAT accounts, the holder of the account, may specify not later than the 31st of January 2007 an account to which the funds can be remitted, provided that the VAT account is closed.

(3) In the event that the holder of the VAT account within the meaning of Art. 20, item 17 of the revoked Value Added Tax Act does not specify an account to which the funds available can be remitted, they shall be remitted ex officio by the bank by the 31st of January 2007 to the account of the holder in the

same bank, and in case there is no account opened in the bank – to a payment account, opened by the bank ex officio on behalf of the holder, provided that the VAT account is closed.

(4) The distrained funds in the VAT accounts within the meaning of Art. 20, item 17 of the revoked Value Added Tax Act can be remitted only to the account of the same holder, provided that the imposed distraints shall retain the effect thereof, including with respect to the date of imposing.

§ 15a. (New – SG 108/06, in Value Added Tax Act force from 01.01.2007) (1) In the event that grounds for carrying out correction of used tax credit following the procedure under Art. 81, para 4 of the revoked Value Added Tax Act have occurred during 2006, the person shall charge and owe a tax in amount, specified by the manner of Art. 76 of the revoked Regulations for Implementation of the Value Added Tax Act(Prom. SG 19/2 Mar 1999, amend. SG 55/18 Jun 1999, amend. SG 9/1 Feb 2000, corr. SG 15/22 Feb 2000, amend. SG 12/9 Feb 2001, amend. SG 15/16 Feb 2001, amend. SG 58/29 Jun 2001, amend. SG 43/26 Apr 2002, amend. SG 63/28 Jun 2002, amend. SG 29/31 Mar 2003, amend. SG 26/30 Mar 2004, amend. SG 32/12 Apr 2005, amend. SG 9/27 Jan 2006; revoked – SG 76/06)

(2) The correction referred to in para 1 shall be carried out by issue of a protocol following the procedure under **Art. 117** of this Act during the first tax period of 2007. The protocol shall be indicated in the sales record for this tax period as a tax, charged according to the law in other cases.

§ 15b. (new – SG 54/12, in force from 17.07.2012; amend. - SG 103/12, in force from 01.01.2013; amend. – SG 23/13, in force from 08.03.2013) The persons under **Art. 118, Para 7, 8 and 9, item 1 and para 10** shall make their activity compliant with the requirements of this Act by 30 April 2013.

§ 15c. (new – SG 54/12, in force from 01.01.2013) Whereby 31 December 2012 inclusive and advance payment has been received for a delivery of service, provided by a state bailiff, of which the tax event arises after the said date, shall apply the tax regime at the date of the tax event. The due tax shall be determined as set out in **Art. 67, Para 2** of this Act on the entire tax base of the delivery, including the advance payment made.

§ 15d. (new - SG 41/15) Municipalities, registered under this Act which have not exercised their right to tax credit deduction within the time limit as per **Art**. 72 regarding value added tax charged after January 1, 2007 for received by them supplies of goods or services for the construction of sewage systems and facilities in the implementation of water projects, including under Priority Axis 1 of the Operational Programme "Environment 2007-2013" may exercise the right of tax credit for the said supplies.

§ 15e. (New - SG 52/22, in force from 01.07.2022) (1) The tax rate under Art. 66a shall apply until December 31, 2022, to the following supplies with a place of performance on the territory of the country, upon importation of goods into the territory of the country and upon taxable intra-Community acquisitions of goods:

1. supply of books on physical media or electronically or both (including textbooks, reference books and study sets, children's illustrated, drawing or colouring books, printed or handwritten sheet music editions), other than publications which are wholly or mainly intended for advertising, and other than publications which are wholly or mainly composed of video content or audio-musical content;

2. (In force from 09.07.2022) delivery of restaurant and catering services, which consist in the delivery of prepared or unprepared food, including delivery of takeaway food; this shall not apply to restaurant and catering services which consist in the delivery of beer, wine and spirits, including in the cases under Art. 128;

3. delivery of food suitable for babies or small children, according to Annex № 4;

4. supplies of baby diapers and similar baby hygiene items according to Annex № 4;

5. delivery of a general tourist service in the cases under Art. 136, as well as excursions organized by tourist operators and travel agents with bus transport of passengers for occasion;

6. supply of a service for the use of sports facilities.

(2) (In force from 09.07.2022) The tax rate under Art. 66a shall apply until July 1, 2023, to the following supplies with a place of performance on the territory of the country, upon importation of goods into the territory of the country and upon taxable intra-Community acquisitions of goods:

1. supply of central heating;

2. supply of natural gas.

(3) (In force from 09.07.2022) The tax rate under Art. 66b shall apply until July 1, 2023, for the supply of bread and flour with a place of performance on the territory of the country, upon importation of goods into the territory of the country and upon taxable intra-Community acquisitions of goods.

(4) For the purposes of Para. 1, items 2 and 5:

1. "beer" is beer within the meaning of Art. 5 of the Excises and Tax Warehouses Act;

2. "wine" is wine within the meaning of the Wine and Spirits Act;

3. "spirits" are spirits within the meaning of Art. 121, Para. 3 of the Wine and Spirits Act;

4. "bus transport for occasion" is transport within the meaning of § 1, item 24 of the Additional Provisions of the Automobile Transport Act.

(5) For the purposes of Para. 3, "bread" shall be a product obtained by baking a dough obtained by mixing wheat flour or other cereal - alone or in combination - with water, with or without the addition of salt, risen with the help of bread yeast or sourdough, and technological additives (if necessary). For the purposes of Para. 3, "flour" shall be a product obtained from the milling of bread wheat and suitable for the production of bread and bakery products.

(6) (In force from 09.07.2022) Whoever supplies/sells natural gas using measuring devices for consumption of liquid fuels shall be obliged to register in the electronic system with fiscal memory every supply/sale of natural gas in tax group "D" for the application period of the rate under Art. 66a. In this case, when submitting data to the National Revenue Agency, it shall be allowed not to submit data on the type and quantity of fuel sold. It shall be allowed to program these sales in a separate department.

(7) When the tax event on supply - to which Para. 2 and 3 apply - has arisen before the entry into force of Para. 2 and 3 inclusive and the tax document for the supply is issued after the entry into force of Para. 2 and 3, the supply shall be documented by issuing an invoice under Art. 113, upon issuance of which is applied the tax regime as of the date of occurrence of the tax event of the supply.

(8) When, upon entry into force of Para. 2 and 3, grounds arise for the amendment of the tax base of supply, to which Para. 2 and 3 apply and which has actually been completed and documented before the entry into force of Para. 2 and 3, the amendment of the tax base shall be carried out by issuing a tax notice under Art. 115, applying the tax regime effective as at the date of occurrence of the tax event of the completed and documented supply.

§ 16. In the **Corporate Income Tax Act** (prom. SG 115/1997; corr. 19/1998; amend. 21 and 153 from 1998; SG 12, 50, 51, 64, 81, 103, 110 and 111 from 1999, SG 105 and 108 from 2000, SG 34 and 110 from 2001, SG 45, 61, 62 and 119 from 2002, SG 42 and 109 from 2003, SG 18, 53 and 107 from 2004, SG 39, 88, 91, 102, 103 and 105 from 2005, SG 30 and 34 from 2006) the following amendments and supplements shall be made:

1. (In force from 04.08.2006) In art. 16 par. 1 shall be amended as follows:

"For the purposes of this section the market prices shall be determined via the methods for determination of market prices within the meaning of § 1, item 10 of the Additional provisions of the Tax-insurance procedure code."

2. In art. 36a, par. 1, item 6 shall be revoked.

3. (In force from 04.08.2006) In art. 55 shall be created par. 5:

"(5) Deduction and reimbursement of held at the source taxes to foreign persons, who do not carry out business activity in the state through place of business activity or through certain base, shall be carried out by the territorial directorate under par. 1."

4. In art. 66 the following amendments shall be made:

a) in par. 1 the words "art. 136" shall be replaced by "art. 183";

b) in par. 2 the words "art. 137" shall be replaced by "art. 185".

§ 17. (In force from 04.08.2006) In the **Waste Management Act** (prom. SG 86/2003; amend. SG 70/2004, SG 77, 87, 88, 95 and 105 from 2005, SG 30 and 34 from 2006) in § 1, item 27 of the Additional provisions the words "art. 20, item 5 of the Value Added Tax Act" shall be replaced by "§ 1, item 8 of the Additional provisions of the Tax-insurance procedure code".

§ 18. (In force from 04.08.2006) In the **Excises and Tax Warehouses Act** (prom. SG 91/2005; amend. SG 105/2005, SG 30 and 34 from 2006) the following amendments and supplements shall be made:

1. In art 4:

a) in item 8 after the words "30 litres" shall be added " ethyl alcohol (rakia)";

b) item 10 shall be amended as follows:

"10. "Energy product with a double function" is a product, simultaneously used as fuel for heating, as well as for purposes, different from motor fuel and fuel for heating; using energy products for chemical reduction and for electrolytic and metallurgical processes shall be considered as double function."

c) in item 18 the number "5000" shall be replaced by "15 000".

2. In art. 9 shall be created item 3:

"3. obtained through distillation and fit for drinking, containing other products in dissolved or non-dissolved condition."

3. In art. 14 the words "section VI and chapter eight" shall be obliterated.

4. In art. 21:

a) in par. 1, item 2 the words "at import" shall be obliterated;

b) a new paragraph 2 shall be created:

"(2) When for the goods under par. 1, item 1 and 3 excise has been paid, the exemption shall be implemented through reimbursement.";

c) the current paragraphs 2 and 3 shall respectively become par. 3 and 4.

5. In art. 22:

a) paragraph 1 shall be amended as follows:

"(1) The fully denatured ethyl alcohol shall be exempted from levying with excise.";

b) a new par. 2 shall be created:

(2) The excise paid shall be reimbursed for ethyl alcohol, which simultaneously has been especially denatured and put into the production of products, which are no designated for human consumption."

c) the current par. 2 and 3 shall become respectively par. 3 and 4;

d) the current par. 4 shall become par. 5 and shall be amended as follows:

"(5) The excise paid under par. 2, 3 and 4 shall be reimbursed after the realization of the produced goods under par. 2 and 3, respectively after their usage under par. 4."

6. In art. 24, par. 2:

a) in item 1 the words "when they are not used as motor fuel or as fuel for heating" shall be obliterated;

b) item 4 is created:

"4. used for purposes, different of motor fuel or fuel for heating."

7. In art. 32:

a) in par. 2 the text before item 1 shall be amended in this way: "The excise rates on the motor fuels, used for processing agricultural land by agricultural producers, assented for financial support regarding the Agricultural Producers Assistance Act, shall be as follows:";

b) paragraphs 3, 4, 5 and 6 shall be created:

"(3) The excise rates under par. 2, items 1 and 2 shall be applied through reimbursement of the

difference between the respective rate under par. 1 and the rate under par. 2 for amount, calculated on the basis of annual standard cost 7,3 litres on 10 ares for registered arable land.

(4) Every year by the 1st of July the Minister of agriculture and forestry shall provide to the director of Customs Agency the following information from the register of the agricultural producers:

1. identification data of the agricultural producer;

2. legal and organizational form, name (title), permanent address (seat of business and registered office), phone number, fax number, e-mail;

3. data for the arable land (in 10 ares) according to the identification of the agricultural parcels;

(5) The right of reimbursement shall be exercised by the agricultural producers once for the motor fuels, bought by them during the current year. The request for reimbursement shall be submitted from July the 1st to 31 December the current year.

(6) The reimbursement under par. 3 shall be carried out in two weeks period since the submission of the request by a procedure, determined in the regulation for implementation of the law."

8. In art. 33, par. 1 the words "used" and "and domestic needs" shall be obliterated.

9. In art. 34 the words "art. 32, par. 2 and" shall be obliterated.

10. In art. 47, item 5 the words "of the tax or customs legislation" shall be replaced by "under this Act".

11. In art. 51, par. 1, item 5 the words "and the tax number" shall be obliterated.

12. In art. 54, par. 2, item 3 and art. 56, par. 2, item 2 the words "and tax number" shall be obliterated.

13. In art. 57, par. 3 item 5 shall be amended like that:

"5. copy of the identification card by register BULSTAT certified by the person;".

14. In art. 59, par. 1 after the word "including" shall be added "obtaining, extracting and".

15. In art. 60 par. 5 and 6 shall be revoked.

16. In art. 65, par. 2 item 2 shall be amended like that:

"2. admitted for free movement with simultaneous placing under regime of postponed payment;".

17. In art.. 66 par. 3 and 4 shall be created:

"(3) The licensed ware housekeepers shall be obliged to use measuring devices, which meet the criteria of the **Measurements Act** and the normative acts for its implementation.

(4) The specific requirements and the control over the measuring devices under par. 3 shall be determined by the procedure of art. 61, par. 2."

18. In art. 67 item 3 shall be amended like that:

"3. the transportation of excise goods, admitted for free movement with simultaneous placing under regime of postponed payment, to tax warehouse."

19. In art. 77, par. 2 at the end a comma shall be put and there shall be added "except for the cases under art. 78, par. 3."

20. In art. 78:

a) a new paragraph 3 shall be created:

"(3) The amount of the security for tax warehouse for production and storage of excise goods may not exceed 30 million BGN.";

b) the current par. 3 shall become par. 4.

21. In art. 88, par. 4 the words "Tax procedure code" shall be replaced by "Tax-insurance procedure code".

22. In art. 94 par. 2 shall be revoked.

23. In art. 97, par. 1 the word "Denaturation" shall be replaced by "The full denaturation".

24. In art. 106, par. 1 the word "tax" shall be replaced by "revenue".

25. In art. 125 par. 4 shall be created:

"(4) The sanctions under par. 1, 2 and 3 shall also be imposed to agricultural producer, who uses motor fuels with reduced rates violating art. 32."

26. In the transitional and concluding provisions the following amendments and supplements shall be made:

a) in § 2:

aa) paragraph 1 shall be amended as follows:

"(1) The started by 30 June 2006 including proceedings for finding and collecting excise obligations, as well as the proceedings that have started by this date for excise reimbursement shall be finished by the bodies of the National Revenue Agency.";

bb) paragraph 2 shall be amended as follows:

"(2) The excise charged by 30 June 2006 including shall be declared and deposited by the procedure and in terms of the Excise Act and the regulation for its implementation.";

cc) paragraphs 3 and 4 shall be created:

"(3) For the excise obligations, occurred by 30 June 2006 including, the provisions of the Excise Act shall be applied, as the finding, securing and collecting shall be carried out by the procedure of the Tax-insurance procedure code by the bodies of the National revenue agency.

(4) The securities, provided by 30 June 2006 including under the Excise Act, shall be exempted or used by the bodies of the National revenue agency by the procedure and under the conditions of the Excise Act and the regulation for its implementation.";

b) § 2a and § 2b shall be created:

"§ 2a. (1) The licensed ware housekeepers shall have right to reimburse the excise paid by 30 June 2006 for:

1. ethyl alcohol (alcohol containing materials), put into the production of alcohol beverages;

2. gases designated for processing with codes under the CN 290124100, 271114000, 290122000 and 290121000, that have been processed specifically or chemically in the end excise products;

3. heavy oils designated for processing with codes under the CN 271019710 and 271019750 and for heavy fuels, designated for processing with codes under the CN 271019510 and 271019550, that have been specifically of chemically processed in the end excise products;

4. low-octane petrol, used for production of ethylene;

5. ethylene, used for producing ethylenchloride.

(2) The reimbursement shall be carried out after the release for consumption of the excise goods, in which the goods under par. 1 have been put, respectively after the realization of the ethylenchloride but not later than 1 July 2007.

a) In § 2b. The annual standard cost under art. 32, par. 3 for 2006 shall be 4,4 litres for 10 ares for registered arable land.";

c) in § 5 the words "art. 21, par. 2" shall be replaced by "art. 21, par. 3";

d) in § 12:

aa) item 1 shall be amended as follows:

"1. the provisions of art. 1-31, art. 32, art. 33, par. 1, item 2, 4, 5 and 6 and par. 2, art. 34 - 46, art. 59 - 128, § 1, par. 1 regarding revoking the Excise Act as well as § 1, par. 3, which enter into force from 1st of July 2006;"

bb) item 3 shall be created:

"3. the provisions of art. 33, par. 1, items 1 and 3, which enter into force from the 1st of January 2007."

§ 19. (In force from 04.08.2006) In the **Tax-insurance procedure code** (prom. SG 105/2005; amend. SG 30, 33 and 34 from 2006) the following amendments and supplements shall be made:

1. In art. 30, par. 3 the words "par. 8 or 9" shall be replaced by "par. 6, 7 and 8".

2. In art. 140, par. 3 the number "139" shall be replaced by "138".

3. In art. 143 par. 4 shall be created:

"(4) Upon a received information exchange request under par. 1 by another state, under the terms of

reciprocity, the Minister of Finance or an empowered by him/her person may require from the court to disclose a bank secret within the meaning of Art. 52 of the Banks Act, a secret within the meaning of Art. 71 and 133 of the Public Offering of Securities Act or within the meaning of another provision of the Bulgarian legislation for keeping the confidentiality of monetary funds, of financial assets and of other ownership, where from the stated facts in the information exchange request is clear that it is forwarded in accordance with the requirements for exchange of information as per the respective international treaty."

4. In art. 157, par. 3 the words "and par. 8" shall be obliterated.

5. In art. 183, par. 11, sentence one the words "art. 148, par. 1" shall be replaced with "art. 184, par. 1", and sentence two shall be obliterated.

6. In art. 189 the title shall be amended like that: "Deferring and postponement in insolvency proceedings".

7. In art. 202, par. 1 and in the title of art. 228 the words "and persons related with him/her" shall be obliterated.

8. In art. 251, par. 3, item 1 in the end the words "and address" shall be replaced by "address and a certificate of current status;"

9. In art. 252:

a) in par. 6 after the word "equal" shall be added "highest";

b) in par. 7 the words "from the participants not attending the auction" shall be replaced with "participants and at least one of them does not attend the consideration of the proposals".

a) a new sentence two shall be created: "If the second highest price is proposed by two or more participants, the public executor shall choose the subsequent buyer by lot.;

b) the current sentence two shall become sentence three.

11. In art. 255 the words "the interests and the principal" shall be replaced by "the principal and the interest".

12. In § 6 of the transitional and the concluding provisions par. 7 shall be created:

"(7) Upon appointment to state service in Agency "Customs" to a position, functions of which are directly related with the administration of and control over the excise, Art. 10, para 1 of the Civil Servants Act shall not be applied if the candidates are in labour legal relationship with Agency "Customs" and with National Revenue Agency."

§ 20. (In force from 04.08.2006) In the Banks Act (prom. SG 52/1997, suppl. SG 15/1998; amend. SG 21, 52, 70 and 89 from 1998, SG 54, 103 and 114 from 1999, SG 24, 63, 84 and 92 from 2000, SG 1/2001, SG 45, 91 and 92 from 2002, SG 31/2003, SG 19, 31, 39 and 105 from 2005, SG 30, 33 and 34 from 2006) in art. 52, par. 5 the following amendments and supplements shall be made:

1. A new item 2 shall be created:

"2. the Minister of Finance or a person authorized thereby – in the cases of art. 143, par. 4 of the Tax-insurance procedure code;"

2. The current items 2, 2a, 3 and 4 shall become respectively items 3, 4, 5 and 6.

§ 21. (In force from 04.08.2006) In the Public Offering of Securities Act (prom. SG 114/1999; amend. SG 63 and 92 from 2000, SG 28, 61, 93 and 101 from 2002, SG 8, 31, 67 and 71 from 2003, SG 37 from 2004, SG 19, 31, 39, 103 and 105 from 2005) in art. 71, par. 6 the following amendments and supplements shall be made:

1. A new item 2 shall be created:

"2. the Minister of Finance or a person authorized thereby – in the cases under art. 143, par. 4 of the Tax-insurance procedure code;"

2. Items 2, 2a, 3 and 4 shall become respectively items 3, 4, 5 and 6.

§ 22. (In force from 04.08.2006) In the Corporate Income Tax Act (prom. SG 118/1997, SG

35/1998 - Decision № 6 of the Constitution court from 1998; amend. 71 and 153 from 1998, SG 50, 103 and 111 from 1999, SG 105/ 2000, SG 110/2001, SG 40, 45, 61 and 118 from 2002, SG 42, 67, 95 and 112 from 2003, SG 36, 37, 53, 70 and 108 from 2004, SG 43, 102, 103 and 105 from 2005, SG 17/2006) in art. 20, par. 7 the words "par. 5" shall be replaced by "par. 6".

§ 23. (In force from 04.08.2006) In the Accountancy Act (prom. SG 98/2001; amend. 91/2002, SG 96/2004, SG 102 and 105 from 2005, SG 33 from 2006) in art. 7 the following amendments and supplements shall be made:

1. In par. 1 item 3 after the word "address" the comma shall be obliterated and the words "BULSTAT and number of the national tax register" shall be replaced by "and identification under art. 84 of the Tax-insurance procedure code".

2. Paragraphs 5 and 6 shall be created:

"(5) The address under par. 1, item 3 shall be:

1. the permanent address – for the natural persons;

2. the registered office – for the legal persons;

3. the address for correspondence under the Tax-insurance procedure code – for the persons who don’t have registered office.

(6) The sole trader shall be identified only with unified identification code BULSTAT."

§ 24. (In force from 04.08.2006) In the Arts Patronage Act (prom. SG 103/2005; amend. 30 and 34 from 2006) the following amendments shall be made:

1. In art. 11:

a) in par. 3 item 5 shall be revoked;

b) in par. 5, item 1 the words "tax registration number" shall be obliterated.

2. In Appendix No 1 in "I. Data of the applicant" the words "tax registration number" shall be obliterated.

3. In Appendices No 2 and 3 the words "Tax registration number" shall be obliterated".

§ 25. In the Law of integration of the people with disabilities (prom. SG 81/2004; amend. 28, 88, 94, 103 and 105 from 2005, SG 18, 30, 33 and 37 from 2006) the following amendments shall be made:

1. In art. 35, par. 2 the words "and from value added tax" shall be obliterated.

2. In art. 44 par. 2 shall be revoked.

§ 26. This Act shall enter into force from the day of entering into force of the Treaty concerning the accession of the Republic of Bulgaria to the European Union, except for **§ 3**, **§ 16, items 1 and 3**, **§ 17**, **18**, **19**, **20**, **21**, **22**, **23** and **24**, which enter into force from the day of promulgation of the law in the State Gazette.

The law was passed by the 40th National Assembly on July 21 2006 and is affixed with the official seal of the National Assembly.

Transitional and concluding provisions TO THE STATE AID ACT

(PROM. – SG 86/06, IN FORCE FROM 01.01.2007)

§ 11. The Act shall enter into force from the day of coming into effect of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

Transitional and concluding provisions
TO THE DUTY-FREE TRADE ACT

(PROM. – SG 105/06, IN FORCE FROM 01.01.2007)

§ 9. The Act shall enter into force from the day of coming into effect of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

Transitional and concluding provisions
TO THE ACT ON TH STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2007

(PROM. – SG 108/06, IN FORCE FROM 01.01.2007)

§ 106. The Act shall enter into force from the 1st of January 2007, except for § 103 and 104, which shall enter into force from the day of its promulgation in "State Gazette".

Transitional and concluding provisions
TO THE MARKETS OF FINANCIAL INSTRUMENTS ACT

(PROM. - 52/07, IN FORCE FROM 01.11.2007)

§ 27. (1) This Act shall enter into force from 1 November 2007 except § 7, Items 6, 7, 8, 18, 19, 22 – 24, 26 – 28, 30 – 40, Item 44, Letter "b", Items 47, 48, Item 49, Letter "a", Items 50 – 62, 67, 68, 70. 71, 72, 75, 76, 77, Item 83, Letters "a" and "d", Item 85, Letter "a", Items 91, 93, 94, Item 98, Letter "a", Subletter "aa", second sentence regarding the replacement, Subletter "bb", second sentence regarding the replacement, Subletter "cc", second sentence regarding the replacement and Subletter "cc", second sentence regarding the replacement, Item 99, Letters "d" and "e", Item 101, Letter "b" and Item 102, § 8, § 9, Item 4, Letter "a", Items 5 and 7, § 14, Item 1 and § 19 which shall enter into force three days after the promulgation of the Law in the State Gazette.

(2) Paragraph 7, Item 6, 7 and 8 shall apply by 1 November 2007.

Transitional and concluding provisions
TO THE CIVIL PROCEDURE CODE

(PROM. – SG 59/07, IN FORCE FROM 01.03.2008)

§ 61. **This code** shall enter into force from 1 March 2008, except for:

1. Part Seven "Special rules related to proceedings on civil cases subject to application of European Union legislation"

2. paragraph 2, par. 4;

3. paragraph 3 related to revoking of Chapter Thirty Two "a" "Special rules for recognition and admission of fulfillment of decisions of foreign courts and of other foreign bodies" with Art. 307a – 307e and Part Seven "Proceedings for returning a child or exercising the right of personal relations" with Art. 502 – 507;

4. paragraph 4, par. 2;

5. paragraph 24;

6. paragraph 60,

which shall enter into force three days after the promulgation of the Code in the State Gazette.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 108/07, IN FORCE FROM 19.12.2007)

§ 36. This Act shall enter into force from the day of its promulgation in the State Gazette, except for § 35, which shall enter into force from 1 January 2007.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 113/07, IN FORCE FROM 01.01.2008)

§ 17. This Act shall enter into force from 1 January 2008.

Additional provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 106/07, IN FORCE FROM 01.01.2009)

§ 17. This Act introduces the provisions of Council Directive 2007/74/EC of 20 December 2007 on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries (OB, L 346/6 of 29 December 2007).

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 106/07, IN FORCE FROM 01.01.2009

§ 18. (1) Registered persons who are recipients of the delivery or importers, regarding whom the tax has become exigible as from a person liable for payment under **Chapter eight**, till the entry into force of this Act, who have not charged tax pursuant to **Art. 86, para 1** and/or have not used their tax credit right by the said date, may charge the tax, respectively to exercise their right of tax credit deduction within 4 month-term from the entry into force of this Act.

(2) If the persons referred to in para 1 have deducted a tax credit after the expiry of the term under **Art. 72, para 1** it shall be presumed that they have exercised their tax credit right properly.

(3) Paragraph 2 and **Art. 73a** shall also apply to administrative and court proceedings which have not been finished by the date of entry into force of this Act.

(4) Registered persons as regards to whom an individual administrative act has entered into force, on the ground of which a right of tax credit deduction has been acknowledged for deliveries, where the tax is exigible from the receiver/importer, and to which **Art. 73a** of this Act would have been applied, mat exercise their right of tax credit deduction, which has not been acknowledged, by including the protocol concerning tax charging for the respective delivery in the purchase record for the tax period January 2009 or any of the following 6 tax periods. The issued protocol shall not be included in the purchase record if the tax due for the delivery has been charged by the registered person or by the revenue bodies for a preceding tax

period.

. . . . . .

§ 20. This Act shall enter into force from the 1st of January 2009, except for § 5 and § 16 regarding items 54, 55, 56 and 57 of **§ 1** from the Additional provisions, which shall enter into force from the 1st of December 2008.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 12/09, IN FORCE FROM 01.05.2009)

§ 68. This Act shall enter into force from 1 May 2009, except for § 65, 66 and 67, which shall enter into force from the date of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT ON PAYMENT SERVICES AND PAYMENT SYSTEMS

(PROM. – SG 23/09, IN FORCE FROM 01.11.2009)

§ 21. This Act shall enter into force from 1 November 2009, except for § 10, , which shall enter into force from the date of promulgation of the Act in the State Gazette.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VOCATIONAL EDUCATION AND TRAINING ACT

(PROM. – SG 74/09, IN FORCE FROM 15.09.2009)

§ 48. This Act shall enter into force from the day of its promulgation in the State Gazette, except § 1, which shall enter into force from 15 September 2009, and § 47, which shall enter into force from 1 October 2009.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – 95/09, IN FORCE FROM 01.01.2010)

§ 49. The right to deduct tax credit that has arisen before 1 January 2010 and was not exercised by the date of entry into force of this Act and for the exercise of which the three tax periods following the tax period of its arising have not expired, may be exercised during one of the twelve tax periods following the tax period of arising of the said right.

§ 50. (1) When an advance payment has been received by 31 December 2009, concerning among others cases of delivery of goods or services, for which the tax treatment was changed under this Act regarding the rate size, place of performance of the delivery, the delivery made equal to a taxable delivery

under **Art. 69, Para 2** and for which the tax event took place after that date, the provider shall issue an invoice indicating the entire tax base of the delivery. The tax regime at the date of the tax event of the delivery according to the law shall apply to the delivery.

(2) For deliveries of judicial representation services related to the exercise of the right to defense of natural persons in pre-trial, trial, administrative and arbitration procedures, performed periodically or at stages, shall apply the tax regime at the date of the relevant tax event, specified in **Art. 25, Para 4**.

(3) Where an advance payment has been made by 31 December 2009, related to the delivery of goods or services among others, the tax event arising after that date and the tax for the delivery exigible from the recipient according to the order of the law, the registered person-recipient shall be obliged to accrue tax on the entire tax base of the delivery, including the advance payment already made.

§ 51. (1) The limitation under **Art. 70, Para 1, Items 4 and 5** shall not apply to the right to deduction of tax credit that was available or has arisen before 31 December 2009 inclusive regarding vehicles with up to 5 seating places mounted by the manufacturer without the place of the driver.

(2) Regarding leasing contracts not containing obligation but only an option for transfer of the ownership in vehicles under Para 1, the right of tax credit deduction in respect of the leasing installments shall arise also after 1 January 2010, provided that by 31 December 2009 inclusive the right to deduct tax credit has arisen at least for one leasing installment.

(3) Right of tax credit deduction shall not arise after 1 January 2010 for goods and services under **Art. 70, Para 1, Item 5** related to vehicles under Para 2.

§ 52. (1) The persons under **Art. 97a, Para 1** that have made advance payments by 31 December 2009 for deliveries of service among others having its tax event arising after that date and the tax for which is exigible from the recipient according to the order of this Act shall submit a registration application under the order of **Art. 97a** within 20 days from entry into force of this Act. On the date of occurring of the tax event of the delivery shall arise an obligation for the registered person-recipient to accrue tax on the entire tax base of the delivery, including the advance payment made. Where the tax event of the delivery occurs before the date of registration under this Act, the tax for the service received shall be charged within 15 days from the date of registration according to the law.

(2) The persons referred to in **Art. 97a, Para 2** that have received advance payment by 31 December 2009 for deliveries of service among others with place of performance on the territory of another Member State, the tax event occurring after that date, shall be registered according to the order of **Art. 97a** within 7 days from entry into force of this Act. The tax regime at the date of occurring of the tax event of the delivery according to the law shall apply to the said delivery.

§ 53. The two-month time limit under **Art. 92** shall apply to the tax for restoration for tax periods after 1 January 2010.

§ 54. Any tax liable person not established on the territory of the country but registered pursuant to **Art. 133** may submit an application for voluntary deregistration under **Art. 108** regardless of its taxable turnover during the preceding 12 consecutive months before the current, when during the same period the person has performed only deliveries for which after 31 December 2009 the tax is exigible from the recipient of the delivery under **Art. 82**.

§ 55. The persons registered at the date of entry into force of this Act shall be obliged to provide an electronic address for correspondence under **Art. 101, Para 5** within three months from its entry into force.

§ 56. (1) Within 6 months from entry into force of this Act the Minister of Finance shall bring into compliance with it the ordinance under **Art. 118, Para 4**.

(2) The Minister of Finance shall determine a time limit for the persons obliged to use fiscal devices shall bring their activities related to the establishment of remote communication into compliance with the requirements of the ordinance under Para 1. The Minister may determine different time limits for certain groups of persons that may not be shorter than 6 months and longer than two years from entry into force of the ordinance under Para 1.

§ 57. This Act shall enter into force from 1 January 2010.

Additional provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 94/10, IN FORCE FROM 01.01.2011)

§ 29. In the remaining texts of the Act the words "Community" shall be replaced by "European Union" and "within the Community or outside it" shall be replaced by "within the European Union or outside it".

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 94/10, IN FORCE FROM 01.01.2011)

§ 30. (1) To the deliveries of construction, service or extraction concessions by virtue of contracts signed before 1 January 2011 shall apply the valid tax regime at the date of occurrence of the tax event under **Art. 25, Para 4**. In such cases the tax shall not be deemed part of the concession remuneration.

(2) Where an advance payment under Para 1 has been received by 31 December 2010 and the tax event occurs after that date, the deliverer shall certify the delivery by issuing an invoice indicating the full tax base of the delivery.

(3) The concessors in construction, service or extraction concession contracts shall be entitled to tax credit for the received deliveries of goods and/or services during the period from 1 January 2007 to 31 December 2010 that are used or to be used for deliveries referred to in **Art. 3, Para 5, Item 1, Letter "l"** of this Act.

(4) The right referred to in Para 3 shall be exercised by:

1. 31 December 2011 – for received deliveries of goods and services for the period between 1 January 2007 and 30 June 2008,

2. 31 December 2012 – for received deliveries of goods and services for the period between 1 July 2008 and 31 December 2009,

3. 30 June 2013 – for received deliveries of goods and services for the period between 1 January 2010 and 31 December 2010.

In such cases the provision in **Art. 126** shall not apply.

(5) Where the persons referred to in Para 3 have exercised their rights to tax credit deduction before entry into force of this Act shall be deemed to have lawfully exercised their right.

(6) Para 5 shall apply also to administrative and court proceedings pending at the date of entry into force of this Act.

(7) The concessors registered under this Act, to whom a valid individual administrative act applies, by virtue of which the right to tax credit deduction has been rejected for deliveries of goods and services subject to the conditions referred to in Para 3, shall be entitled to exercise their rights to deduction of the rejected tax credit within the time limits referred to in Para 4.

§ 31. In respect of assets and property referred to in **§ 29** of the Transitional and Concluding Provisions of the Act amending the Waters Act (prom. – SG 47/09; amend. – SG 95/09), including those deleted by 31 December 2010, no corrections of the used tax credit under **Art. 79** in relation to the free delivery shall be made at their deletion from the balance.

§ 32. (1) Where an advance payment has been received by 31 December 2010, including for deliveries of goods or services that have received a different tax treatment under this Act concerning the rate amount, the performance location, the delivery deemed equal to a taxable delivery under **Art. 69, Para 2**, and the tax event occurs after that date, the deliverer shall certify the delivery by issuing an invoice indicating the full tax base of the delivery. The delivery shall be treated under the tax regime in effect at the date of occurrence of the tax event of the delivery according to the Law.

(2) Where an advance payment has been made by 31 December 2010, including for deliveries of goods or services of which the tax event occurs after that date, and the tax for the delivery is enforceable by the recipient as set out in the law, the registered recipient shall be obliged to accrue tax in the full amount of the tax base of the delivery, including the advance payment.

§ 33. In case of deliveries under **Art. 130**, where the tax event of the earlier delivery has occurred by 31 December 2010 inclusive, and the tax event of the second delivery has occurred after the said date, the second delivery shall be treated under the tax regime in effect at the date of occurrence of its tax event.

……..

§ 35. This Act shall enter into force from 1 January 2011, except for § 12, which shall enter into force from 1 April 2011, and § 7, § 28, Item 1, Letter "d" and § 34, which shall enter into force from 1 January 2012.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 19/11, IN FORCE FROM 08.03.2011)

§ 3. (1) Within three months from the entry into force of this Act the Minister of Finance shall bring the ordinance as per **Art. 118, para 4** in compliance with it.

(2) The Minister of Finance shall set a time limit for the persons under **Art. 118, para 6** to bring their activities related to the implementation of the remote connection in compliance with the requirements of the ordinance under para 1.

. . . . . .

§ 11. This Act shall enter into force from the date of its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 99/11, IN FORCE FROM 01.01.2012)

§ 22. As regards to tax charged on import of second hand goods available by December 31, 2011 which are not chargeable under the special arrangements for taxing the margin, the right to tax credit deduction which has not been exercised by the date of entry into force of this Act, can be exercised in any of

the twelve tax periods following the entry into force thereof.

§ 23. In those cases where by December 31, 2011 an advance payment has been received, including for exempt delivery which according to this Act is treated as a taxable one, the supplier shall record the delivery by issuing an invoice, indicating the total tax base of the said delivery. The invoice issued in relation to the advance payment received shall be annulled and a protocol under **Art. 116** shall be drawn up for the annulment. In the cases of **Art. 119** the correction shall be carried out by marking the payment received by an opposite sign in the statement of sales for the tax period during which the tax event has occurred. As regards to the delivery the tax regime effective by the date the tax event has occurred shall be applied according to this Act.

§ 24. The Act shall enter into force from January 1, 2012.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE EXCISE AND TAX WAREHOUSES ACT

(PROM. - SG 54/12, IN FORCE FROM 17.07.2012)

§ 81. Within three months from entry into force of this Act, the Minister of Finance shall make the required changes in the ordinance under **Art. 118, Para 4** of the VALUE ADDED TAX ACT.

…….

§ 85. This Act shall enter into force from the date of its promulgation in the State Gazette, except for:

1. paragraph 83, which shall enter into force from 1 July 2012;

2. paragraph 80, Item 1 and Item 4, Letter "b" which shall enter into force from 1 January 2013;

3. paragraph 1, Item 9 regarding Items 49 and 50, § 6 regarding Art. 24a, Para 7, § 7 regarding Art. 24c, Para 4, § 11, § 13, Item 3, § 14, Item 1, § 15, Item 1, Letter "b", § 16, Item 5, § 18, Item 2, § 20 regarding Art. 55a, Para 7, § 21, Items 2 and 5, § 23, Item 1, Letter "b" and Item 9, § 24, Item 5, § 25, § 27, Item 3, § 28, Item 2, § 29, § 30, § 32, Items 2 and 3, § 33, Item 2, Letter "b", § 34, § 40, § 41, Item 3, § 47, 48, 49, 50, 51, 52, 53, § 54, Item 4, § 56, Item 2 and § 69, which shall enter into force from 1 April 2013.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 94/12, IN FORCE FROM 01.01.2013)

§ 42. The right of submission of a registration list in an approved form of the existing assets as of the date of registration, which has arisen and has not been exercised as of the date of entering of this Act into force and the terms for its exercising referred to in **Art. 103, par. 2** or **Art. 132, par. 4** have not expired, it can be exercised within 45 days from the date of registration under this Act.

§ 43. (1) For supplies under concession agreements for construction, for a service or for extraction, under which the payment – in full or partial, is determined in goods or services, for which the concession grantors of concessionaries have not issued invoices and the tax has become payable in the period 1 January 2011 – 31 December 2012, must charge the tax within 6 months after entering of this Act into force.

(2) The right to a tax credit under par. 1 may be exercised for the tax period in which the invoice is issued, or in any of the subsequent 12 tax periods.

(3) Paragraph 1 shall apply also for administrative and court proceedings which have not been finalized as of the date of entering of this Act into force.

(4) Registered persons, for which there is an enforced individual administrative act, based on which a supply tax under par. 1 has been charged, may issue invoices under these supplied also for the amount of the tax charged by the act, based on which the consignee may exercise the right to a tax credit deduction. The right to a tax credit deduction shall be exercised within the term referred to in par. 2.

(5) Concession grantors under concession agreements for construction, for a service or for extraction, under which the payment (in full or partial) is determined in goods or services, may exercise the right to a tax credit deduction within 6 months after entering of this Act into force for the received supplies and/or services in the period 1 January 2011 – 31 December 2012, which have been used or will be used for supplies under par, 1 and for which the right to a tax credit has not been exercised prior to entering of this Act into force.

……..

§ 65. The Act shall enter into force from 1 January 2013, except for § 61, item 2, item "a", items 3, 4 and 6, item 7 – with reference to Art. 86, par. 7 and item 9 and § 64, which shall enter into force from the date of promulgation of this Act into force, § 61, item 5, item 7 – with reference to Art. 86, par. 5 and 6 and item 8, which shall enter into force from 1 April 2013 and § 47, item 9, item "c" – with reference to Art. 159, par. 5 and item 11, which shall enter into force from 1 July 2013.

Concluding provisions
TO THE ACT AMENDING THE AUTOMOBILE TRANSPORT ACT

(PROM. - SG 103/12, IN FORCE FROM 01.01.2013)

§ 4. This Act shall enter into force on 1 January 2013.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TOURISM ACT

(PROM. - SG 30/13, IN FORCE FROM 26.03.2013)

§ 20. This Act shall enter into force from the date of its promulgation in the State Gazette except for the provisions of Chapter twelve, which shall enter into force 6 months after the promulgation of the Act.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE YOUTH ACT

(PROM. - SG 68/13, IN FORCE FROM 02.08.2013)

§ 55. This Act shall enter into force from the date of its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF TAX INSURANCE PROCEDURE

(PROM. - SG 98/13, IN FORCE FROM 01.12.2013; SUPPL. – SG 104/13, IN FORCE FROM

01.12.2013; AMEND. – SG 109/13, IN FORCE FROM 01.01.2014, AMEND. - SG 98/18, IN FORCE FROM 01.01.2019, AMEND. - SG 18/22, IN FORCE FROM 01.01.2022, AMEND. - SG 52/22, IN FORCE FROM 01.07.2022)

§ 8. (1) Where prior to entering of this act into force an advance payment has been made for shipment of goods under Attachment No. 2, Section Two of the Law for the Value Added Tax, the tax event for which occurs after this date and the tax for this supply is collectable from the consignee, the registered person who is a consignee shall be obliged to charge a tax on the entire taxable basis of the shipment, including for the made advance payment.

(2) In cases under par. 1 the supplier of goods under Attachment No. 2, Section Two of the Value Added Tax Act shall document the shipment by canceling the invoice for the advance payment and issuing a new invoice, in which the entire tax basis of the shipment is indicated. A record referred to in Art. 116, par. 4 of the Law for the Value Added Tax shall be drawn up with regard to the cancelling.

§ 9. (Amend. – SG 109/13, in force from 01.01.2014, amend. - SG 98/18, in force from 01.01.2019, prev. § 9 - SG 18/22, in force from 01.01.2022, amend. - SG 52/22, in force from 01.07.2022) (1) The provisions of **Art. 92, par. 3, item 2**, **§ 1, item 71** of the supplementary provisions and Section Two of Attachment No. 2 of the Value Added Tax Act shall apply until 31 December 2026.

(2) (New - SG 18/22, in force from 01.01.2022, repealed - SG 52/22, in force from 01.07.2022)

§ 10. (suppl. – SG 104/13, in force from 01.12.2013) This Act shall enter into force from December 1, 2013, except for § 7, items 1, 2, 3, 4, 5, item 6 – with regard to Section Two if Attachment No. 2 to Chapter Nineteen "a" and item 7 which shall enter into force from 1 January 2014.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 101/13, IN FORCE FROM 01.01.2014)

§ 29. The provision of **Art. 6, par. 2, item 3** shall apply to deliveries under leasing contracts, concluded after January 1, 2014.

§ 30. The provisions of **Art. 26, par. 7 and 8** shall apply to deliveries under **Art. 130**, for which the supply tax event of an earlier date of the tax event occurs after December 31, 2013.

§ 31. The Act shall enter into force on January 1, 2014, except for § 21, which shall enter into force from the date of its promulgation in State Gazette.

Concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON SETTLEMENT OF THE RIGHTS OF INDIVIDUALS WITH LONG-TERM HOUSING DEPOSITS

(PROM. - SG 104/13, IN FORCE FROM 03.12.2013)

§ 6. The law shall enter into force from the day of its promulgation in State Gazette, except for § 4, which shall enter into force from 20 November 2013 and § 5 which shall enter into force from 1 December 2013.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT FOR THE ACTIVITY OF COLLECTIVE INVESTMENT SCHEMES AND OF OTHER ENTERPRISES FOR COLLECTIVE INVESTMENT

(PROM. - SG 109/13, IN FORCE FROM 20.12.2013)

§ 95. The act shall enter into force from the day of its promulgation in State Gazette, except for § 88, 89 and 90, which shall enter into force from 1 January 2014.

Concluding provisions
TO THE ACT ON THE ECONOMIC RELATIONS WITH COMPANIES, REGISTERED IN JURISDICTIONS WITH PREFERENTIAL TAX REGIME. AFFILIATED PERSONS THEREWITH AND THEIR ACTUAL OWNERS

(PROM. - SG 1/14, IN FORCE FROM 01.01.2014)

§ 8. The act shall enter into force from January 1, 2014.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 105/14, IN FORCE FROM 01.01.2015; AMEND. - SG 95/15, IN FORCE FROM 01.01.2016)

§ 28. (1) The place of implementation of supplies of telecommunication services, services for radio- and television broadcasting and services provided electronically, provided by taxable persons based in the territory of the country to non-taxable persons based or having got permanent address, or normally residing in the territory of another Member State, for which the tax event has occurred before 1 January 2015, is in the territory of the country, including for a period or a phase in case of a supply of periodic, phased or continuous implementation, for which the tax event has occurred before 1 January 2015.

(2) The place of implementation of supplies of telecommunication services, services for radio- and television broadcasting and services provided electronically, provided by taxable persons based in the territory of another Member State to non-taxable persons based or having got permanent address, or normally residing in the territory of the country where they are based or have got permanent address or normally reside in the territory of the country, for which the tax event has occurred before 1 January 2015, is in the territory of the other Member State including for a period or a phase in case of a supply of periodic, phased or continuous implementation, for which the tax event has occurred before 1 January 2015.

(3) The place of implementation of supplies of telecommunication services, services for radio- and television broadcasting and services provided electronically, provided by taxable persons based in the territory of the country to a non-taxable persons based or having got permanent address, or normally residing in the territory of another Member State, for which the tax event occurs on the 1 January 2015 or after this date, is in the territory of the other Member State, including for a period or a phase in case of a supply of periodic, phased or continuous implementation, for which the tax event occurs on the 1 January 2015 or after this date.

(4) The place of implementation of supplies of telecommunication services, services for radio- and television broadcasting and services provided electronically, provided by taxable persons based in the territory of another Member State to non-taxable persons based or having got permanent address, or

normally residing in the territory of another Member State, for which the tax event occurs on the 1 January 2015 or after this date, is in the territory of the country, including for a period or a phase in case of a supply of periodic, phased or continuous implementation, for which the tax event occurs on the 1 January 2015 or after this date.

(5) In cases under par. 2 and 4, where according to the laws of the other Member State the tax event has occurred before the 1 January 2015, no collectability occurs/ no tax shall be payable for supplies within the country after entering of this act into force.

§ 29. (1) All persons who as of the date of entering of this act into force are registered according to the provisions of the existing Chapter Eighteen, shall be deemed registered under the new **Chapter Eighteen, Section I**. In these cases the identification number under **Art. 94, par. 2** shall remain as it is.

(2) The procedures of registration or termination of registration under the existing **Art. 152** and **153** having been initiated but are still pending, shall be finalized according to the provision of the new **Art. 154**.

§ 30. For filing of a declaration under the existing **Art. 157, par. 2** for the last tax period prior to entering of this act into force and for deposition of the collectable for the same period tax, the existing procedure shall apply.

§ 31. Where advance payment has been received until and on the 31 December 2014, for the provision of telecommunication services, services for radio- and television broadcasting and for services, provided electronically, for which the place of implementation has been changed according to the provisions of this act and for which the tax event occurs after this date, the tax for the advance payment shall become collectable in the Member State, where the supplier is based as of this date, and the tax on the balance (if applicable) between the tax base of the supply and the paid in advance by and on the 31 December 2014 amounts, value added tax exclusive, is collectable in the Member State of consumption.

§ 32. (amend. - SG - 95/15, in force from 01.01.2016) Overpaid value added tax under a statement-declaration for application of a special regime, including in connection with a correction of such statement-declaration, for tax periods before the 1 January 2019 shall be refunded/set off to a person, registered for implementation of a Union Scheme, as follows:

1. by the Member State of identification in the amount of:

a) thirty per cent of the total amount of the overpaid tax – for tax periods from 1 January 2015 to 31 December 2016;

b) fifteen per cent of the total amount of the overpaid tax – for tax periods from 1 January 2017 to 31 December 2018;

2. by the Member State of consumption in the amount of:

a) seventy per cent of the total amount of the overpaid tax – for tax periods from 1 January 2015 to 31 December 2016;

b) eighty five per cent of the total amount of the overpaid tax – for tax periods from 1 January 2017 to 31 December 2018.

§ 33. For a permit issued before 1 July 2014 under the existing **Art. 166, par. 5**, the validity of which has not expired as of the date of entering of this act into force, the person, having obtained the permit for application of the special procedure for charging of the tax for import or for refunding of the tax within 30 days, shall file for the remaining time of validity the information about the implementation of the investment project to the Ministry of Finance within the terms referred to in **Art. 166, par. 11**.

……

§ 46. The act shall become effective on 1 January 2015, except for:

1. Paragraph 17 with reference to **Art. 154, par. 2** and **Art. 156, par. 2** which shall enter into force from the date of promulgation of the act in State Gazette;

2. paragraph 39, item 7, sub-item "b", items 9 – 13 and item 19, sub-items "a", "b", "c", "d", "e" and sub-item "f" with reference to items 71 – 74 and item 23, sub-item "a" and § 42, items 11 and 17, which shall enter into force on 1 January 2014;

3. paragraph 34, item 7 which shall enter into force on 1 January 2016, item 21, sub-item "a" (with reference to Art. 84, par. 6, item 9) which shall enter into force on 1 July 2015 and item 2, sub-item "c", items 30, 31, 32, 35 and 39 and § 35, which shall enter into force after issuing of a positive decision by the European commission on the notification procedure, initiated by the Ministry of Finance following the provisions of Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules on Information Society services.

Transitional and concluding provisions
TO THE ACT ON THE STATE BUDGET OF THE REPUBLIC OF BULGARIA IN 2015

(PROM. – SG 107/14, IN FORCE FROM 01.01.2015)

§ 21. The Act shall enter into force on 1 January 2015, except for § 19 which shall enter into force on 1 December 2014.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX

Appendix to § 3, para 1

(PROM. - SG 41/15)

§ 3. (1) Municipalities shall exercise their right under **§ 15d** of Transitional and Concluding Provisions by submitting to the competent territorial directorate of National revenue agency a Declaration-list in the form according to the attachment within the following terms:

1. from entering of this Act into force until 31 July 2015 – for the received supplies for which the tax has become payable in tax periods from January 2007 to November 2013, inclusive;

2. from 1 January 2016 to 31 July 2016 – for received supplies for which the tax has become payable in tax periods after 1 December 2013.

(2) For a tax, for which the tax credit right has been enjoyed subject to compliance with the procedure of par. 1, the provision of **Art. 79, par. 8** shall not apply.

Declaration-list of received by the municipality supplies of goods and services under

water projects, including under Priority Axis 1 of Operational Program

“Environment 2007-2013”

Description ……	TD of NRA/office
Mailing address of the registered person …….	Ref. No. ...../.....
ID No. for VAT purposes: ……..	To be filled in by the revenue administration
BG	Period from ..... to.....
	dd/mm/yyyy

Item No.	Name of supplier	Supplier’s Identification number under Art. 94, par. 2 of VATA	Number of invoice / debit/credit note	Date of invoice/ debit/credit note	Tax base of the supply of goods or services received	charged value added tax
1	2	3	4	5	6	7

Total						

Please, on the grounds of **§ 15d** of TCPVATA give us a refund of a charged value added tax for received supplies of goods and services of the amount of BGN……

Date of drawing up: ……..

Signed by the person representing the taxable person: ……

Seal/stamp of the taxable person: ……

Remark. This form must be filled up only by typescript. The amounts to be displayed in BGN and stotinkas.

§ 4. (1) Until the date of conclusion of a contract according to the provision of **Art. 198o, par. 1 of Waters Act** or any other agreement for provision against payment of water supply and sewage systems and facilities, constructed in fulfillment of water projects, including under Priority Axis 1 of Operational Programme “Environment 2007 – 2013” but not later than 31 December 2015, the following shall not be a supply of a good or service:

1. provision by a municipality to a WS&S operator of assets for management, maintenance and operation;

2. provision by a WS&S operator of maintenance and repair of assets and the undertaken thereby obligation for provision of SW&S service.

(2) Where after 31 December 2015 no agreement is concluded subject to compliance with **Art. 198o, par. 1 of Waters Act** or any other agreement for provision against payment of water supply and sewage systems and facilities, in case of provision thereof by a municipality for management, maintenance and operation to WS&S operator against maintenance thereby, as of the date of occurrence of the tax event:

1. for the supply of municipalities to WS&S operator the tax basis shall be equal to the depreciation of provided assets which should have been charged by the WS&S operator according to the provision of Art. 198o, par. 3 of Water Act;

2. for the supply by WS&S operator to the municipality the tax basis shall be equal to the tax basis at acquisition or of the production cost of the supplied goods, and in cases where the goods are from import – of the tax basis at its import or of the incurred direct costs associated with the provision of the service, related to assets maintenance and repair.

(3) Tax event of supplied under par. 2, items 1 and 2 shall occur at the end of each calendar year.

§ 5. (1) The Ministry of Environment and Waters by 31 July 2015 at the latest shall provide information to the National Revenue Agency by municipalities about the amount of resources subject to refund, paid by the Operational Programme “Environment 2007 – 2013” for financing of value added tax, charged for received by municipalities supplies of goods and services in fulfillment of water projects under Priority Axis 1 of this programme and shall break down the information about each supply individually, in columns 2 – 7 in the **Attachment to § 3, par. 1** and the bank account to which the funds subject to refund are to be transferred.

(2) Up to the amount of the funds, referred to in par. 1, the value added tax subject to refund by applying the provision of **§ 3** shall be refunded by the municipality by a bank transfer to the bank account indicated by the Ministry of Environment and Waters without setting out according to the **Code of Tax Insurance Procedure** with municipality counter-payments and the balance of the tax subject to refund, if any, shall be refunded to the municipality according to the provision of **Art. 128 – 129 of the Code of Tax Insurance Procedure**.

(3) In cases under par. 2, the provision of **Art. 92** shall not apply, and the tax shall be refundable by:

1. 31 December 2015 – for taxes, indicated in a declaration-list submitted by 31 July 2015;

2. 31 December 2016 - for taxes, indicated in a declaration-list submitted by 31 July 2016.

(4) Counter-claims between municipalities and the Ministry of Environment and Waters, occurring due to incorrect amounts, information about which is provided according to the provision of par. 1, shall be settled following the general procedure.

§ 6. (1) It shall be assumed, that legitimate right to setting off a tax credit has been exercised by municipalities, which within the term under **Art. 72** have enjoyed the right to a tax credit for a value added tax charged after 1 January 2007 for received by them supplies of goods and services in fulfillment of water projects, including under Priority Axis 1 of Operational Programme “Environment 2007-2013”.

(2) Paragraph 1 shall apply also to outstanding as of the date of entering of this act into force administrative and court proceedings.

§ 7. In cases of an enforced individual administrative act, on the grounds of which the right to setting off a tax credit for received supplies of goods and services in fulfillment of water projects, including

under Priority Axis 1 of Operational Programme “Environment 2007-2013” is not recognized, the municipality can exercise their right to setting off the unrecognized tax credit according to the procedure and within the terms under **§ 3**.

Transitional and concluding provisions
TO THE PRE-SCHOOL AND SCHOOL EDUCATION ACT

(PROM. - SG 79/15, IN FORCE FROM 01.08.2016)

§ 60. This Act shall enter into force from 1st August 2016, with the exception of:

1. Art. 22, para. 2 it. 3, 4 and 13 and para. 3, Chapter Six, Sections I, II and III and § 58, which shall enter into force one month after the promulgation of the Act in the "State Gazette"

2. Chapter Seven, which shall enter into force two months after the promulgation of the Act in the "State Gazette"

3. Chapter Sixteen, which shall enter into force on January 1, 2017;

4. § 46 it. 1, letter "a", which shall enter into force on August 1, 2022.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 94/15, IN FORCE FROM 01.01.2016)

§ 71. The Act shall enter into force on 1st of January 2016, with exception of § 66, item 1, about the electronic information system, which shall enter into force on 1st of January 2017.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION ACT

(PROM. - SG 95/15, IN FORCE FROM 01.01.2016)

§ 21.Within 6 months after the entry into force of this Act the persons using the regime under **Art. 118, para 7** of the Value Added Tax Act shall bring their activities in conformitywith **Art**. 118 of the same Act.

§ 24. The Act shall enter into force from January 1, 2016.

Transitional provisions
TO THE ACT SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 60 of 2016)

§ 4. Persons for whom, at the date of entry into force of this act, the conditions under **Art. 176c** are present, shall be obliged to provide collateral within one month from the entry into force of this Act.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE NON-PROFIT LEGAL ENTITIES ACT

(PROM. – SG 74/2016, IN FORCE FROM 01.01.2018)

§ 40. The Act shall enter into force from January 1, 2018.

Concluding provisions
TO THE ACT AMMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 88/16, IN FORCE FROM 01.01.2017)

§ 9. This Act shall enter into force on January 1, 2017.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON EXCISES AND TAX WAREHOUSES

(PUBL. – SG, 97/16 IN FORCE FROM 01.01.2017)

§ 42. (1) For immovable properties, available on 1 January 2016, the definition of the tax base under **Art. 27, Para. 2** of the Act on VAT and corrections of used tax credit under **Art. 79a, Para. 3, p. 1** of the same act, for the years, following the year of enforcement of this act, shall be calculated as the 20-year term shall be counted, starting from the beginning of the year of using the right to tax credit.

(2) For immovable properties under Para. 1, for which the circumstances under the current **Art. 79, Para. 8** of the Act on VAT are present, the registered persons may use right to deduction of tax credit or correct (increase) the size of the used partial tax credit, where by 30 June 2017 issue a protocol, by which:

1. increase the size of the used partial tax credit in the amount, defined by the following formula:

ITC = (Trdptc – Trdptc x Cyrdptc) x 1/20 x NY,

Where:

ITC = increasing the amount of the used partial tax credit;

TRDPTC – the tax with right to deduction of partial tax credit;

Cyrdptc – the coefficient under **Art. 73, Para. 2** of the Act on VAT, calculated on the basis of the turnover for the year, during which the right to deduction of partial tax credit has been used;

NY – the number of years of occurrence the circumstances of the current **Art. 79, Para. 8** of the Act in VAT, without the year of occurrence of the circumstances by 2016, including;

2. where they have not deducted tax credit in acquiring or building properties, which are used afterwards only for carrying out taxable supplies under **Art. 69** of the Act on VAT, to use the right to tax credit in the amount, defined under the following formula:

TC = VAT x 1/20 x NY, where:

TC is the part of the tax credit with right to deduction;

VAT – the size of the deducted tax on the added value under the taxation documents for acquiring or building the property, for which no right to deduction is used;

NY – the number of years of occurrence of the circumstances of the current **Art. 79, Para. 8** of the Act on VAT, without the year of occurrence of circumstances by 2017 including.

(3) For different immovable properties, goods or services, for which the circumstances are present under the current **Art. 79, Para. 8** of the Act on VAT, the registered persons may use the right to deduction of tax credit or correct (increase) the size of the used partial tax credit where by 30 June 2017 issue a protocol, by which:

1. increase the amount of the used partial tax credit in the amount defined by the following formula:

ITX = (Trdptc – Trdptc x Cyrdptc) x 1/5 x NY,

Where:

ITC is the increase of the used partial tax credit;

Trdptc – the tax with right to deduction of partial tax credit;

Cyrdptc – the coefficient under **Art. 73, Para. 2** of the Act on VAT, calculated on the basis of the turnovers for the year, during which the right to deduction of partial tax credit is used;

NY – the number of years of occurrence of the circumstances under the current **Art. 79, Para. 8** of the Act on VAT without the year of occurrence of circumstances by 2016, including;

2. where no tax credit has been deducted in production, buying, acquiring or import of goods or services, which afterwards has been used only levilable supplies under **Art. 69** of the Act on VAT, use the right to tax credit in the amount, defined under the following formula:

TC – VAT x 1/5 x NY, where:

TC is the part of the size of the tax credit with right to deduction;

VAT – the charged tax over the added value under the tax documents for production, buying, acquiring or import, for which the right to deduction is used;

NY – the number of years from occurrence of circumstances under the current **Art. 79, Para. 8** of the Act on VAT without the year of occurrence of circumstances by 2016, including.

(4) The right to deduction of tax credit under Para. 2 and 3 shall be used by expressing in the protocol in the purchase diary and in the reference declaration for the tax period, during which the protocol has been issued.

(5) In the cases under Para. 2 and 3, the persons shall annul the protocols under **Ar.t 67, Para. 3 of the Rules on the application of the VAT Act** (publ. – SG, 76/2006; amend. 101/2016, N 3 and 16/2007, N 39, 71 and 105/2008, N 4 and 100/2009, N 6/2010, N 10 and 84/2011, N 15/2012, correc. N 16/2012, amend. N 20 and 110/2013, N 1/2015 and N 8 and 70/2016) issued by 31 December 2016 including. For these protocols shall apply **Art. 80, Para. 7 and 8 of the Rules**.

§ 43. **Art. 79**, **79a** and **79b** of the Act on VAT shall not apply to goods and services, for which the registered person has applied the current **Art. 79, Para. 6 and 7** of the same act.

§ 44. To goods and service, which are not long term assets in the meaning of **§ 1, p. 83** of the Act on VAT, available on 31 December 2016, including, **art. 79, Para. 3 and 5**, **Art. 79a** and **Art. 79b** of the same act shall not apply.

§ 45. Where a leviable person (commissionee/trustee) supplies goods or services on his behalf and for someone else's expense and the tax event of the supply between the commissioner/truster and the commissionee/trustee has occurred by 31 December 2017 including, the provision of the current **Art. 127** of the Act on VAT shall apply.

§ 46. Where by the enforcement of this act non-personified company has been established – not registered person under the Act on VAT, in which participates a partner – registered under the Act on VAT, the company shall be obliged to submit an application for registration within 1 month term from the enforcement of this act.

.....

§ 61. The act shall come into force from 1 January 2017, with the exception of § 47, p. 1 and 5, letter "b", § 48 and § 49, which shall come into force from 1 January 2018.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 92/17, IN FORCE FROM 01.01.2018)

§ 28. Registration list under **Art. 74, Para. 2, item 3 and Para. 3, item 6** and under Art. 76, Para. 2, item 4 of the Value Added Tax Act shall not submitted, where it is not submitted until the entry into force of this Act and the deadline for submitting expires after that date. In such cases, the right to deduct a tax

credit for the available assets and the services received at the date of registration under the **Value Added Tax Act** is exercised under the procedure provided for in this Act.

…….

§ 31. The Act shall enter into force on 1 January 2018 with the exception of:

1. Paragraphs 1, 4 to 9, § 10, items 2 and 3, § 26 and 29, which shall enter into force three days after the promulgation of the Act in the State Gazette;

2. Paragraph 14, Para. 5 and 6, which shall enter into force on 1 January 2019.

Transitional and concluding provisions TO THE CONCESSIONS ACT

(PROM. - SG 96 OF 2017, IN FORCE FROM 02.01.2018)

§ 41. The act shall enter into force within one month from its promulgation in the State Gazette, with the exception of:

1. Article 45, Para. 5, which enters into force within 12 months of the promulgation of the act in the State Gazette;

2. Article 191, Para. 2-5, Art. 192 and 193 which shall enter into force on 31 January 2019.

Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. – SG 97 OF 2017, IN FORCE FROM 01.01.2018)

§ 33. The provision of paragraph 14 shall apply from 1 January 2018 to 31 December 2018.

§ 34. Where, after the date of establishment of an unincorporated company which is not registered under the law, the partner is registered under the law until 31 December 2017 inclusive, the application for registration under **Art. 132, Para. 5** shall be filed within one month after the entry into force of this Act.

§ 35. Persons, whose registration under the act is terminated in December 2017, and have not submited neither a statement-declaration electronically under the terms and procedure of the **Tax-Insurance Procedural Code**, nor reporting registers and VIES-declaration up to the date of their de-registration, shall submit the same for the last tax period on paper and on technical means to the competent territorial directorate of the National Revenue Agency within the time limit under **Art. 125, Para. 5**.

§ 36. (1) Within 6 months from the entry into force of this Act, the Minister of Finance shall bring the ordinance under **Art. 118, Para. 4** in alignment with it.

(2) The Minister of Finance shall set a term in which the persons under **Art. 118, Para. 4, item 6** shall bring their activity in alighment with the requirements of the ordinance under Para. 1.

§ 37. The order under **§ 1, item 24, letter "b"** of the additional provisions shall be in force until the issuance of an order under **Art. 175, Para. 5**.

§ 38. (1) The collateral provided until 31 December 2017 by the order of the revoked **Art. 176a** and **176b** shall be utilized under the enforcement procedure provided for in the **Tax Insurance Procedure Code**

, in the event of unpaid obligations of the person for value added tax, fines or proprietary sanctions in connection with violations under the act.

(2) The collateral under Para. 1 or the balance thereof after the utilization shall be released by the competent revenue authority within 30 days of receipt of the request from the taxable person in the cases where no audit has been assigned within the same period.

§ 39. (1) Collateral provided by a taxable person, for whom the obligation to provide collateral under **Art. 176c, para. 1, item 3** has dropped, and for whom there is no obligation to provide collateral on other grounds, shall be utilized by the enforcement procedure provided for in the **Tax-Insurance Procedure Code**, in the event of unpaid obligations of the person for value added tax, fines or proprietary sanctions in connection with violations under the act.

(2) The collateral under Para. 1, or the remainder thereof after the utilization, shall be released by the competent revenue authority within 30 days of receipt of the request from the taxable person in the cases, where no audit has been assigned within the same period.

(3) Upon release of the collateral, the competent revenue body shall delete the taxable person from the register under **Art. 176c, Para. 10** on the day of release.

§ 40. Until the establishment of the public electronic register under **Art. 176c, Para. 15**, the exemption from obligation to provide collateral for persons under **Art. 176c, Para. 14** shall be made by submitting a declaration to the competent territorial directorate of the National Revenue Agency within 7 days before the date of occurrence of the tax event for the intra-Community acquisition of liquid fuels or the date of release of liquid fuels for consumption under **Art. 20, Para. 2, item 1 of the Excises and Tax Warehouses Act**, which are intended for own consumption.

. . . . . .

§ 52. The Act shall enter into force on January 1, 2018, with the exception of paragraphs 8 and 9 which shall enter into force on December 1, 2017, and paragraph 41 on item 17, letter “a” which shall enter into force on May 20, 2019.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CUSTOMS ACT

(PROM. - SG 24/18)

§ 13. Within 6 months of the entry into force of this Act the Minister of Finance shall bring the ordinance under **Art. 118, para. 4** of the Value Added Tax Act in accordance with it. The Ordinance also sets terms, in which developers/distributors or users of sales management software at points of sale must bring their activity in line with it and with the Value Added Tax Act.

…….

§ 19. Paragraphs 10 and 11 shall enter into force on 1 January 2018 and § 15 and 16 shall enter into force on 16 February 2018.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE EXCISES AND TAX WAREHOUSES ACT

(PROM. - SG 65/18, IN FORCE FROM 07.08.2018)

§ 5. The Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of § 2, which shall enter into force on 1 October 2018.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION ACT

(PROM. – SG 98/18, IN FORCE FROM 01.01.2019)

§ 58. The provisions of § 57, item 3, 25 and item 36, letter “a” shall be applied to vouchers issued after December 31st, 2018.

§ 59. (1) The persons who have provided collateral in an amount determined in accordance with the requirements of **Art. 176c, Para. 2 and 3** of the Value Added Tax Act in force until December 31, 2018, for which after the entry into force of this Act there is a reason to change the amount of the collateral and there is no obligation to provide collateral on another basis, may submit a request for release of the relevant part thereof.

(2) In the cases under Para. 1, the relevant part of the collateral shall be utilized under the order of enforcement procedure stipulated in the **Tax-Insurance Procedure Code**, in the event of pending liabilities of the person for value added tax, fines or property sanctions in connection with violations under the law.

(3) The collateral under Para. 1, or the remainder thereof, after the utilization shall be released by the competent revenue body within 30 days from the receipt of the request by the taxable person in the cases where no revision has been assigned within the same period.

§ 60. In the cases of termination of a legal person - trader, with liquidation where the legal person continues to carry out independent economic activity and at the date of entry into force of this act the term under **Art. 109, Para. 1** of the Value Added Tax Act for filing a de-registration application has not expired, the liquidator (liquidators) shall be entitled to choose so that the person remain registered until the date of its deletion from the Commercial Register. In this case, the right shall be exercised by submitting a declaration until the expiration of the 14-day period after the occurrence of the circumstance under **Art. 107** of the Value Added Tax Act.

§ 61. Within 6 months from the entry into force of this act, the Minister of Finance shall bring the ordinance under **Art. 118, Para. 4** of the Value Added Tax Act in compliance with it.

. . . . . .

§ 70. This Act shall enter into force on January 1st, 2019, except for:

1. paragraph 43, item 2 - regarding Art. 4, item 65, item 4, letter "a", item 5, letter “b” subletter “bb”, item 9, item 15, letter “b”, item 31 and item 34; § 64, which shall enter into force on the day of the promulgation of the act in the State Gazette;

2. paragraph 63, which shall enter into force on 18 November 2018;

3. paragraph 41, item 1, § 43, item 36, § 50, items 1 - 3, item 4, letter “a”, items 5-10, § 52, item 3, § 53, items 1 and 3, and § 65-69, which shall enter into force on 7 January 2019;

4. paragraph 43, item 11 - regarding Art. 47, Para. 4, item 1 and Para. 5, which shall enter into force on 28 January 2019;

5. paragraph 52 tem 1, 2, 4 and 5, and § 53, item 2, which shall enter into force on 20 May 2019;

6. paragraph 43, item 22, § 57, item 9, item 11, letter “c”, item 31, items 32 and 37, which shall enter into force on 1 July 2019;

7. paragraph 50, item 4, letters “c” and “d”, which shall enter into force on 1 October 2019;

8. paragraph 39, item 3, letter "b" - concerning Art. 14, Para. 2, which shall enter into force on 1 January 2020;

9. paragraph 43, item 11 - concerning Art. 47, Para. 4, item 2, which shall enter into force on 28 July 2020.

Transitional and concluding provisions
TO THE SOCIAL SERVICES ACT

(PROM. - SG 24/19, IN FORCE FROM 01.07.2020, AMEND. ON THE ENTRY INTO FORCE - SG 101/19)

§ 45. (amend. - SG 101/19) This Act shall enter into force on July 1st, 2020, with the exception of:

1. paragraph 6, item 5, letter “a”, § 7, item 2, letters “a” and “b”, item 3, item 6, letter “a”, items 9 and 10; § 18, item 2 in the section on "medical-social care homes for children under the Medical Establishments Act" and § 20, item 2 in the section concerning the deletion of the words "and the homes for medical and social care for children", and item 5, letter “c”, which shall enter into force on January 1st, 2021;

2. paragraph 3, item 4, letter “f”, “g” and “h” and § 28, item 1, letter “a”, items 2 and 5, which shall enter into force on January 1st, 2019.

3. Art. 22, Para. 4, Art. 40, Art. 109, Para. 1, Art. 124, Art. 161, Para. 2, § 3, item 6, § 30, 36, 37 and 43, which shall enter into force on the day of the promulgation of this Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE BANK BANKRUPTCY ACT

(PROM. - SG 33/19, IN FORCE FROM 19.04.2019)

§ 24. The Act shall enter into force on the day of its promulgation in the State Gazette with the exception of § 21, item 1, 3, 4, 5 and 6 and § 22, which shall enter into force on 20 May 2019.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAXATION ACT

(PROM. - SG 96/19, IN FORCE FROM 01.01.2020)

§ 31. Paragraph 30, Item 3 on Art. 7, para. 5, item 11 of the Value Added Tax Act and § 30, item 13 regarding Art. 53, para. 2 of the same Act shall apply to intra-Community supplies for which the tax event occurred after 1 January 2020.

§ 32. Paragraph 30, Item 14 on Art. 65a of the Value Added Tax Act shall apply to successive deliveries of goods when the goods have arrived or have been transported after 1 January 2020.

§ 33. Corrections under Art. 79, para. 9 and Art. 79a, para. 9 of the Value Added Tax Act shall be also implemented on an existing building, available as of January 1, 2020, for which, as a result of an improvement of an existing building, there is a new building within the meaning of § 1, item 5, letter "c" of the additional provisions of the same Act.

§ 34. A person who, at the date of entry into force of this Act, meets the conditions for compulsory registration under Art. 96, para. 1 in connection with para. 10 of the Value Added Tax Act, is obliged to submit an application for registration within 14 days from the entry into force of this Act.

§ 35. "New buildings" are also buildings available on January 1, 2020 for which the conditions under § 1, item 5 letter "c" of the additional provisions of the Value Added Tax Act were fulfilled at that date.

§ 36. Within three months of the entry into force of this Act, the Minister of Finance shall bring the ordinance under Art. 118, para. 4 of the Value Added Tax Act in accordance with it.

. . . . . .

§ 45. The Act shall enter into force on January 1, 2020, with the exception of § 30, item 28, letters "a", "b", "c" and "d", item 35, letter "a", subparagraph "dd" and the letter "ee" regarding item 96 of the

Additional provisions of the Value Added Tax Act, which shall enter into force three days after the promulgation of the Act in the State Gazette.

Concluding provisions
TO THE ACT ON THE STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2020

(PROM. - SG 100/19, IN FORCE FROM 01.01.2020)

§ 23. The Act shall enter into force on January 1, 2020, with the exception of § 14, 15 and 20, which shall enter into force on the day of its promulgation in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 102/19, IN FORCE FROM 01.01.2020)

§ 16. The Act shall enter into force on January 1, 2020, with the exception of § 1 and § 3, 4, 5, 6, 7 and 8, which shall enter into force on July 1, 2020.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE INDEPENDENT FINANCIAL AUDIT ACT

(PROM. - SG 18/19, IN FORCE FROM 28.02.2020)

§ 64. (1) Where, prior to the entry into force of this Act, an advance payment has been received for the transfer of greenhouse gas emission allowances under Annex 3, Part Three of the Value Added Tax Act, for which the same Act changed the tax treatment of the taxpayer and for which the tax event arises after the day this Act enters into force, the supplier documents the delivery by canceling the invoice issued for the advance payment and issues a new invoice indicating the entire tax base for the delivery. A protocol for cancellation under Art. 116, para. 4 of the Value Added Tax Act shall be drawn up.

(2) Where, prior to the entry into force of this Act, an advance payment has been made for the transfer of greenhouse gas emission allowances under Annex 3, Part Three of the Value Added Tax Act, for which the same Act changed the tax treatment of the taxpayer and for which the tax event arises after the day this Act enters into force, the recipient is a registered person under the Value Added Tax Act is obliged to charge a tax on the entire tax base of the delivery, including the advance payment made.

(3) Where, prior to the entry into force of this Act no tax is charged on the delivery of greenhouse gas emission allowance transfers on the whole tax basis of the delivery, it is considered that the tax on the delivery is required from the recipient, and the supplier documents the delivery and applies para. 1 until 31 March 2020.

(4) Paragraph 3 shall also apply to administrative and judicial proceedings not completed at the date of entry into force of this Act.

§ 65. (Amend. - SG 52/22, in force from 01.07.2022) The provisions of Art. 163e and Part Three of Annex 2 to Chapter Nineteen "a" of the Value Added Tax Act shall apply until Deember 31, 2026.

§ 66. The Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. § 57, item 2 and § 60, which shall enter into force on 1 January 2020;
2. § 57, item 1, which shall enter into force on 1 January 2021.

Transitional and concluding provisions
TO THE FOODSTUFFS ACT

(PROM. - SG 52/20, IN FORCE FROM 09.06.2020)

§ 19. The Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of the provision of Art. 76, para. 2, item 2, which shall enter into force on 22 February 2021.

Concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 55/20, IN FORCE FROM 01.07.2020, AMEND. – SG 111/21, IN FORCE FROM 01.01.2022, AMEND. - SG 52/22, IN FORCE FROM 01.07.2022)

§ 4. (Amend. – SG, 111/21, in force from 01.01.2022, amend. - SG 52/22, in force from 01.07.2022) The provisions of § 1, item 1 and item 2 regarding Para. 2, items 2, 3, 4 and 5 and § 2, item 2 shall apply from July 1, 2020, until June 30, 2022.

. . . . . .

§ 7. This Act shall enter into force on July 1st, 2020.

Transitional and concluding provisions
TO THE ACT AMENDING THE LOCAL TAXES AND FEES ACT

(PROM. – SG 71/20, IN FORCE FROM 11.08.2020, AMEND. – SG, 111/21, IN FORCE FROM 01.01.2022, AMEND. - SG 52/22, IN FORCE FROM 01.07.2022)

§ 10. (Amend. – SG, 111/21, in force from 01.01.2022, amend. - SG 52/22, in force from 01.07.2022) Paragraph 6 shall apply from 1 August 2020 until June 30, 2022.

§ 11. This Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. paragraph 4, item 2, which shall enter into force three months after the promulgation of the Act in the State Gazette;

2. paragraph 6, which shall enter into force on 1 August 2020.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PUBL. – SG, 104/20, IN FORCE FROM 01.01.2021, AMEND. – SG, 111/21, IN FORCE FROM 01.01.2022, AMEND. - SG 52/22, IN FORCE FROM 01.07.2022)

§ 63. (In force from 01.04.2021) (1) The taxable persons and the representatives, who act on their behalf and for their account, may register for application of a regime in the EU, a regime outside the EU or a regime for remote sales of goods, imported from third countries or territories from 1 April 2021.

(2) Taxpayers, who are registered under the current Chapter Eighteen on the date of entry into force of this Act may continue their registration for the application of a regime in the EU or a regime outside the EU by submitting an application electronically for updating the data in the initial application for registration from 1 April 2021 to 30 June 2021. In these cases the identification number for application of a regime in the EU under Art. 94, Para. 2 or for application of a regime outside the EU under Art. 154, Para. 6 shall be retained.

(3) The started and not completed procedures for registration or termination of the registration by the order of the previous Chapter Eighteen shall be completed under the new procedure.

§ 64. (In force from 01.07.2021) In the cases of overpaid amounts under § 32 of the Transitional and Final Provisions to the Act on Amendment and Supplement of the Value Added Tax Act (promulgated, SG, 105/14 amended, SG, 95/15) for the periods up to and including the last declaration period in 2018, the

Member State of identification shall reimburse the relevant share of the part of the amount, withheld in accordance with Article 46, Para. 3 of Regulation (EU) N 904/2010, and the Member States of consumption shall reimburse the difference between the overpaid amount and the amount to be reimbursed by the Member State of identification. The Member State of consumption shall inform the Member State of identification by electronic means of the amount recovered.

§ 65. (In force from 01.07.2021) After the submission of the reference-declaration for application of the regime in the EU and the regime outside the EU for periods up to the second declaration period in 2021 inclusive, the changes in the values contained therein shall be performed only through amendments to the specified reference-declaration, and not through corrections in a subsequent reference-declaration.

§ 66. (In force from 01.07.2021) The current procedure shall be applied for filing a declaration under the current Chapter Eighteen for the last tax period before the entry into force of this Act and for payment of the tax, required for the same period.

§ 67. (1) (In force from 01.07.2021) Taxable person, registered under the repealed Art. 97b, 98 and Art. 100, Para. 3, shall be considered registered under Art. 96, Para. 9 to July 1, 2021.

(2) (In force from 01.07.2021) The registration procedures, started and not completed before the entry into force of this Act under the repealed Art. 97b and 98 shall be continued by the order for registration of Art. 96, Para. 9.

(3) (In force from 01.07.2021) When the taxable person, registered under the repealed Art. 97b and 98, has chosen to register for the application of a regime in the EU, a regime outside the EU or for a regime for distance sales of goods, imported from third countries or territories in another Member State or under Art. 154, the provisions of Para. 1 and 2 shall not apply, provided that the person has notified electronically the competent territorial Directorate of the National Revenue Agency for this choice by June 30, 2021 inclusive.

(4) Taxable person, registered under Art. 96, 97, 99 or Art. 100, Para. 1, 2 and 3, established at the head office and address of management in the United Kingdom of Great Britain or in a third country, with which the European Union has not concluded a mutual assistance agreement, similar in scope to Directive 2010/24 / EU and Regulation (EU) № 904 / 2010, shall be considered registered under the Act, if he appoints an accredited representative under Art. 133 and notifies in writing the competent territorial Directorate of the National Revenue Agency by March 31, 2021 inclusive.

(5) Taxable person, registered under Art. 98, established at the seat and address of management in the United Kingdom of Great Britain, shall be considered registered under Art. 96, Para. 9, if he appoints an accredited representative under Art. 133 to 15 January 2021 inclusive.

(6) The registration under Para. 5 shall be carried out under Art. 101 in the territorial Directorate of the National Revenue Agency under Art. 8 of the Tax-Security Procedure Code.

(7) If a taxable person, registered under Art. 98, established at the seat and address of management in the United Kingdom of Great Britain, has not appointed an accredited representative within the term under Para. 5, his registration shall be terminated on the initiative of the revenue body with the issuance of an act for deregistration.

(8) In the cases under Para. 7, the deregistration act shall not be served to the person, and the date of deregistration shall be the date, on which the term under Para. 5 expires.

(9) If the taxable person under Para. 4 does not appoint an accredited representative within the specified term, its registration shall be terminated on the initiative of a revenue body with the issuance of an act for deregistration.

(10) In the cases under Para. 9, the deregistration act shall not be served to the person, and the date of deregistration shall be the date, on which the term under Para. 4 expires.

(11) Upon deregistration under Para. 7 and 9 it is assumed, that the person performs delivery under Art. 111.

(12) (In force from 01.07.2021) The conditions of the previous Art. 20, Para. 2 and 6 shall apply to goods, sent or transported from another Member State to the territory of the country before 1 July 2021 and

arriving in the territory of the country on or after 1 July 2021.

(13) (In force from 01.07.2021) The persons, registered under this Act for deliveries of goods under the conditions of the previous Art. 20, Para. 1 and 5, sent or transported from the territory of the country before 1 July 2021 and arriving on, or after 1 July 2021 to the territory of another Member State, shall apply the VAT legislation of that Member State.

(14) (In force from 01.07.2021) For goods, purchased from a third territory or a third country before 1 July 2021 and arriving in the territory of the European Union on or after 1 July 2021, the general import rules shall apply.

§ 68. (In force from 12.12.2020) For the persons, who have submitted a declaration in the National Revenue Agency under Art. 118, Para. 14 for software for sales management in retail outlets until the entry into force of this Act, shall be deemed to meet the requirements of this Act.

§ 69. (In force from 12.12.2020) Within three months from the entry into force of this Act, the Minister of Finance shall bring the Ordinance of Art. 118, Para. 4 in accordance with it.

§ 70. (Amend. – SG, 111/21, in force from 01.01.2022, amend. - SG 52/22, in force from 01.07.2022) Para. 14 and § 62, item 1, letter "c" shall enter into force on 1 December, 2020, and shall apply until 30 June, 2022.

.....

§ 94. The Act shall enter into force on January 1, 2021, with the exception of:

1. paragraph 17, § 31, § 59 - 61 and § 68, 69, § 71, item 11, § 88, 89, 91 and 92, which shall enter into force within three days from the promulgation of the law in the State Gazette ;

2. paragraph 39 regarding art. 154, para. 2, § 41 regarding art. 156, para. 2, § 43 regarding art. 157a, para. 4 and § 63, which shall enter into force on 1 April 2021;

3. paragraphs 1 - 9, § 11 - 13, § 15, 16, § 18 - 30, § 32, § 33 - 58, § 62, item 1, letters "a", "e", "e" and items 2, § 64 - 66 and § 67, para. 1, 2, 3, 12, 13 and 14, which shall enter into force on 1 July 2021;

4. paragraph 71, item 4, which shall enter into force on 1 January 2022.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 107/20, IN FORCE FROM 01.01.2021)

§ 5. (1) Taxable person, registered by the order of **Art. 97b**, established at the seat and address of management in the United Kingdom of Great Britain and Northern Ireland, shall be considered registered under **Art. 96, Para. 9**, if said person appoints an accredited representative under **Art. 133** by January 15, 2021, inclusive, except for the cases when within this term said person is registered under **Art. 154** or in another Member State for the application of a regime outside the Union, and notifies about it by January 15, 2021, inclusive, the territorial directorate of the National Revenue Agency - Sofia.

(2) The registration under Para. 1 shall be carried out by the order of **Art. 101** in the territorial directorate of the National Revenue Agency - Sofia.

(3) If a taxable person, registered by the order of **Art. 97b**, established at the seat and address of management in the United Kingdom of Great Britain and Northern Ireland, does not appoint an accredited representative under **Art. 133** or does not register under Art. 154 for a regime outside the Union within the term under Para. 1, its registration shall be terminated on the initiative of the revenue body with the issuance of an act for de-registration.

(4) In the cases under Para. 3, the de-registration act shall not be served on the person, and the date of de-registration shall be the date on which the term under Para 1 expires.

(5) Upon de-registration under Para. 3, it shall be assumed that the person performs supplies under **Art. 111**.

§ 6. (1) Refund of tax to taxable persons established in the United Kingdom of Great Britain and Northern Ireland, who are not established on the territory of the Republic of Bulgaria, for goods and/or

services received on the territory of the country by December 31, 2020 inclusive, shall be carried out by the order of **Art. 81, Para. 2**, intended for persons who are not established in the Member State of recovery, but are established in the territory of the European Union. Refund applications for tax periods up to and including December 31, 2020, shall be submitted by March 31, 2021 inclusive.

(2) Goods, sent or transported from the territory of the country to the territory of the United Kingdom of Great Britain by December 31, 2020 inclusive, which arrive or their transport ends on the territory of the United Kingdom of Great Britain on or after January 1, 2021, shall be considered goods sent or transported to the territory of a Member State. The documents, with which the existence of the circumstances under sentence one are certified, shall be the documents under **Art. 45 of the Rules on the implementation of the Value Added Tax Act** (promulgated, SG, issue 76 of 2006; amended, issue 101 of 2006, issues 3 and 16 of 2007, issues 39, 71 and 105 of 2008, issues 4 and 100 of 2009, issue 6 of 2010, issues 10 and 84 of 2011, issue 15 of 2012; correction issue 16 of 2012, amended, issues 20 and 110 of 2013, issue 1 of 2015, issues 8 and 70 of 2016, issue 24 of 2017, issue 58 of 2018, issue 3 of 2019; correction issue 5 of 2019; amended, issue 25 of 2020; Decision of the Supreme Administrative Court - issue 57 of 2020).

(3) Goods, dispatched or transported from the territory of the United Kingdom to the territory of the country or to the territory of another Member State by December 31, 2020 inclusive, arriving or their transport ending on the relevant territory on or after January 1, 2021, shall be considered as goods sent or transported from the territory of a Member State. To certify the existence of the circumstances under sentence one, the person must have a document for the delivery and documents proving the dispatch or transportation of the goods.

(4) Corrections of submitted references-declarations under **Art. 159b** for persons registered for application of a non-Union and Union regime, or filed in the United Kingdom of Great Britain and Northern Ireland under a non-Union and Union regime in respect of services provided in the Republic of Bulgaria as a Member State of consumption by December 31, 2020 inclusive, shall be performed no later than December 31, 2021 inclusive by the order of **Art. 159e**.

(5) Goods, sent or transported by December 31, 2020 inclusive, to the territory of the United Kingdom of Great Britain, which are returned to the territory of the country after January 1, 2021, by the person who sent or transported the goods, upon their importation into the territory of the country shall be exempt from tax under the conditions and by the order of **Art. 58, Para. 1, item 17**.

§ 7. (In force from 18.12.2020) For the period from October 1, 2020, to December 31, 2020 inclusive, **Art. 245, Para. 4 of the Corporate Income Taxation Act** shall not be applied in case of suspension of the activity in implementation of an administrative act issued by the order of **Chapter Two, Section V of the Health Act**. In these cases, the tax under Art. 245, Para. 1, items 1 - 3 of the Corporate Income Taxation Act shall be due in proportion to the days of the quarter, during which the activity has not been suspended.

. . . . . .

§ 11. Paragraphs 1 and 2 shall apply until December 31, 2022 inclusive.

§ 12. This Act shall enter into force on January 1, 2021, except for:

1. paragraph 7, which shall enter into force on the day of the promulgation of the Act in the State Gazette;

2. paragraph 8, which shall enter into force on December 10, 2020.

Concluding provisions
TO THE ACT AMENDING THE VALUE ADDED TAX ACT

(PROM. – SG, 111/21, IN FORCE FROM 01.01.2022)

§ 4. The Act shall enter into force on January 1, 2022.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT

(PROM. - SG 14/22, IN FORCE FROM 18.02.2022)

§ 49. In the cases under § 10 regarding Art. 58, Para. 1, item 2, letter "d" and § 43 regarding Art. 173, Para. 8 of this Act, tax charged for tax periods from 1 January 2021 until the date of entry into force of this Act, for which a tax rate other than zero tax rate is applied, shall be refunded to the European Commission or an agency or body established according to the law of the European Union, by the bodies of the National Revenue Agency following the order of Art. 128 of the Tax-Insurance Procedure Code. Reimbursement applications must be submitted by 31 March 2022 inclusive.

§ 50. Paragraph 25 shall apply to vouchers issued in the tax period following the tax period in which this Act has entered into force.

§ 51. This Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. paragraph 10 and § 43, item 3 regarding Art. 173, Para. 8, 9 and 10, which shall enter into force on January 1, 2021;

2. paragraph 42, item 2 and § 43, item 2, letter "c" and item 3 regarding Art. 173, Para. 12, 13 and Para. 15, item 2, which shall enter into force on July 1, 2022.

Transitional and concluding provisions
TO THE ACT ON THE STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2022

(PROM. - SG 18/22, IN FORCE FROM 01.01.2022)

§ 22. The Act enters into force on January 1, 2022, with the exception of:

1. paragraphs 6 and 20, which shall enter into force on 1 April 2022;

2. paragraph 10, which shall enter into force on the academic year 2022 - 2023;

3. paragraphs 11, 12, 14, 15, 17, 18 and 19, which shall enter into force on the day of promulgation of the Act in the State Gazette.

Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2022

(PROM. - SG 52/22, IN FORCE FROM 01.07.2022)

§ 33. The act shall enter into force on July 1, 2022, with the exception of:

1. paragraph 17, § 25, item 9 regarding § 15e, Para. 1, item 2, Para. 2, 3 and 6 and § 28, item 2, which shall enter into force within three days of the promulgation of the act in the State Gazette;

2. paragraph 28, item 1 and § 30, which shall enter into force on January 1, 2023;

3. paragraph 32, which shall enter into force on 10 July 2022.

Concluding provisions
TO THE ACT AMENDING THE VALUE ADDED TAX ACT

(PROM. - SG 58/22)

§ 3. This Act enters into force on the first day of the month following the entry into force of a

decision of the Council of the European Union to grant permission to the Republic of Bulgaria to introduce a special measure for derogation from Art. 287 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, but not before 1 January 2023.

Appendix No 1 to Art. 32, Para. 1

(Prev. Appendix to art. 32, par. 1 – SG 108/06, in force from 01.01.2007, amend. - SG 14/22, in force from 18.02.2022)

Goods	Code from the CN
Tin	8001
Copper	7402
	7403
	7405
	7408
Zinc	7901
Nickel	7502
Aluminium	7601
Lead	7801
Indium	ex 811291
	ex 811299
Cereals	1001 to 1005
	1006: only unprocessed rice

	1007 to 1008
Oleaginous seeds and fruits	1201 to 1207
Coconuts, brazilian almonds and cashew	0801
Other nuts	0802
Olives	0711 20
Grain and seeds (incl. soy)	1201 to 1207
Coffee, not baked	0901 11 00
	0901 12 00
Tea	0902
Cacao grains, whole or cracked	1801
raw or baked	
Unrefined sugar	1701 11
	1701 12
Natural rubber, in primal forms	4001
or in plates, sheets or stripes	4002
Wool	5101
Chemicals in bulk	Chapters 28 and 29
Mineral oils (incl. propane and butane; oils from raw petrol)	2709

	2710
	2711 12
	2711 13
Silver	7106
Platinum (palladium, rhodium)	7110 11 00
	7110 21 00
	7110 31 00
Potatoes	0701
Vegetable oils and fats and their fractions, refined or unrefined, but not modified in chemical way	1507 to 1515

Appendix No 2 to Chapter nineteen "a"

(New – SG 108/06, in force from 01.01.2007; amend. – SG 101/13, in force from 01.01.2014; amend. – SG 109/13, in force from 01.01.2014, suppl. - SG 18/19, in force from 28.02.2020, amend. - SG 18/22, in force from 01.01.2022, amend. - SG 52/22, in force from 01.07.2022)

I. Section One:
(amend. – SG 101/13, in force from 01.01.2014)

1. Household waste.
2. Production waste.
3. Construction waste.
4. Hazardous waste.
5. Hazardous ferrous and non-ferrous scrap.
6. Domestic ferrous and non-ferrous scrap
7. Services regarding generation, treatment or processing of waste under items 1 through 6.

II. Part Two

(In force until 31.12.2026 (*) - SG, 98/13, in force as from 01.01.2014, amend. as regards the date of entry into force – SG, 104/13, in force as from 01.12.2013, amend. as regards the date of application - SG 109/13, in force as from 01.01.2014, amend., as regards the date of application – SG, - 95/15, in force as from 01.01.2016, amend., as regards the date of application, SG – 98/18, in force as from 01.01.2019, amend., concerning the date of entry into force - SG - 18/22, in force as from 01.01.2022, amend. with respect to the period of application - SG 52/22, in force from 01.07.2022)

CN code 2012	Description of the goods
0909	Seeds of anise, star anise, fennel, coriander, cumin, caraway; juniper berries:
	- Coriander seeds:
0909 21 00	-- Non- ground nor pulverized
0909 22 00	-- ground or pulverized
1001	Wheat and a mixture of wheat and rye:
	- Durum wheat
1001 11 00	-- For sowing
1001 19 00	-- Other
	- Other:
1001 91	-- For sowing
1001 91 10	--- Limetz
1001 91 20	--- Soft wheat and a mixture of wheat and rye
1001 91 90	--- Other
1001 99 00	-- Other
1002	Rye:
1002 10 00	- For sowing

1002 90 00	- Other
1003	Barley:
1003 10 00	- For sowing
1003 90 00	- Other
1004	Oats:
1004 10 00	- For sowing
1004 90 00	- Other
1005	Corn:
1005 10	- For sowing:
	-- Hybrid:
1005 10 13	--- Hybrid "trois voies"
1005 10 15	--- Regular hybrid
1005 10 18	--- Other hybrid
1005 10 90	-- Other
1005 90 00	- Other
1006	Rice:
1006 10	- Paddy rice:
1006 10 10	- For sowing
	-- Other:
	--- Other:

1006 10 92	---- With round grains
1006 10 94	---- With middle grains
	---- With long grains:
1006 10 96	----- With a length/width ratio greater, than 2 but less than 3
1006 10 98	----- With a length/width ratio of 3 or more
1007	Sorghum beans:
1007 10	- For sowing
1007 10 10	-- Hybrid, for sowing
1007 10 90	-- Other
1007 90 00	- Other
1008	Buckwheat, millet and bird seed; other cereals:
1008 10 00	- Buckwheat
	- Millet:
1008 21 00	-- For sowing
1008 29 00	-- Other
1008 30 00	- Bird seed
1008 60 00	- Trypticale
1008 90 00	- Other cereals:
1201	Soybean seeds, even crushed:

1201 10 00	- For sowing
1201 90 00	- Other
1205	Radish or rape seeds, even crushed:
1205 10	- Radish or rape seeds with low erucic acid content:
1205 10 10	-- For sowing
1205 10 90	-- Other
1205 90 00	- Other
1206 00	Sunflower seeds, even crushed:
1206 00 10	- For sowing
	- Other:
1206 00 91	-- Peeled; unpeeled striped sunflower
1206 00 99	-- Other

III. (New - SG 18/19, in force from 28.02.2020 until 31.12.2026 (*), amend. with respect to the period of application - SG 52/22, in force from 01.07.2022) Part Three:

Deliveries of greenhouse gas emission allowance transfers as defined in Article 3 of the Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, which may be transferred in accordance with Article 12 of the Directive.

Appendix 3 to Art. 167a

(New - SG 98/18, in force from 01.01.2019)

Chapters from Classification (CN code)	Description of the goods
Chapter 25	Salt; sulfur; soil and stones; gypsum, lime and cement
Chapter 26	Ores, slags and ashes
Chapter 28	Inorganic chemical products; inorganic or organic

Chapters from Classification (CN code)	Description of the goods
	compounds of precious metals, radioactive elements, rare earth metals or isotopes
Chapter 29	Organic chemical products
Chapter 72	Cast iron, iron and steel
Chapter 73	Articles of cast iron, iron or steel
Chapter 74	Copper and articles of copper
Chapter 75	Nickel and articles of nickel
Chapter 76	Aluminium and aluminium products
Chapter 78	Lead and articles of lead
Chapter 79	Zinc and zinc products
Chapter 80	Tin and articles of tin

Appendix № 4 to § 15e, Para. 1, items 3 and 4

(New - SG 55/20, in force from 01.07.2020, amend. – SG, 111/21, in force from 01.01.2022, suppl. - SG 14/22, in force from 18.02.2022, previous Annex № 4 to Art. 66, Para. 2, items 4 and 5, amend. with respect to the period of application (*) - SG 52/22, in force from 01.07.2022)

1. Adapted baby milk and powder porridges for babies or young children falling within CN code 1901 10 00 of the EU.

2. Homogenised vegetable purees for babies or young children in containers of a net weight not exceeding 250 g, falling within CN code 2005 10 00 of the EU.

3. Homogenised fruit purees for babies or young children in containers of a net weight not exceeding 250 g, falling within sub-position CN 2007 10 of the EU.

4. Mixed homogenised purees from meat, fish, vegetables, fruit or nuts for babies or young children in containers of a net weight not exceeding 250 g, falling within CN code 2104 20 00 of the EU.

5. Baby nappies falling within CN code 9619 00 81 under the CN of the EU.

6. (new - SG 14/22, in force from 18.02.2022) Specialized milk formulas (with partially hydrolysed protein and those for children with allergies) and dietetic foods for special medical purposes intended for infants falling within code 2106 90 92 and Code 2106 90 98 under the CN of the EU.