LAW ON VALUE ADDED TAX

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

Part one. GENERAL PROVISIONS

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

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

1. any delivery of good or service against payment;

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

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

4. any inter-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 law;

5. the import of goods.

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

(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. the activity, carried out by natural persons upon employment legal relationship or a legal relationship, equal to employment one;

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 inter-community delivery of a new vehicle against payment.

(5) The state, the state bodies and the bodies of local government shall not be tax liable persons with regards to all activities and deliveries, carried out by them in their quality as body of state or local government power, including in the cases, when fees, installments or remunerations are collected for these activities or deliveries, 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) deliveries, 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) managing stores, canteens and other trade sites, letting out buildings, parts of them and trade areas;

m) radio and television activity of commercial nature.

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

Art. 4. Tax non-liable legal person shall be a legal person, who is not tax liable within the meaning of art. 3 and who carries out inter-community acquisition of goods.

Art. 5. (1) Good within the meaning of this law 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 a good within the meaning of par. 1.

Art. 6. (1) Delivery of good within the meaning of this law shall be the transfer of right to ownership of good or other property right over the good.

(2) For the purposes of this law as delivery of good shall also be considered:

1. the transfer of right to ownership of good or other property right over the good 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 good upon contract, in which is explicitly provided transfer of the right to ownership of the good under postponement condition or term;

3. the actual providing good upon leasing contract, in which the transfer of right to ownership of the good is explicitly provided; this provision shall not be applied, when in the leasing contract only option for transfer of the ownership of the good has been agreed;

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

(3) For the purposes of this law as delivery against payment shall also be considered:

1. the separating or the provision of the good for personal use or exploitation to the tax liable natural person, to the owner, to his/her employees and officials of to third parties under the condition, that at its production, import or acquisition, tax credit has been partially or completely deducted;

2. the free of charge transfer of ownership or other property right over the good to third parties, when at its production, import or acquisition, tax credit has been partially or completely deducted;

3. (new – SG 106/08, in force from 01.01.2009) 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.

(4) Paragraph 3 shall not be applied regarding:

1. provision for the purposes of the economic activity of the person of special, work, uniform and official wear by the employer to his/her employees and officials, including to those with management contracts;

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

Art. 7 (1) Inter-community delivery of goods shall be the delivery of goods, transported by or at expense of the provider – a person, registered under this law, 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, registered for the purposes of VAT in another Member State.

(2) Inter-community delivery of goods shall also be the delivery 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) Inter-community delivery of goods shall also be the delivery of excise goods, sent or transported by or at expense of the provider – a person, registered under this law, 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) Inter-community delivery 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 law 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) Inter-community delivery shall not be:

1. the delivery of goods, for which the provider applies a special procedure for levying under chapter seventeen;

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

3. the delivery of goods under art. 18;

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

5. the deliveries of natural gas via pipelines or of electric power;

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

7. the remote sales of goods, implemented under the identification number, issued by the Member State, in which the goods are sent or transported;

8. the sending or transportation of goods from the territory of the state to the territory of another Member State with purpose of processing 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 pre the territory of the other Member State would be subject of 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;

(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 inter-community delivery against payment has been made.

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

Art. 9. (1) Delivery of service shall be any implementation of service.

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

1. the sale or the 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 repair and/or improvement of asset, rented or provided for use.

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

1. the provision of service for the personal needs of the tax liable natural person, of the owner, of the employees and the officials or of third parties, as at its implementation there shall be used good, for which at its producing, importing or acquiring tax credit has been partially or fully deducted;

2. free of charge provision of service for personal needs of the tax liable natural person, of the owner, of the employees and the officials or of third parties.

(4) Paragraph 3 shall not be applied at:

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. the free of charge implementation of service by holder/user for repair of asset, rented or provided for use in the cases, when the asset has been rented or provided for use to the holder/user and has been actually used continuously for a period, not shorter that three years;

3. the free of charge implementation of service by a concessionaire for improvement of an asset, provided for use, when this is a condition and/or obligation under the concession contract;

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

Art. 10. (1) It shall not be delivery of good or service the delivery 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 Commercial law;

2. transferring a company by the procedure of art. 15 or 60 of the Commercial law;

3. carrying out a non-monetary installment in a trade company.

(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 law, 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 be applied in the cases, when the goods or the services have been acquired by inheritance or legacy by a person, tax liable under this law.

(4) The procedure and the necessary documents for applying paragraphs 2 and 3 shall be specified with the regulation for implementation of the law.

Art. 11. (1) Provider within the meaning of this law shall be the person who carries out the delivery of good or service.

(2) Recipient within the meaning of this law shall be the person, who receives

the good or the service.

Art. 12. (1) Leviable delivery shall be any delivery of good or service within the meaning of art. 6 and 9, when it has been carried out by tax liable person under this law and has a place of performance on the territory of the state, as well as the delivery, taxable with zero rate, made by tax liable person, unless otherwise provided by this law.

(2) The delivery, regarding which the recipient is tax payer under chapter eight, shall not be subject to levying by the provider.

Art. 13. (1) Inter-community acquisition shall be the acquisition of right to ownership of good, as well as the actual receipt of good in the cases under art. 6, par. 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 inter-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 inter-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 inter-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. the acquisition of natural gas via pipelines or of electric power;

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

7. the acquisition of goods, sent or transported from the territory of another Member State with purpose of performing remote sales with a place of performance on the territory of the state, when the sales are carried out under the identification number of the provider under art. 94, par. 2;

8. the receipt of goods, sent or transported from the territory of another Member State with purpose of processing these goods, which shall be performed on the territory of the state, under the condition, that after finishing the work, 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) 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 inter-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 theses goods are imported from the importing Member State by or on behalf of the person.

Art. 14. (1) Remote sale of goods shall be the delivery of goods, for which the following circumstances are simultaneously present:

1. the goods are sent or transported by or at expense of the provider from the territory of a Member State, different from this, in which the transport ends;

2. the provider of the goods is a person, registered for the purposes of VAT in a Member State, different from this, in which the transport ends;

3. recipient of the delivery is a person, who is not obliged to charge VAT at inter-community acquisition of the good in the Member State, where the transport ends;

4. the goods:

a) are not new vehicles, or

b) are not mounted and/or installed by or at the provider's expense, or

c) are not subject of special order of charging the margin of the price for second hand goods, works of art, collections articles and antique articles.

(2) For the purposes of par. 1, when the goods, which are being provided, sent or transported from a third state or territory and are being imported by the provider in a Member State, different from this, where the transport to the recipient ends, it is accepted that the goods are sent or transported from the Member State of the import.

Art. 15. Three partite operation shall be the delivery 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 delivery of good to a person, registered in a Member State B (intermediary), who after that carries out delivery of this good 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 delivery.

Art. 16. (1) Import of goods within the meaning of this law shall be the entering of non-community goods on the territory of the state.

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

(3) Import of goods shall also be the entering of community goods on the territory of the state from third states or territories, which are part of the customs territory of the Community.

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

(5) Regardless of par. 1-4, when at entering the territory of the state the goods have obtained status of temporarily stored goods or are placed in a free zone or free store, or under customs procedures – the customs storing, active improvement, temporary import with full exemption from customs duties, external transit, the import shall be considered as implemented, when the goods are no longer under the respective procedure on the territory of the state.

Part two. LEVYING THE DELIVERIES

Chapter one. PLACE OF PERFORMANCE

Art. 17. (1) Place of performance regarding delivery of good, which is not sent or transported, shall be the place, where the good is situated at the transfer of the ownership or at the factual provision of the good under art. 6, par. 2.

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

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

Art. 18. (1) The place of performance regarding delivery of good, 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. 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 Community 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) The place of performance regarding delivery of goods, 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) Except for the cases under par. 1 and 2, the place of performance regarding delivery of goods, carried out on board of ships, airplanes or trains during transportation of passengers, shall be outside the territory of the state.

Art. 19. The place of performance regarding delivery of natural gas via pipelines or of electric energy, shall be:

1. the place, where the seat of business or the permanent site of the recipient 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 or electric energy;

2. the place where the good 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 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, carrying out subsequent delivery of the whole or a part of the good, received by him/her.

Art. 20. (1) The place of performance of delivery of goods under the conditions of remote sale under art. 14 shall be on the territory of the Member State, where the transport ends, when the following circumstances are simultaneously present:

1. the provider is a person, registered under this law on the grounds, different from this for registration for inter-community acquisition;

2. the deliveries of goods under the conditions of remote sale, carried out by the person under item 1 for a Member State exceed for the current calendar year or have exceeded for the previous calendar year the sum, regulated by the legislation of this Member State.

(2) The place of performance of delivery of goods under the conditions of remote sale shall be on the territory of the state, when the following circumstances are simultaneously present:

1. the provider is a person, registered for the purposes of VAT in another Member State;

2. the deliveries, carried out under the conditions of remote sale for the territory of the state exceed for the current calendar year or have exceeded for the

previous calendar year the sum of 70 000 BGN.

(3) In the sum under par. 2, item 2 shall not be included VAT, due in the Member State, where the provider is registered for the purposes of VAT, as well as the excise goods deliveries.

(4) When subject of the delivery are excise goods for personal consumption by the natural person, who is not sole trader, the place of performance of the delivery under the conditions of remote sale shall be the place where the goods arrive or the transport ends.

(5) When the circumstances under par. 1, item 2 are not available, the place of performance shall be on the territory of the state, except for the cases, when the provider has notified the territorial directorate of registration, that he/she does not want the place of performance to be on the territory of another Member State, where the transport ends, and he/she is registered in this other Member State for the purposes of VAT.

(6) Paragraph 2 shall not be applied, when the place of performance of the delivery is on the territory of the state, when the provider is registered on the grounds of art. 100, par. 3.

Art. 21. (1) The place of performance regarding delivery of service shall be the place, where the provider has settled his/her independent economic activity or has a permanent site, from which the delivery is carried out, and in the cases, when there is not such place or site – the place of his/her permanent or custom residence.

(2) The place of performance, regarding delivery of service shall be:

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

a) 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;

2. the place, where the transport service is implemented from the point of view of the distance covered;

3. the place where the service is actually carried out regarding:

a) services, connected with cultural, artistic, sporting, scientific, educational, entertaining or similar activities including the activity for the organizing thereof;

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

c) assessment, expertise or work with chattel;

(3) The place of performance regarding the delivery of service shall be the place where the seat or the permanent site of the recipient is located from where he/she carries out his/her independent economic activity, and when there is not such a seat or site – the place of his/her permanent address or his/her custom residence, if the following circumstances are available simultaneously:

1. (amend. – SG 108/06, in force from 01.01.2007) the recipient is a person, settled outside the Community, or a tax liable person, settled in a Member State, different from the State, where the provider is settled;

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, accountants, lawyers and other similar services, including the services regarding the processing of 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) (amend. – SG 41/07) electronic communication services;

i) radio and television dissemination services;

j) services, carried out via electronic way;

k) services regarding the provision of access, transport or transfer via distributing systems of natural gas or electric power and the delivery 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".

(4) (amend. – SG 41/07) The place of performance regarding delivery of electronic communication services and radio and television dissemination services shall be on the territory of the state, when the following circumstances are simultaneously present:

1. recipient regarding these deliveries is a tax non-liable person, who is settled, has a permanent address or custom residence on the territory of the state;

2. (suppl. – SG 113/07, in force from 01.01.2008) provider is a taxable person with seat or permanent site, from which he/she performs his/her economic activity, and when there is not such seat or site – the place of his/her permanent address or his/her custom residence are outside the Community;

3. the service is effectively used on the territory of the state.

(5) The place of performance of delivery of services, carried out via electronic way, shall be on the territory of the state, when the following circumstances are simultaneously present:

1. recipient regarding these deliveries is the tax non-liable person, who is settled, has a permanent address or customarily resides on the territory of the state;

2. provider is a person, whose seat or permanent site, when there is not such seat or site – the place of his/her permanent address or custom residence, are outside the territory of the Community.

Art. 22. (1) The place of performance regarding delivery of service for transport of goods shall be on the territory of the state, when the transport of the goods starts on the territory of the state and ends on the territory of another Member State.

(2) When a recipient of the delivery under par. 1 is a person, registered for the purposes of VAT in another Member State, the place of performance of the delivery shall be the territory of the Member State, that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her.

(3) (New – SG 108/06, in force from 01.01.2007) Apart from the cases referred to in paras 1 and 2, the place of performance in case of delivery of service for transport of goods between two Member States shall be the territory of the Member State, in which the transport commences.

(4) (New – SG 108/06, in force from 01.01.2007) Where a recipient of the delivery under para 3 is a person, registered for the purposes of VAT in a Member State, other than the Member State, in which the transport commences, the place of performance of the delivery shall be the territory of the Member State, that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her.

(5) (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 between the Member States, shall be considered adequate to services of transportation of goods between the Member States.

(6) (new – SG 108/07, in force from 19.12.2007) Forwarding service under par. 5 shall be the service of arranging, carrying out or servicing of transportation of goods between the Member States and involved in that activities of transport handling, documents processing, warehousing and insurance.

(7) (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 transportation of goods between the Member States, the provision of Art. 127 shall not apply.

Art. 23. (1) Place of performance regarding delivery of service related to transport processing of goods, accompanying the delivery under art. 22, shall be on the territory of the Member State, that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her.

(2) (amend. – SG 108/06, in force from 01.01.2007) The place of performance regarding the delivery of service, provided by agent, broker and other intermediary, acting on behalf of and at expense of another person, in connection with the delivery of service under par. 22, shall be on the territory of the Member State, in which the transport of the goods starts.

(3) (amend. – SG 108/06, in force from 01.01.2007) When a recipient of the delivery under par. 2 is a person, registered for the purposes of VAT in a Member State, other the Member State, in which the transport commences, the place of performance of the delivery shall be on territory of the Member State that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her.

(4) The place of performance regarding the delivery of service, provided by intermediary, acting on behalf of and at expense of another person, in connection with the provision of service regarding transport processing of goods under par. 1 shall be the place, where the transport processing of the goods has actually been carried out.

(5) (amend. – SG 108/06, in force from 01.01.2007) When a recipient of the delivery under par. 4 is a person, registered for the purposes of VAT in a Member State, other than the Member State, where the transport processing has actually been

carried out, the place of performance of the delivery shall be on territory of the Member State that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her.

Art. 24. (amend. – SG 108/06; amend. – SG 113/07, in force from 01.01.2008) (1) The place of performance regarding delivery of service, provided by intermediary, acting on behalf of and at expense of another person, when this service is connected with inter-community acquisition of a good, with a delivery of goods or services, different from these under art. 21, par. 3, art. 22 and 23, shall be the place of performance of the inter-community acquisition or of the delivery, in connection with which the mediation has been provided.

(2) When the recipient of the delivery is a person, registered for the purposes of VAT in a Member State, other than the Member State, in which is the place of performance of inter-community acquisition or of the delivery, with regards to which the mediation is carried out, the place of performance of the delivery shall be on territory of the Member State that has issued the identification number of VAT to the recipient, under which the service has been provided.

(3) The place of performance regarding delivery of service for assessment, expert appraisal or work with chattels shall be on territory of the Member State that has issued the identification number of VAT to the recipient, under which the service has been provided for him/her, when the following circumstances are simultaneously present:

1. recipient of the delivery is a person, registered for the purposes of VAT in a Member State, different for the Member State, where the assessment, expert appraisal or work have actually taken place;

2. upon accomplishment of the assessment, expert appraisal or work the goods are sent or transported out from the territory of the Member State, where the assessment, expert appraisal or work have actually taken place;

Chapter two. TAX EVENT AND TAX BASE

Art. 25. (1) Tax event within the meaning of this law shall be the delivery of goods or services, carried out by persons tax liable under this law, the inter-community acquisition as well as the import of goods under art. 16.

(2) The tax event shall occur on the date, when the ownership of the good has been transferred or the service has been made.

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

1. (suppl. – SG 108/07, in force from 19.12.2007) the date of the actual provision of the good under art. 6, par. 2, except for the cases of par. 8;

2. the date of keeping aside or providing the good 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 deliveries via vending machines or other similar devices, which are activated with coins, chips or

others similar;

6. the date of the actual returning of the asset along with the repair and/or the improvement at terminating the contract or discontinuance of the asset using – in the cases when a free of charge service has been carried out by a holder/user for repair and/or improvement of an asset, rented or provided for using, when the circumstances under art. 9, par.4, items 2 and 3 are not available.

(4) (amend. – SG 108/06, in force from 01.01.2007) At delivery with periodical, in stages or uninterrupted fulfilment, except for the deliveries under art. 6, par. 2, each period or stage, for which a payment has been agreed, shall be considered as separate delivery and the tax event for it shall occur on the date, on which the payment has become due.

(5) On the date of occurrence of the tax event under par. 2, 3 and 4:

1. the tax under this law shall become exigible for the leviable deliveries 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 deliveries and the deliveries with a place of performance outside the territory of the state.

(6) (amend. – SG 113/07, in force from 01.01.2008; suppl. – SG 106/08, in force from 01.01.2009) When, before the tax event under par. 2, 3 and 4 occurs, a full or partial down payment for the delivery has been made, the tax shall become exigible at receiving the payment (for the amount of the payment), except for the payment received in connection with inter-community delivery. In such cases shall be presumed that the tax is included in the amount of the payment that has already been made.

(7) When a person, not registered under this law receives payment in advance for a leviable delivery and actually carries out this delivery after the date of his/her registration under this law, it shall be considered, that the payment, received in advance contains the tax, which becomes exigible on the date, on which the tax for the delivery becomes exigible.

(8) (new – SG 108/07, in force from 19.12.2007) The tax event for the delivery under Art. 6, par. 2, item 4 of newspapers, magazines, books, and other printed production, music audio- and video records and movie records on electronic or technical carriers shall arise on the date that comes first:

1. the date, on which the commitment/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.

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

(2) The tax base shall be determined on the basis of everything, which includes the remuneration, received or due by the recipient or another person to the provider in connection with the delivery, determined in BGN and stotinkas, without the tax under this law. Any payments of interests and forfeits, which have compensation nature, shall not be considered as remuneration for delivery.

(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 delivery;

2. all subsidies and funding, directly connected with the delivery;

3. the accompanying expenses as commission, packing, transport and insurance, and others directly connected with the delivery;

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

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

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

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

(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 tax event; if they are provided to the recipient after the date of occurrence of the tax 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 tax liable person and these materials or containers are subject to returning; if they are not returned back in 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 good 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 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) When 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 by the date, on which the tax has become exigible.

(7) When the remuneration is specified completely or partially in goods or services (the payment is made completely or partially in goods or services), the tax base of the delivery shall be the market price of the delivered good or service, calculated by the date, on which the tax has become exigible.

Art. 27. (1) The tax base of the delivery may not be lower than the tax base at acquiring the good or than its prime value, and in the cases when the good is imported – than the tax base at the import, at delivery of:

1. goods under art. 6, par. 3 and art. 7, par. 4;

2. land, which is regulated teal estate within the meaning of the Law of spatial planning, except for adjacent terrain to buildings, which are not new;

3. new buildings or parts of them and their adjacent terrain.

(2) The tax base of the delivery of services under art. 9, par. 3 shall be the sum of the direct expenses made, connected with its implementation.

(3) The tax base shall be the market price at the following deliveries:

1. delivery between related persons;

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

3. free of charge delivery under art. 9, par. 2, item 4.

Chapter three. LEVIABLE DELIVERIES WITH ZERO TAX RATE

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

1. the delivery of goods, which are sent or transported from a place on the territory of the state to third state or territory by or at the provider's expense;

2. the delivery of goods, which are sent or transported from a place on the territory of the state to third state or territory by or at the provider's expense, if the recipient is a person, who is not settled on the territory of the state; 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.

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

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

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

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

(2) 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.

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

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

2. from the territory of third state or territory or from the territory of the islands, forming the autonomy areas Azores and Madera, to a place on the territory of the state, or

3. between two places on the territory of the state, 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.

Art. 31. Leviable delivery with zero rate shall be:

1. (amend. – SG 108/07, in force from 19.12.2007) the delivery of goods for supplying small vessels, aeronautical vehicles and mobile rolling stock, carrying out international journey, including within the Community, with spare parts, fuels and lubricant materials, food, beverages, water and other provisions, intended for use on board; this shall not concern vessels and aeronautical vehicles, which are used for sporting and entertaining purposes or for personal needs;

2. (amend. – SG 108/07, in force from 19.12.2007) the delivery of goods for supplying with spare parts, fuels and lubricant materials, food, beverages, water and other provisions, intended for use on board of

a) large vessels, used for transportation of goods or passengers, or vessels, used for carrying out trade, industrial or fishing activities outside the sea waters of the Republic of Bulgaria;

b) vessels, used for rescuing operations or help in sea;

c) vessels with military destination according to the definition in sub position 89.01 of the Common Customs Tariff, leaving the state with destination towards foreign harbours and ports;

3. the delivery of services regarding the construction, maintenance, repair, modification, transformation, assembling, equipping, gearing, transport and destruction of vessels and airplanes, except for those under item 2, letter "c"; this shall not concern vessels and airplanes, used for sporting and entertaining purposes or for personal needs;

4. (amend. – SG 108/07, in force from 19.12.2007) the letting out of

a) small vessels, aeronautical vehicles and mobile rolling stock for carrying out international transport, including within the Community;

b) large vessels; this does not apply to vessels, used for sport and entertainment purposes or for personal uses;

5. (amend. – SG 108/07, in force from 19.12.2007) the processing of:

a) small vessels, aeronautical vehicles and mobile rolling stock, which are in international journey, including within the Community;

b) large vessels; this does not apply to vessels, used for sport and entertainment purposes or for personal uses;

6. (amend. – SG 108/06, in force from 01.01.2007; amend. – SG 108/07, in force from 19.12.2007) the provision of services, connected with the transport

processing of passengers or goods, including of transport containers:

a) transported with a small vessel, aeronautical vehicle or mobile rolling stock, where the services are carried out in relation to international transport under Arts 29 and 30;

b) transported by a large vessel;

7. the delivery of vessels and aeronautical vehicles, except for those for sporting and entertaining purposes or for personal needs;

8. (New – SG 108/06, in force from 01.01.2007; suppl. – SG 108/07, in force from 19.12.2007) the delivery of services, for which fees are being collected as per Art. 120, para 1 of the Law For The Civil Aviation, provided by airport operator-concessionaire in relation to aeronautical vehicles in international journey, including within the Community.

9. (new - SG 108/07, in force from 19.12.2007) the provision of services under Chapter Nine of the Shipping Code, rendered to vessels; this does not apply to vessels, used for sport and entertainment purposes and for personal uses;

10. (new – SG 108/07, in force from 19.12.2007) the provision of services of rescue operations or help in the sea.

Art. 32. (1) (amend. – SG 108/06, in force from 01.01.2007) Leviable delivery with zero rate shall be the delivery 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 delivery with zero rate shall be the delivery of services of unloading, loading, reloading, stacking, lashing of goods and/or customs clearance, where they are provided with regard to delivery of goods, leviable with zero rate under par. 1, except for the exempt ones within the meaning of the law.

Art. 33. Leviable delivery with 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. the goods have been acquired or imported for the purposes of carrying out such work on the territory of the Community;

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.

Art. 34. Leviable delivery with zero rate shall be the delivery 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 recipient.

Art. 35. (Suppl. – SG 105/06) Leviable delivery 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 Law on Duty-Free Trade.

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

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

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 the law.

(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 exigible, the provisions of this chapter shall not be applied. 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 DELIVERIES AND ACQUISITIONS

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

(2) Exempt deliveries shall also be the inter-community deliveries, which would have been exempt, if they were carried out on the territory of the state by the procedure of this chapter.

(3) Exempt from tax levying shall also be any inter-community acquisition of goods, the delivery of which on the territory of the state is exempt delivery under this chapter.

Art. 39. Exempt delivery shall be:

1. carrying out health (medical) services and the services, directly connected with them, provided by health centres under the Law of health and by the medical establishments under the Law for medical establishments;

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

3. the delivery of prothesises, as well as the services of their provision to people with disabilities when the deliveries 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) delivery 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 delivery is a part of the health services under item 1;

5. (prev. item 4 - SG 108/07, in force from 19.12.2007) delivery of denture prothesises;

6. (prev. item 5 - SG 108/07, in force from 19.12.2007) carrying out transport

services for ill or injured persons with especially projected vehicles, and by duly authorized bodies;

7. (prev. item 6 - SG 108/07, in force from 19.12.2007) the delivery of goods and services in the frameworks of the humanitarian activity, carried out by the Bulgarian Red Cross and other non-profit legal persons carrying out activity for the public benefit, entered in the Central register of the non-profit legal persons carrying out activity for the public benefit.

Art. 40. Exempt delivery shall be:

1. carrying out social care services under the Law for social support;

2. the delivery of social support by the procedure of the Law for social support;

3. the obligatory and the voluntary social, pension and health insuring, carried out under the conditions and by the procedure of special law, including the intermediate services, directly connected with that.

Art. 41. Exempt delivery shall be:

1. 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, provided by:

a) kindergartens, schools or their servicing units under the Law for the public education, institutions in the system of the vocational education and training under the Law for the vocational education and training or cultural-educational or research institutions;

b) higher schools under the Law for the higher education;

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

3. the delivery of textbooks and teaching aids, approved by the Minister of education and science or by the Minister of culture in compliance with the established obligatory educational-training programs and curricula, when the goods are provided by the organizations under item 1, letter "a", as well as the delivery of textbooks and teaching aids, when the goods are provided by the organizations under item 1, letter "b";

4. the service, directly connected with sport or physical training, provided by sport organizations under the Law for the physical education and sport, which are registered under the Law for non-profit corporate bodies as organizations, determined for implementing social useful activity.

Art. 42. Exempt delivery shall be:

1. the sale of tickets by cultural organizations and institutes under the Law for protection and development of culture, 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. the activity of the Bulgarian national radio, the Bulgarian national television and the Bulgarian telegraph agency, for which activity they receive payments from the Republican budget.

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

Art. 44 (1) Exempt delivery shall be:

1. the delivery of goods for carrying out services by the organizations under art. 39, 40, 41 and 42, when the delivery is in connection with actions for gaining assets, used for their activity;

2. the delivery 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 delivery is in connection with actions for gaining assets, used for their activity or for achieving the goals laid down;

3. the delivery 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) procedural representation, by which the right to defence of natural persons in pre-court, court, administrative and arbitrary proceedings is implemented.

(2) the deliveries under par. 1 shall be exempt, as far as they don't lead to infringement of the competition rules.

Art. 45. (1) Exempt delivery 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) The establishment or the transfer of right to construct shall be considered as exempt delivery under par. 1 by the moment of finalizing the building as a rough construction, for which the right to construct is established or transferred. The executed construction and mounting works shall not be included in the right to construct.

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

(4) Exempt delivery 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 Law of spatial planning, 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 centers and sanatorial complexes.

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

Art. 46. (1) Exempt delivery 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 delivery 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. 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) the management of the activity of collective investment schemes, investment companies of closed type and pension funds and the provision of investment consultations under the procedure of the Law for Public Offering of Securities, and of the Law on the Markets of Financial Instruments;

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

(2) In the cases of delivery under the conditions of leasing contract under par. 1, item 1 the provider may choose the provision of the credit to be a liable delivery.

(3) For the goods – subject to the leasing contract, for the provider of the

financial services under par. 1, item 1, right of deduction of full tax credit shall arise at observance of the requirements under art. 71.

Art. 47. Exempt delivery shall be the performance of services under the conditions and by the procedure of the Insurance code by:

1. (suppl. – SG 108/06, in force from 01.01.2007) insurers and re-insurers;

2. insurance brokers and insurance agents.

Art. 48. Exempt delivery shall be the organization of gambling games within the meaning of the Law for gambling.

Art. 49. Exempt delivery shall be:

1. the delivery of postage stamps at par or mark, equated to postage stamp;

2. carrying out universal postal services under the conditions and by the procedure of the Law on postal services.

Art. 50. Exempt delivery shall also be such of goods or services:

1. which have been used thoroughly for carrying out exempt deliveries 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.

Chapter five. LEVYING INTER-COMMUNITY DELIVERIES

Art. 51. (1) The tax event regarding inter-community delivery shall occur on the date, on which the tax event regarding delivery on the territory of the state, would occur.

(2) The tax event regarding inter-community delivery under art. 7, par. 4 shall occur on the date, on which the transport of the goods from the territory of the state starts.

(3) The tax regarding inter-community delivery shall become exigible on the 15-th day of the month, following the month, when the tax 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 exigible 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 tax event has occurred.

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

Art. 52. (1) The tax base of the inter-community deliveries shall be

determined by the procedure of art. 26.

(2) The tax base regarding inter-community deliveries under art. 7, par. 4 shall be the tax base at acquiring the goods, their cost or their tax base at import, increased following the procedure of art. 26, par. 3.

(3) The tax base under par. 2 shall not be increased by the value of the services under art. 22, 23 and 24 with place of performance on the territory of the state, for which the person, registered under this law shall be obliged to charge tax as payer under art. 82, par. 2.

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

(2) The documents, certifying the performance of the inter-community delivery, shall be specified by the regulation for implementation of the law.

(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 delivery has become exigible, 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 regulation for implementation of the law.

Part three. LEVYING OF THE IMPORT

Art. 54. (1) The tax event at import of goods shall occur and the tax shall become exigible on the date, on which the obligation for paying import customs duties on the territory of the state arises or should arise, including when obligation does not exist or its amount is zero.

(2) When an obligation for paying import customs duties on the territory of the state does not arise at import of goods under art. 16, par. 3, the tax event shall occur and the tax shall become exigible on the date, when the customs formalities have been concluded.

Art. 55. (1) The tax base at import of goods under art. 16 shall be the customs value, increased by:

1. the customs duties, excise and the others fees, due in relation with the import of the goods on the territory of the Community, as well as the ones, due at import on the territory of the state;

2. the expenses inherent to the import, as commission, package expenses, transport and insurance, realized 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 good is indicated, that the good is intended for the other Member State.

(3) When the goods have been temporarily exported outside the territory of the state to a place outside the territory of the Community 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.

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.

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 investment project under art. 166.

(2) In the cases under par. 1 the importer shall exercise his/her right of charging by the procedure of art. 164, par. 2.

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

(4) In the cases under art. 58, par. 2 the tax shall be charged by the importer via protocol for the tax period, during which the tax has become exigible.

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

1. goods, subject to exemption from duties, different from the ones, specified in the Common Customs Tariff;

2. goods, imported by the persons under art. 174, which meet the requirements for exemption from customs duties at import;

3. human organs, tissues, cells, blood, blood components, mother's milk, denture prothesises;

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

5. products of sea fishing and other products, pulled out outside the territorial waters of the Community by ships, when the products are being imported in harbours in a non-processed state or following preserving processing for market realization.

6. goods, for which the following circumstances are simultaneously available:

a) the importer is a person, registered under this law;

b) in the transport documents, accompanying the good is indicated, that the good is intended for other Member State;

c) the importer will carry out subsequent inter-community delivery with the goods;

7. gold from the Bulgarian national bank;

8. aeronautical vehicles, vessels, as well as spare parts for them, except for those for sporting and entertaining purposes;

9. investment gold;

10. electricity and natural gas via transmission system;

11. information carriers along the participation of the Republic of Bulgaria in the international exchange of publications when they are exempt from customs duties;

12. goods within the permitted duty free import, when are:

a) received international postal and other shipments or are imported goods with insignificant value within the meaning of the customs legislation;

b) (revoked – SG 106/08, in force from 01.12.2008)

c) (revoked – SG 106/08, in force from 01.12.2008)

d) imported personal possessions received as inheritance;

e) imported used personal possessions by individuals who are moving for permanent stay in the Republic of Bulgaria;

f) imported possessions in connection with marriage;

g) imported used household possessions after termination of temporary stay out of the Republic of Bulgaria;

h) imported orders, medals and honorary awards;

i) imported own artistic works and scientific works by persons with permanent residence on the territory of the state regardless of the type of information carriers;

j) imported gifts received within the framework of international relations;

k) imported goods intended for personal use by heads of state;

l) imported goods intended for people suffered by disasters;

m) imported materials for funeral purposes;

n) imported goods necessary for implementing transport operation;

o) imported documentation;

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. goods in unchanged form which have been temporary exported and are re-imported in unchanged form in the terms, provided by the customs legislation;

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

17. goods, which have been exported and returned within one year due to claim;

18. motor vehicles, unlawfully taken or stolen and for which the due import customs duties are reimbursed or remitted by the order of the customs legislation.

(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 tax 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 travellers, 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 traveller, 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 traveller 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 travellers, which is of no commercial nature in quantitive 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 quantitive 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 quantitive limits shall also apply Overflying without landing shall not be regarded as transit.

The monetary thresholds and quantitive limits shall also apply in those cases where the traveling between Member States requires0020

(13) (new – SG 106/08, in force from 01.12.2008) Para 12 shall not apply if the traveller 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.

Art. 59. (1) When according to the customs legislation security of the customs

duties shall be or shall not be required, the tax shall be secured in accordance to the amounts, specified by the customs legislation and by the procedure for securing the customs duties.

(2) When according to the customs legislation an obligation arises for paying interests on the customs duties for customs obligation, there shall also arise an obligation for paying off interests over the piled up.

(3) A person, who has obtained permission for opening and managing a warehouse under customs control (ware housekeeper) 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.

Art. 60. (1) 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 customs 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) In cases of import of Art. 16 under the regime of “temporary import with partial exemption of custom duties” the charged by the customs authorities tax shall be deposited to the state budget prior to picking up of the goods.

Art. 61. The customs bodies shall permit the lifting 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. LEVYING THE INTER-COMMUNITY ACQUISITION

Art. 62. (1) The place of performance of the inter-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 inter-community acquisition shall be on the territory of the state when the person, acquiring the goods is registered under this law 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 inter-community acquisition of the goods has been levied in the Member State,

where the goods arrive or their transportation ends.

(4) If the inter-community acquisition has been levied, according to par. 2 and afterward the person proves that such inter-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 inter-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 delivery to the acquirer in the three partite operation;

3. the person under item 1 issues delivery 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 delivery shall be due by the acquirer in the three partite operation;

4. the person under item 1 shall declare the delivery under item 2 in the VHES-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.

Art. 63. (1) The tax event for inter-community acquisition shall occur on the date, on which the tax event would have been occurred at delivery on the territory of the state.

(2) The tax event at inter-community acquisition under art. 13, par. 3 shall occur on the date, on which the transportation of the goods on the territory of the state ends.

(3) The tax for inter-community acquisition shall become exigible on the 15-th day of the month, following the month, during which the tax event according to par. 1 and 2 has occurred.

(4) Regardless of par. 3, the tax shall become exigible on the date of issuing the invoice, when this invoice has been issued before the 15-th day of the month, following the month, during which the tax event has occurred.

(5) Paragraph 4 shall not be applied, when the invoice has been issued in connection with payment made before the date of occurrence of the tax event.

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

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

(3) In the tax base regarding inter-community acquisition of excise goods shall be also 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) The tax base under par. 1, 2 and 3 shall not include the tax base of the services under art. 22, 23 and 24 with place of performance on the territory of the state, for which the person registered under this law is obliged to charge the tax as a person under art. 82, par. 2.

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

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

1. when the persons under art. 172, par. 2 and art. 174, par. 1 are recipients;

2. the import of which on the territory of the state would have been exempt from tax by the procedure of art. 58, par. 1;

3. when recipients are institutions of the European union;

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

Part five. TAX RATES AND TAX LIABILITY DETERMINATION

Chapter six. TAX RATES

Art. 66. (1) The rate of the tax shall be 20 percent for:

1. the leviable deliveries, unless the ones, explicitly indicated as leviable with zero rate;

2. the import of goods on the territory of the state;

3. the leviable inter-community acquisitions.

(2) The tax rate for lodging, provided by hotelier, in case it is a part of organised trip, shall be in amount of 7 percent.

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

(2) In case at negotiating the delivery it is not explicitly specified that the tax is due separately, it shall be deemed that it is included in the contracted price.

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

Chapter seven. TAX CREDIT

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 law for:

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

2. a payment, implemented by him/her, prior to the occurrence of the tax

event for liable delivery;

3. import, carried out by him/her;

4. the tax exigible from him/her as a payer 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 law;

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.

Art. 69. (1) In case the goods and the services are used for the purposes of the leviable deliveries, carried out by the registered person, the latter shall have the right to deduct:

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

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

3. the tax, exigible from him/her as a payer under chapter eight.

(2) For the purposes of par. 1 as leviable deliveries shall also be considered:

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

2. the deliveries of financial services under art. 46 and of insurance services under art. 47, where the recipient of the services is settled outside the Community or when the deliveries of these services are directly related to goods, regarding which the conditions under art. 28 have been fulfilled.

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 the services are designated for implementation of exempt deliveries under chapter four;

2. the goods or the services are designated for deliveries free of charge or for activities, other than the economic activity of the person;

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

4. a motorcycle or an automobile has been acquired, imported or rented;

5. the goods or the services are related to the maintenance, repair, improvement or the operation of the vehicles under item 4, as well as for the transport services received or taxi transportation with the vehicles under item 4;

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, in case:

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

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

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

1. the special, work, uniform and the official clothing, 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. the goods or the services, used at the implementation of service free of charge by a holder/user for repair of asset, rented or provided for use, in case the asset has been rented or provided for use to the holder/user continuously for a period not shorter than three years;

4. the goods or the services, used at the implementation of service free of charge by a concessionaire for improvement of asset, provided for use, in case this is a requirement and/or obligation under the concession contract;

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 of 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 guarantee servicing under art. 129.

(4) A person, registered on the grounds of art. 99 and art. 100, par. 2 shall not be entitled to tax credit.

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

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 deliveries of goods or services, in the cases the person is a recipient;

2. (amend. – SG 108/06, in force from 01.01.2007) has issued a protocol under art. 117 and has met the requirements of art. 86 – in the cases the tax is exigible from the person as a payer under chapter eight; in the cases referred to in Arts. 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 Arts. 114 and 115, in which document the relevant ground for not charging tax is indicated;

3. possesses a customs declaration, 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. possesses a customs declaration, inn 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.

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

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

7. possesses the documents, specified in the Regulation for implementation of the law – in the cases of succession under art. 10.

Art. 72. (1) A person, registered under this law, 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 three 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.

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 deliveries, for which the person has the right to tax credit deduction, as well as regarding deliveries or activities, for which the person does not have such right.

(2) The amount of the partial tax credit shall be assessed by multiplying the sum of the tax credit to a ratio, calculated within accuracy to the second symbol after the decimal point, obtained as a relation between the turnover, referring to the deliveries, for which the person has the right to tax credit deduction, and the turnover, related to all deliveries or activities, carried out by the person.

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

1. the tax bases of the leviable deliveries, 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 leviable delivery;

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

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

5. (amend. – SG 108/06, in force from 01.01.2007) the tax base of the

deliveries 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 deliveries and activities of the person, shall include:

1. the turnover under par. 3;

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

3. the tax bases of the exempt deliveries carried out, except for the ones under art. 50, item 2;

4. the value of the deliveries and the activities out of the framework of the economical activity of the person;

5. the tax bases of the payments, received by the person prior to implementation of the deliveries 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.

Art. 73a. (new – SG 106/08, in force from 01.01.2009) (1) There shall be right of tax credit deduction in case of deliveries, the tax for which is exigible from the recipient, even if the supplier of the goods in question has not provided a document meeting the requirements of Art. 114, and/or if the recipient does not have a document as per Art. 71, items 2, 4 and 5, and/or the recipient has not observed the requirements of Art. 72, provided that the delivery 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.

Art. 74. (1) Person, registered under art. 96, 97, 98, art. 100, par. 1 and 3, art. 102 or art. 132, shall be entitled to deduct tax credit for the purchased or acquired in another way or imported assets within the meaning of the Accountancy law prior to

the date of his/her registration under this law, 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, regarding which the following conditions are simultaneously present:

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

2. the provider is a person, registered under this law by the date of issuing the tax document and the delivery has been leviable by this date;

3. the registration list according to a form of the available assets has been prepared by the date of the registration under this law and has been submitted not later than seven days since the date of registration;

4. 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 law.

(3) The person, registered under par. 1 shall have right of tax credit deduction also for the services, received before the date of his/her registration under this law, 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 not earlier than one month prior to the registration of the person under the Commercial law;

3. the person has submitted an application for registration under this law 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 provider of the service is a person, registered under the law by the date of issuing the tax document and the delivery was leviable by this date;

6. the registration list according to a form for received services has been prepared by the date of registration under this law and has been submitted not later than seven days from the date of registration;

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

(2) The right under par. 1 shall be exercised in the tax period during which it has arisen or in one of the following three tax periods, provided that the available assets, services received and the tax, included in the registration list under art. 74, shall be indicated in the purchase record for the relevant tax period.

(3) The right of tax credit deduction under art. 74 shall not arise and may not be exercised by the registered person, if the registration list has been submitted after the seventh day from the date of registration.

Art. 76. (1) The registered person shall be entitled to deduct the charged tax at his/her deregistration under this law 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 law the available assets

within the meaning of the Accountancy law have been levied at the deregistration under art. 111, par. 1, item 1;

2. the charged tax at the deregistration has been effectively or deducted by the revenue body;

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

4. the registration list according to a form for the assets under item 1 is compiled by the date of the repeated registration and is submitted not later than 7 days from the date of registration;

5. 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 law.

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

(2) The right of deduction under par. 1 shall be exercised in the tax period, during which it has emerged or in one of the following three periods, provided that the available assets and the tax included in the registration list under art. 76 shall be indicated in the purchase record for the relevant tax period.

(3) The right of tax credit deduction under art. 76 shall arise and may not be exercised by the registered person, if the registration list is submitted after the seventh day of his/her repeated registration under this law.

Art. 78 (1) The registered person shall correct the amount of the used tax credit at amendment of the tax base or at cancellation of the delivery, as well as in case of change of the type of the delivery.

(2) The correction shall be carried out in the tax period, during which the circumstances under par. 1 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.

Art. 79. (1) A registered person, who has deducted completely or partially tax credit for manufactured, purchased, acquired or imported by him/her goods or services and subsequently uses them for implementation of exempt deliveries or for deliveries or activities, for which right of tax credit deduction is not available, shall owe a tax in amount of the tax credit used.

(2) A registered person, who has deducted completely or partially tax credit for manufactured, purchased, acquired or imported by him/her goods or services and subsequently uses them both for implementation of deliveries, for which there is right of tax credit deduction, and for implementation of exempt deliveries or for deliveries or activities, for which right of tax credit deduction is not available, and the person may not define what part of the goods or the services are used for deliveries with right of tax credit and for deliveries without right of tax credit, shall owe a tax, determined by the order of par. 7.

(3) (suppl. – SG 113/07, in force from 01.01.2008) A registered person, who has deducted completely or partially tax credit for manufactured, purchased, acquired or imported by him/her goods or services, at destruction, ascertainment of shortages or in case of discarding the goods, as well as at change of their purpose, for which there is no more right to deduct tax credit, shall charge and owe tax in extent of the deducted tax credit.

(4) The correction under par. 1 and 3 shall be implemented in the tax period, during which the relevant circumstances have occurred, by compiling a protocol for the correction carried out and indicating this protocol in the sales record and the reference-declaration for this tax period.

(5) The correction under par. 2 shall be implemented in the last tax period of the year, during which the circumstances under par. 2 occur.

(6) Regardless of par. 1 and 3, for the goods or the services, which are fixed long-term assets within the meaning of the Law for the corporate income tax levying, the person shall owe tax in extent, determined by means of the following formula:

1. regarding real estate:

$$TD = UTC \times \frac{1}{20} \times NY,$$ where:

TD is the tax due;

UTC - the amount of the used tax credit;

NY - the number of the years from occurrence of the circumstances under par. 1 and 3, including the year of occurrence of the circumstances, till the expiry of the 20-years term, considered from the year of exercising the right of tax credit inclusive;

2. regarding all the rest goods or services:

$$TD = UTC \times \frac{1}{5} \times NY,$$ where:

TD is the tax due;

UTC - the amount of the used tax credit;

NY - the number of the years from occurrence of the circumstances under par. 1 or 3, including the year of occurrence of the circumstances, till the expiry of the 5-years term, considered from the year of exercising the right of tax credit inclusive;

(7) In the cases under par. 2 the person shall owe tax, assessed by means of the following formula:

1. regarding real estate:

$$TD = UTC \times \frac{1}{20} \times NY \ (1\text{-}K),$$ where:

TD is the tax due;

UTC - the amount of the used tax credit;

NY - the number of the years from occurrence of the circumstances under par. 2, including the year of occurrence of the circumstances, till the expiry of the 20-years term, considered from the year of exercising the right of tax credit inclusive;

K – the ratio under art. 73, calculated on the base of the turnovers for the year, during which the circumstances under par. 2 have occurred;

2. regarding all the rest goods or services:

$$TD = UTC \times \frac{1}{5} \times NY \ (1\text{-}K),$$ where:

TD is the tax due;

UTC - the amount of the used tax credit;

NY - the number of the years from occurrence of the circumstances under par. 2, including the year of occurrence of the circumstances, till the expiry of the 5-years term, considered from the year of exercising the right of tax credit inclusive;

K – the ratio under art. 73, calculated on the base of the turnovers for the year, during which the circumstances under par. 2 have occurred.

(8) A registered person, who has deducted partially the tax credit for manufactured, purchased, acquired or imported by him/her goods or services, and subsequently uses them only for carrying out leviable deliveries under art. 69, shall be entitled to correct (increase) the amount of the used partial tax credit by procedure and in extent, determined by the Regulation for implementation of the law.

(9) The corrections under par. 1 – 8 shall be carried out once.

(10) (New – SG 108/06, in force from 01.01.2007) Registered person, who has deducted entirely or partially tax credit for produced, purchased, acquired or imported by him/her goods and subsequently carries out with these goods inter-community delivery, shall owe a tax in amount of the tax credit used.

(11) (New – SG 108/06, in force from 01.01.2007) The correction as per para 10 shall be made in the tax period, during which the tax for inter-community delivery free of charge has become exigible, by way of drawing up a protocol and indicating it in the sales record regarding the said tax period.

Art. 80. (1) (suppl. – SG 108/07, in force from 19.12.2007) Corrections under art. 79, par. 1 - 7 shall not be carried out:

1. if the goods or the services have been used for deliveries under art. 70, par.

3, as well as in the cases under art. 10;

2. if the tax regime of the deliveries, for which the registered person uses the goods or the services, is changed by a law;

3. for goods or services, if 5 years have passed from the beginning of the year, during which the right of tax credit deduction has been exercised, and for real estate – 20 years.

(2) Corrections under art. 79, par. 3 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 Law on Excises and Tax Warehouses;

2. destruction, shortages or discard, caused by breakdowns or accidents, for which the person can prove that they have not occurred by his/her fault;

3. 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 the approved standards, normals and other normative acts;

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. discard of long term material assets within the meaning of Accountancy law,, if their balance value is lower than 10 percent of their accounted value.

(3) (New – SG 108/06, in force from 01.01.2007) In the cases of corrections as per Art. 79, para 10 the person shall owe the full amount of the tax credit used, regardless of the term under para 1, item 3.

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. persons, who are not settled on the territory of the Community, however, they are registered for the purposes of VAT in another state – on reciprocal principle;

3. tax non-liable natural persons, who are not settled on the territory of the Community, 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

Art. 82. (1) (amend. – SG 108/06, in force from 01.01.2007) The tax shall be exigible from the person, registered under this law – a provider under a leviable delivery, except for the cases under par. 4 and 5.

(2) (amend. – SG 108/06, in force from 01.01.2007) If the provider is not a person, registered under the law and is not settled on the territory of the state, the tax shall be exigible from the recipient under the delivery at:

1. delivery of natural gas via pipelines or of electric power – in case the recipient is a person, registered under this law;

2. (amend. – SG 106/08, in force from 01.01.2009) deliveries of services, indicated in art. 21, para 2, item 1 and para 3 - in case the recipient is a tax liable person;

3. deliveries of services under art. 22, 23 and 24 - in case the recipient is a person, registered under this law and the provider is settled on the territory of another Member State;

4. deliveries of goods, which are being mounted or installed by the provider or at his/her expense - in case the recipient is a person, registered under this law and the provider is settled on the territory of another Member State.

(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 law, 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 law, in the cases referred to in Art. 163a, regardless whether the provider is a tax liable person or tax non-liable person under the law.

Art. 83. (1) The tax at import under art. 16 shall be exigible from the importer.

(2) When according to the customs legislation, two and/or more persons are jointly liable for payment of custom duties these persons shall also be jointly liable for payment of the tax due.

Art. 84. The tax at inter-community acquisitions shall be exigible from the person, who implements the acquisition.

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.

Art. 86. (1) A registered person, for who 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 law – for the tax period, during which the tax has become exigible.

(3) Tax shall not be charged at carrying out exempt delivery, exempt inter-community acquisition, as well as at delivery, 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.

Art. 87. (1) Tax period within the meaning of this law 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) The first tax period after the date of the registration shall include the time from the date of the registration to the last day, inclusive of the calendar month, during which the registration under this law has been implemented, except in the cases under chapter eighteen.

(4) The last tax period shall include the time from the beginning of the tax period to the date of the deregistration inclusive.

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) The registered person shall solely determine the result for each tax period – a tax for depositing in the Republican budget or reimbursement tax from the Republican budget.

Art. 89. (1) When result for the period is available - tax for depositing, the registered person shall be obliged to pay the tax in the Republican budget to account of the competent territorial directorate of the National Revenue Agency within the term for submission of reference-declaration for this tax period.

(2) The tax shall be considered deposited on the date on which the sum has entered the respective account under par. 1.

Art. 90. (1) In the cases under art. 16 the importer of goods shall import effectively the tax charged by the customs bodies in the Republican 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 law, 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)

Art. 91. (1) In the event of inter-community acquisition of new vehicle under art. 13, par. 2 by non-registered person under this law 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 inter-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) In the event of receipt of services under art. 21, para 2, item 1 and para 3, if the provider is not settled on the territory of the state and the recipient is a tax liable person, not registered under this law, the tax shall be deposited by the recipient within 14-days term from the expiry of the month, during which the tax has become exigible.

(4) The tax under par. 1, 2 and 3 shall be deposited in the Republican 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.

Art. 92. (1) The reimbursement tax under art. 88, par. 3 shall be offset, deducted or restored, as follows:

1. in case other exigible and unpaid tax liabilities and obligations for insurance instalments, collected by the National Revenue Agency, are present which have occurred prior to the date of submitting 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. 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 three 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. 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 other exigible and unpaid tax liabilities or obligations for insuring instalments collected by

the National Revenue Agency, or shall restore it in 45-days term from the submission of the last reference-declaration;

5. 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 three tax periods, any other reimbursement tax under a reference-declaration for some of these three 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. if the conditions under item 5 are not present, with regards to the next reimbursement tax under reference-declaration shall start new three successive tax periods of deduction following the period, in which this tax is indicated.

(2) The revenue body shall not be entitled to carry out offset of other exigible and unpaid tax liabilities and obligations for insuring instalments, collected by the National Revenue Agency, from the reimbursement tax, indicated in the reference-declarations for the three tax periods of the deduction procedure under par. 1.

(3) (amend. – SG 108/07, in force from 19.12.2007) Regardless of par. 1 the reimbursement tax under art. 88, par. 3 shall be restored in 30-days term from submission of the reference-declaration, if during the last 12 months prior to the current month the person has carried out leviable deliveries with zero rate and deliveries under Art. 22, 23 and Art. 24, par. 3 with an effective place in the territory of another Member State, by which the consignee is a person, VAT registered in another Member State at total value of more than 30 percent of the total value of all leviable deliveries and deliveries under Art. 22, 23 and Art. 24, par. 3 with an effective place in the territory of another Member State, by which the consignee is a person, VAT registered in another Member State carried out by him/her during the same period.

(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) If in the cases under par. 3 and 4 there are exigible and unpaid tax liabilities and obligations for insuring instalments, collected by the National Revenue Agency, which have arisen by the date of submission of the reference-declaration, the revenue body shall perform offset and reimbursement of the surplus, in case there is such, within the same terms.

(6) The revenue body shall carry out the offset under par. 1 – 5 in the following sequence: value added tax, other taxes, collected by the National Revenue Agency, obligatory insuring instalments to the funds of the state public insuring, for additional obligatory public insuring, for the National Health Insurance Fund and for fund "Secured receivables of the workers and employees".

(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) Regardless the provisions of par. 1, item 4 and par. 3 – 6, 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 4 months, and in

cases of Art. 114, par. 3 of the Code of Tax Insurance Procedure – not less than 8 months.

(9) (new – SG 108/07, in force from 19.12.2007) The tax shall be reimbursable and/or deductible up to the amount of the collateral of par. 8 within three days after its allocation.

(10) (prev. par. 8, amend. – SG 108/07, in force from 19.12.2007) 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 law, shall be reimbursed along with the lawful interest for delay, considered from the date, on which it would have been restored according to this law, until its final payment, regardless of the suspending and resuming the terms under the tax legislation.

Art. 93. (1) The terms fro 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 law and shall be resumed at starting keeping such;

2. at lack or not presenting documents, which are compulsory under this law, 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 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

Art. 94. (1) The National Revenue Agency shall create and maintain special register under this law, 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 identification number for the purposes of VAT, in front of which shall be placed the sign "BG".

(3) The registration under this law is compulsory and voluntary.

Art. 95. (1) Subject to registration under this law shall be every tax liable person, settled on the territory of the state who carries out leviable deliveries of goods or services under art. 12.

(2) Subject to registration under this law shall also be any tax liable person, who is not settled on the territory of the state, and carries out leviable deliveries of goods or services under art. 12, different from the ones, regarding which the tax is exigible from the recipient.

Art. 96. (1) Any tax liable person, which has leviable turnover of 50 000 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 law within 14-days term from the expiry of the tax period, during which he/she has reached this turnover.

(2) The leviable turnover shall be the sum of the tax bases of the carried out by the person:

1. leviable deliveries, including the ones, leviable with zero rate;
2. deliveries of financial services under art 46;
3. deliveries of insurance services under art. 47.

(3) (amend. – SG 108/06, in force from 01.01.2007) The deliveries 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 deliveries of long-term material and non-material assets, used in the person's activity, as well as the deliveries, regarding which the tax is exigible from the recipient under art. 82, paras 2 and 3.

(4) In the leviable turnover also shall not be included advance payments with regards to deliveries under par. 2, except for the advance payments received prior to occurrence of the tax event under art. 51, par. 1.

(5) The obligation for registration 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 par. 1.

(6) At assessment of the leviable turnover shall be taken into account the tax regime of the deliveries by the date of arising of the tax event or by the date of the payment, before the tax event regarding the delivery has occurred.

(7) Paragraph 1 shall not be applied to persons, for whom the following circumstances are simultaneously present:

1. they carry out services via electronic way with recipients – tax non-liable persons, who are settled or have permanent address or customary reside on the

territory of the state;

2. they are not settled on the territory of the Community;

3. they are registered for the purposes of VAT regarding their activity under item 1 in another Member State.

(8) (suppl. – SG 108/07, in force from 19.12.2007) Regardless of par. 1, may not be registered 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.

Art. 97. (1) Regardless of the leviable turnover under art. 96, subject to registration under this law shall be any person, settled in another Member State, who is not settled on the territory of the state and carries out leviable deliveries 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 delivery under par. 1.

(3) Par. 1 shall not be applied, in case the recipient under the delivery is a person, registered under this law.

Art. 98. (1) Subject to registration under this law shall be any tax liable person, who carries out delivery of goods, having place of performance on the territory of the state according to art. 20 under the conditions of remote sale under art. 14.

(2) For the persons under par. 1 an obligation for submitting application for registration shall arise within 7 days prior to the date of occurrence of the tax event regarding the delivery, with which the total value of the remote sales during the current year exceeds the sum under art. 20, par. 2, item 2. The delivery under sentence one shall be subject to levying with a tax under this law.

(3) In case the place of performance of the delivery under art. 20, par. 4 is on the territory of the state, the persons under par. 1 shall submit application for registration within 7 days prior to the date of occurrence of the tax event regarding the delivery or from receiving the payment in advance.

Art. 99. (1) Subject to registration under this law shall be every tax non-liable legal person and tax liable person, who is not registered on the grounds of art. 96, 97, 98, art. 100, par. 3 and 3 and art. 102, who carries out inter-community acquisition of goods.

(2) Paragraph 1 shall not be applied, in case the total value of the inter-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 law within 7 days prior to the date of occurrence of the tax event regarding the acquisition, with which the total value of the leviable inter-community acquisitions exceeds 20 000 BGN. The inter-community acquisition,

with which the indicated threshold is exceeded, shall be subject to levying with tax under this law.

(4) The value under par. 2 shall be the total amount of the leviable inter-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) A person, who is registered on the grounds of this Art. and for whom arise grounds of compulsory registration under art. 96, 97 and 98 or of voluntary registration under art. 100, par. 1 and 3, shall be registered by the order and within the terms for compulsory registration or for 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 law.

(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 law for inter-community acquisition.

(3) Regardless of the sum under art. 20, par. 2, item 2, any tax liable person may register under this law, in case the tax administration of the Member State, where he/she is registered for the purposes of VAT, is notified that the latter wishes the remote sales, carried out by him/her, to have a place of performance on the territory of the state.

(4) (suppl. – SG 108/07, in force from 19.12.2007) Regardless of par. 1 and 3, may not be registered a person, with respect to whom the revenue administration has terminated or refused registration under this law 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.

Art. 101. (1) The registration shall be carried out by submission of an application for registration according to a form 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, who has powers of a representative by a law, in case 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 item 1, 2, 3 and 4 via notary certified letter of attorney.

(3) The application may be submitted via electronic way by the order of the

Tax-insurance procedure code.

(4) 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 law.

(5) (suppl. – SG 108/07, in force from 19.12.2007) In 7-days term from submission of the application the revenue body shall implement a check of the ground for registration. When the body in charge of revenues has requested the collateral of Art. 176a, the term for accomplishment of the inspection shall be 30 days as from the date of submission of the application for registration.

(6) In 7-days term from conclusion of the check under par. 5 the revenue body shall issue an act, with which carries out or refuses to carry out the registration.

(7) Regardless of par. 5 and 6 the registration under art. 97, 98 and 99 shall be carried out by the revenue body in three days term from submitting the application for registration.

Art. 102. (1) In case a revenue body finds out that a person has not fulfilled his/her obligation for submitting an application for registration within the fixed term, it shall register him/her by issuing a registration act, if the conditions for registration are available.

(2) In the act under par. 1 shall be indicated the ground and the date, on which the obligation for registration has arisen.

(3) In order to be assessed the tax obligations of a person in the cases when he/she has been obliged, however, has not submitted an application for registration within the fixed term, it shall be deemed that the person owes tax for the leviable deliveries and the inter-community acquisitions, carried out by him/her:

1. for the period from the expiry of the term for submitting application for registration to the date on which he/she is registered by the revenue body;

2. for the period from the expiry of the term for submitting application for registration to the date on which the grounds for registration have dropped out.

(4) The obligations under par. 3 shall be determined by an inspection certificate by the order of the Tax-insurance procedure code.

Art. 103. (1) As a date of registration under this law shall be considered the date of the handing over the registration act.

(2) By the date of registration the person shall compile a registration list according to a form for the assets within the meaning of the Accountancy law and for the services, regarding which the person is entitled to deduct a tax credit under art. 74 or 76, and shall submit it not later than 7 days from the date of registration.

Art. 104. (1) Simultaneously with the handing over the registration act, the registered person shall be given a certificate for registration, protected by plastic foil, according to a form, determined by the regulation for implementation of the law.

(2) Upon a written request by the registered person the revenue body shall issue more than one certificate.

(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 law abroad, according to a form, determined by the regulation for implementation of the law.

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 (DEREGISTRATION)

Art. 106. (1) Termination of the registration (deregistration) under this law is a procedure, on the grounds of which after the date of the registration the person shall not be entitled to charge a tax and to deduct tax credit, except in the cases, when this law stipulates otherwise.

(2) The registration shall be terminated:

1. on the initiative of the registered person, in case there is a ground for deregistration – compulsory or voluntary;

2. on the initiative of the revenue body, in the event that:

a) he/she has established a ground for compulsory deregistration;

b) a circumstance under art. 176 is present.

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) the deletion of a sole trader from the trade register, unless 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;

4. the termination of the person in the cases of:

a) termination of legal person – trader, with or without liquidation;

b) termination of the co-operation;

c) termination of legal person, which is not a trader;

d) termination of the unregistered partnership or the insuring fund.

Art. 108. (1) Grounds for voluntary deregistration shall occur:

1. regarding a person, registered on the grounds of art. 96, 97, 98, par. 3 or art. 100, par. 1, in case the relevant ground of compulsory registration drops out;

2. regarding a person, registered on the grounds of art. 98, par. 2 or art. 100,

par. 3, in case:

a) for each of the two calendar years prior to the current one the sum of the tax bases of the deliveries, carried out under the conditions of remote sale on the territory of the state (not including the deliveries of excise goods), does not exceed 70 000 BGN, and

b) by the date of submitting the application for deregistration there is no ground for compulsory registration;

3. regarding a person, registered on the grounds of art. 99 and art. 100, par. 2, in case:

a) for the precedent calendar year the sum of the tax bases of the inter-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.

(2) 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 24 months, considered from the beginning of the calendar tear, following the year of the registration under this law.

Art. 109. (1) In the cases of art. 107, item 3 and 4 the person shall submit application for deregistration at the competent territorial directorate of the National Revenue Agency in 14-days term from occurrence of the respective circumstance under art. 107.

(2) In the cases of art. 108, par. 1 the registered person shall choose by himself/herself when to submit an application for deregistration before the competent territorial directorate of the National Revenue Agency.

(3) The application under par. 1 and 2 shall contain the ground for the deregistration. 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 deregistration.

(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 deregistration 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) In cases of par. 2 the date of deregistration shall be deemed the date of handing over of the act of par. 5 of deregistration.

Art. 110. (1) The registration shall be terminated on the initiative of the revenue body by issuing a deregistration act, in case:

1. there is a ground under art. 107, item 1 and 2 for compulsory registration;

2. he/she establishes that the person has not fulfilled his/her obligation for submitting an application for deregistration 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) In the cases under par. 1, item 1 and 2 the deregistration 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 deregistration act shall be deemed the date of deregistration.

Art. 111. (1) (suppl. – SG 108/07, in force from 19.12.2007) By the date of the deregistration it is considered that the person carries out delivery within the meaning of the law of all available goods and/or services, for which he/she has used entirely or partially tax credit and which are:

1. assets within the meaning of the Accountancy law, or

2. assets within the meaning of the Law for the corporate income tax levying, other than the ones under item 1.

(2) Paragraph 1 shall not apply:

1. at deregistration because of death of a natural person, who is not a sole trader;

2. (suppl. – SG 106/08, in force from 01.01.2009) in case of death of a person, registered under this law – a sole trader, if the enterprise of the person is acquired as inheritance or legacy by a person, who is registered under this law, or registers within 6-months term from the date of the death – only with respect to the goods and services, available by 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 law 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.

(3) The tax under par. 1 shall be included in the result of the last tax period.

(4) In the event that by the date of deregistration the person is in procedure of deduction by the order of par. 92, it shall be considered that by this date the three one-month periods have expired.

Chapter eleven. DOCUMENTATION OF THE DELIVERIES

Art. 112. (1) Tax document within the meaning of this law 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.

Art. 113. (1) Any tax liable person – provider, shall issue an invoice for the delivery of good or service, carried out by him/her either at receiving payment in advance, or before that, except in the cases when the delivery is documented by a protocol under art. 117.

(2) The invoice shall be issued in two copies at least – for the provider and for the recipient.

(3) Invoice may not be issued:

1. for deliveries, with respect to which the recipient is a tax non-liable natural person;

2. for deliveries of financial services under art. 46;

3. for deliveries of insurance services under art. 47;

4. for sales of airplane tickets;

5. in case of free of charge deliveries;

6. for deliveries of services under chapter eighteen;

7. (New – SG 108/06, in force from 01.01.2007) for deliveries, carried out by non-registered natural persons under the law, other than sole traders, where regarding the deliveries, 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 Law for the Taxes on the Income of Natural Persons is issued, or

c) the issue of a document is not obligatory according to the Law for the Taxes on the Income of Natural Persons.

(4) The invoice shall be issued within 5 days from the date of occurrence of the tax event regarding the delivery, 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 inter-community delivery, 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) The provider may authorise in writing another person to issue invoices on his/her behalf.

(8) Invoice shall not be issued in the cases under art. 131, par. 1.

(9) The tax liable persons, who are not registered under this law or are registered on the ground of art. 99 and art. 100, par. 2, shall not be entitled to point out the tax in the invoices, issued by them.

(10) In the event that a registered person carries out leviable delivery, for which he/she has received an advance payment prior to the date of registration under this law, the person shall issue invoice, which he/she shall point out the whole tax base of the delivery.

Art. 114. (1) The invoice shall obligatorily contain:

1. name of the document;

2. successive ten digit number, containing Arabic figures only, based on one

ore 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 law;

6. (amend. – SG 106/08, in force from 01.01.2009) first name and surname of the compiler;

7. name and address of the recipient of the delivery;

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 law, 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 state, where the recipient is settled;

9. the quantity and the type of the good, the type of the service;

10. the date, on which the tax event regarding the delivery has occurred, or the date, on which the payment is received;

11. the single price without the tax and the tax base of the delivery, 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 good as new vehicle – in the event of inter-community delivery of new transport vehicles.

(2) Where a person carries out remote sale of goods, being registered for the purposes of VAT in another Member State and the place of performance of the delivery under the terms of remote sale is on the territory of another Member State, in the invoice obligatorily shall be pointed out not only the requisites under par. 1, but also:

1. the identification number of the person for the purposes of VAT, issued by the other Member State;

2. the tax rate, applicable to the delivery in the other Member State;

3. the amount of the tax due with respect to the delivery.

(3) In case a registered person – intermediary in a three partite operation documents a delivery 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. 28c(E)(3) 77/388/EEC".

(4) 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 in the invoice shall be pointed out explicitly that the tax is exigible from the recipient, 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) The invoices issued may be sent on paper carrier or via electronic way. The invoices received via electronic way shall be accepted in case the recipient has confirmed their receipt, provided that the authenticity of the origin and the integrity of the contents are guaranteed by:

1. improved electronic signature within the meaning of the Law for the Electronic Document and Electronic Signature, or

2. by electronic data inetrchange, or

3. in another way ensuring the authenticity of their origin and the entity of the contents.

Art. 115. (1) In the event of change of the tax base of the delivery or at cancellation of a delivery, for which an invoice is issued, the provider shall be obliged to issue a notification to the invoice.

(2) The notification shall obligatorily be issued not later than 5 days from occurrence of the respective circumstance under par. 1.

(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 deliveries – 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 delivery under art. 6, par. 2, item 3 and the sum, retained on the basis of the contract, without the tax under this law.

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 regulation for implementation of the law.

Art. 117. (1) A protocol shall obligatorily be issued:

1. (amend. – SG 108/06, in force from 01.01.2007) in the cases under art. 82, par. 2, 3, 4 and 5 and art. 84 – by the registered person – recipient with respect to the delivery;

2. in the cases under art. 57 – by the registered person – importer;

3. in the cases of deliveries 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 delivery, in case the provider is a tax liable person, not registered under the law.

(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 good or the type of the service;

4. the date of occurrence of the tax event regarding the delivery;

5. the tax base;

6. the tax rate;

7. the ground for charging the tax by the person under par. 1;

8. the amount of the tax.

(3) (amend. – SG 108/07, in force from 19.12.2007) The protocol shall be issued not later than 15 days from the date, on which the tax has become exigible.

(4) In case of change of the tax base of the delivery or at the cancellation of the delivery, 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 delivery;

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.

Art. 118. (1) Every person, registered and non-registered under this law shall be obliged to register and account the deliveries/sales, carried out by him/her at a commercial site by issue of fiscal cash slip from a fiscal device, regardless whether another tax document has been requested, and the recipient is obliged to receive the fiscal cash slip and to preserve it till leaving the site.

(2) The fiscal cash slip (fiscal receipt) is a paper document, which registers

delivery/sale of good or service at a commercial site, at which it is paid in cash, by cheque, voucher, by bank credit or debit card or with other payment instruments, substituting money, issued by put into operation fiscal device of approved type, for which a certificate for registration is verified. The fiscal cash slip (fiscal receipt) shall also be the cash slip (system receipt), issued by an approved for the respective commercial site integrated automatic system of management of the commercial activity.

(3) The applying of this Art., as well as the terms, the order and the manner of approving the type, putting into/taking out of/ operation, registration, accounting and servicing, the expert examinations and the control of the fiscal devices (electronic cash devices with fiscal memory, fiscal printers and electronic systems with fiscal memory for sales of liquid fuels), the technical and the functional requirements to them, the order and the manner of issuing fiscal cash slips, as well as the minimum requisites for the fiscal cash slips shall be determined by an ordinance of the Minister of Finance.

(4) At operation of fiscal device the persons under par. 1 shall conclude written contract for technical servicing and repair with service companies, which are registered by the State agency for metrological and technical supervision. The technical servicing during the guarantee period shall be free of charge within the frames of the guarantees, assumed by the producer.

Art. 119. (1) Regarding the deliveries, for which the issue of an invoice or a protocol is not compulsory, the provider – a person, registered under this law, shall compile an account of the sales carried out, which shall contain generalised information on these deliveries 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 regulation for implementation of the law.

Art. 120. (1) With respect to every type of delivery, to which the special levying procedure under chapters sixteen, seventeen and nineteen is applicable, the provider – a person, registered under this law, 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 good for each concrete delivery or the type of service;

2. the date, on which the tax event regarding the delivery has occurred;

3. a description of the invoices issued for the delivery, 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) For the services carried out under chapter eighteen the person, registered under art. 152, shall create an electronic register, containing at least the following information regarding each individual delivery:

1. name, address and electronic address of the client;
2. quantity and type of the delivery, carried out by electronic means;
3. the date, on which the tax event regarding the delivery has occurred;
4. number and date of the issued invoice for the delivery;
5. the tax base;
6. the tax rate applicable;
7. the amount of the tax;
8. way of payment.

(4) (New – SG 108/06, in force from 01.01.2007) Regarding deliveries 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 law, 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 delivery;
2. the date, on which the tax has become exigible;
3. the purchase price – regarding each delivery;
4. the tax rate;
5. the amount of the tax.

(5) (New – SG 108/06, in force from 01.01.2007) The account or the sales carried out as per para 1 shall be compiled no later than the last day of the tax period.

Chapter twelve. OTHER OBLIGATIONS

Art. 121 (1) 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.

(2) The authenticity of the origin and integrity of the tax documents' contents, as well as their legibility shall be guaranteed throughout the whole period of keeping.

(3) 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 123, par. 2 and 3, as well as with respect to the customs declarations.

Art. 122. In the event that tax liable person keeps invoices, issued or received by him/her via electronic way, and the place of their keeping is in another Member State, the person shall be obliged to provide electronic access to the stored data to the competent revenue bodies. The revenue bodies shall be entitled to draw and use the invoices kept in that manner for the purposes of supervision.

Art. 123. (1) Any registered person shall keep detailed accountancy, sufficient for establishing his/her obligations under this law 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 law.

Chapter thirteen. DECLARING AND ACCOUNTING

Art. 124. (1) The persons, registered under this law shall keep the following registers:

1. purchase record;

2. sales record.

(2) (amend. – SG 108/06, in force from 01.01.2007) 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.

(3) (amend. – SG 108/06, in force from 01.01.2007) Regardless of par. 2, the tax documents issued with regards to inter-community delivery, including for received payment, shall be reflected in the sales record for the tax period, during which the tax for the delivery has become exigible according to art. 51.

(4) (suppl. – SG 108/06, in force from 01.01.2007) The registered person shall be obliged to reflect the tax documents received by him/her in the purchase record no later than by the third tax period, following the tax period, during which they are issued, however, not later than the last tax period under Art. 72, para 1.

(5) 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.

(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 regulation for implementation of the law.

(7) (New – SG 108/06, in force from 01.01.2007) The registered persons, who have carried out inter-community deliveries 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 deliveries carried out in a register for the inter-community deliveries 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 Regulations for Implementation of the Law.

Art. 125. (1) Regarding every tax period the registered person shall submit a

reference declaration, drawn up on the basis of the accounting registers under art. 124, except for the cases under art. 157.

(2) The registered person, who has carried out inter-community deliveries or deliveries as a intermediary in a three-party operation during the tax period, along with the reference-declaration under par. 1 shall also submit a VIES-declaration regarding these deliveries for the respective tax period.

(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 deliveries 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) The VIES-declaration under par. 2 and the accounting registers under par. 3 may also be submitted on magnetic or optic carrier.

(7) The declarations under par. 1 and 2 and the accounting registers under par. 3 may also be submitted via electronic way under the conditions and following the procedure of the Tax-insurance procedure code. In case the reference-declaration and the accounting registers are submitted via electronic way, par. 6 shall not apply.

(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 law.

(9) (New – SG 108/06, in force from 01.01.2007) The register referred to in Art. 124, para 7 shall be submitted on a magnetic or optic carrier by the 14th date of the month, following the calendar quarter, to which it refers.

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.

Part seven. SPECIFIC CASES

Chapter fourteen. SPECIFIC CASES OF DELIVERIES

Art. 127. (1) In case the tax liable person (commissioner/trustee) provides goods or services on his/her behalf and at another's expense it shall be assumed that the person has received and provided the goods or the services.

(2) In the cases under par. 1 three deliveries are present:

1. delivery between the commissioner/trustee and the third party, for which the date of occurrence of the tax event and the tax base of the delivery are determined according to the general provisions of this law;

2. delivery between the commissionee/truster and the commissioner/trustee of the goods or the services – subject to the delivery under item 1; the tax base of this delivery shall be equal to the tax base of the delivery under item 1, and the date of occurrence of the tax event for this delivery shall be determined by general provisions of this law, however it may not be later than the date of occurrence of the tax event under item 1;

3. delivery of service between the commissioner/trustee and the commissionee/truster; the tax base of this delivery shall be the remuneration of the commissioner/trustee, which also includes the compensation for the expenses made by the latter in relation to the delivery, in case it is agreed so; the date of occurrence of the tax event for this delivery shall be determined by general provisions of this law.

(3) In case the commissioner/trustee is a person, who is not registered under this law, at assessment of the tax base for the delivery under par. 2, item 2 shall be considered that the contracted price of the delivery under par. 2, item 1 includes the tax.

(4) In case the tax base of the delivery under art. 6, par. 2, item 4 differentiates from the tax base under par. 2, item 1, on the date of occurrence of the tax event of the delivery under par. 2, item 1 shall occur grounds for change of the tax base of the delivery under art. 6, par. 2, item 4.

Art. 128. (1) In case the main delivery is accompanied by another delivery and the payment is determined jointly it shall be accepted that there is one main delivery.

Art. 129. (1) Shall not be deemed as a delivery the provision of goods by provider or a person, authorised by him/her in order to be replaced or removed any emerged defects under the terms of the contracted guarantee services, implemented at the expense of the producer.

(2) Shall not be deemed as a delivery the provision of services with respect to removing emerged defects under the terms of the contracted guarantee services, in case the following conditions are simultaneously present:

1. the service is carried out by a person, authorised thereof by the producer;

2. the producer is not settled on the territory of the state;

3. the guarantee servicing is at the expense of the producer.

(3) Shall not be deemed as a delivery the provision of goods or services with respect to removing emerged defects by a provider, in the event that the removal of the

defects is at the expense of the latter in relation to retained sums under art. 26, par. 4, item 2.

Art. 130. (1) In case there is a delivery, regarding which the remuneration is determined in goods or services (entirely or partially), shall be deemed that two counter deliveries are present, each of the providers being considered as a seller of what he/she gives and a purchaser of what he/she acquires.

(2) (amend. – SG 106/08, in force from 01.01.2009) The tax event for the deliveries 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 delivery 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 delivery.

Art. 131. (1) 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 Law for the registered pledges or of art. 60 of the Law of the credit institutions and in the event that the debtor is a person, registered under this law, the public executor, the court executor or the pledge shall be obliged within 5 days since receiving the full price regarding the sale:

1. to remit the tax due under the sale to the bank account of the competent territorial directorate of the National Revenue Agency, where the debtor is registered under this law;

2. to prepare a document for the sale, determined by the regulation for implementation of the law, in three copies – for the public executor/the court executor/the pledge, for the debtor and for the recipient (buyer);

3. to present the document under item 2 to the debtor an the recipient within three days term from its issue;

4. to notify the competent territorial directorate of the National Revenue Agency, where the debtor is registered under this law, of the document issued under item 2 by order, determined by the regulation for implementation of the law.

(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 good of the latter is assigned for payment of his/her receivable.

(4) (amend. – SG 59/07, in force fro, 01.03.2008) In the cases under par. 3 the tax base of the delivery shall be the price of the good, determined by the order of art. 250, par. 3 or art. 254, par. 7 of the Tax-insurance procedure code, being considered that the tax is included in the price of the good.

(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 Regulation for application of the law.

Chapter fifteen. SPECIFIC CASES OF REGISTRATION AND DEREGISTRATION

Art. 132. (1) A person shall be obligatorily registered under this law, if on the grounds of art. 10, par. 1 he/she acquires goods and services from registered person.

(2) The registration under par. 1 shall be made by submitting application for registration in 14-days term since entering the circumstance under art. 10, par. 1 in the trade register.

(3) 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.

(4) In the cases of registration under par. 1 the registration list under art. 74, par. 2, item 3 for the available assets (except for those, received under art. 10) shall be compiled by the date of registration under par. 3 and shall be submitted till the 14-th day including after this date.

Art. 133. (1) Registration of foreign person who has permanent site on the territory of the state, from which he/she implements economic activity and who meets the requirements of this law 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 deliveries having place of performance on the territory of the state and meets the requirements of this law 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 law, the foreign person shall be obliged to determine new accredited representative in 14 days period considered from the occurrence of the new circumstances.

(5) Paragraphs 1-4 shall not be applied for foreign persons, providing services under chapter eighteen.

Art. 134. (1) The registration of foreign person registered pursuant to art. 133 shall be terminated if the general conditions for deregistration under this law are present.

(2) The deregistration under par. 1 shall be implemented by the procedure under art. 109.

(3) When the foreign person does not determine new accredited representative in the term under art. 133, par. 4, his/her registration shall be terminated by the initiative of the revenue body via issuing an act for deregistration.

(4) In the cases under par. 3 the act for deregistration shall not be handed over

to the person and the date of deregistration shall be the date, on which the term under art. 133, par. 4 expires.

(5) At deregistration under par. 1 and 3 it shall be assumed, that the foreign person implements delivery under art. 111.

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 state 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 law.

(3) The accredited representative shall be jointly and unlimitedly responsible for the liabilities under this law of the registered foreign person.

Part eight. SPECIAL PROCEDURE OF LEVYING

Chapter sixteen. TOURIST SERVICES

Art. 136. (1) In case a tour operator or a tourist agent provides on his/her behalf goods or services related to the journey of a tourist, for the implementation of which goods or services are used, that the tourist makes use of directly, it is considered, that a delivery of common tourist service is carried out.

(2) The goods and services under par. 1, from which the tourist makes use of directly, shall be those, which the tour operator or the tourist agent has received by other tax liable persons and has provided to the tourist without change.

Art. 137. Place of performance of delivery of common tourist service shall be the place, where the tour operator or the tourist agent has established his/her economic activity or has permanent site, from which implements the performance.

Art. 138. (1) Date of occurrence of the tax event regarding the delivery of common tourist service shall be the date, on which the tourist makes use of the delivery for the first time.

(2) The tax for the delivery of the common tourist service shall become exigible on the date of occurrence of the tax event under par. 1.

Art. 139. (1) The tax base of the delivery of common tourist service 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 or the tourist agent has received or will receive from the client or the third person for the delivery, including the subsidies

and funding, directly connected with this delivery, 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 deliveries of goods and services, received by the tour operator or the tourist agent from other tax liable persons, from which the tourist makes use of directly, including the tax under this law.

(2) the tax base under par. 1 may not be negative quantity.

Art. 140. (1) The delivery of common tourist service shall be charged with zero rate, if the deliveries of the goods and the services, from which the tourist makes use of directly, are with place of performance on the territory of third states and territories.

(2) When only part of the deliveries of the goods and the services under par. 1, from which the tourist makes use of directly, are with place of performance on the territory of third states and territories, leviable with zero rate shall only be their corresponding part of the delivery of the common tourist service.

Art. 141. The tour operator or the tourist agent shall not be entitled to deduct tax credit for the deliveries of goods and services, acquired from other tax liable persons, from which the tourist makes use of directly.

Art. 142. (1) The tax for the delivery of common tourist service shall be charged by issuing a protocol.

(2) The documentation and accounting of the delivery of common tourist service shall be carried out by order, specified with the regulation for implementation of the law.

Chapter seventeen. SPECIAL PROCEDURE FOR LEVYING THE MARGIN OF THE PRICE

Art. 143. (1) (suppl. – SG 108/06, in force from 01.01.2007) The provisions of this chapter shall be applied for delivery carried out by dealer, of second hand goods, works of art, collections articles, antique articles delivered on the territory of the state (including imported ones) or from the territory of another Member State by:

1. tax non-liable person;

2. another tax liable person as a subject of exempt delivery under art. 50;

3. another tax liable person, who is not registered under this law;

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 inter-community delivery of new vehicles.

(3) The dealers are also entitled to apply the provisions of this chapter with regards to the delivery 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 delivery 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 deliveries 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 regulation for implementation of the law.

Art. 144. (1) Place of performance of deliveries under art. 143 shall be the place, where the seat of business or the permanent address of the dealer, who carries out these deliveries, is located.

(2) The tax event of the deliveries under art. 143 shall occur according to the general provisions of this

law.

(3) The tax for deliveries under art. 143 shall become exigible on the last day of the tax period, during which the tax event for the delivery 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 Regulation for implementation of the law.

Art. 145. (1) The tax base of the delivery of good 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 delivery, including the subsidies and funding, directly connected with this delivery, 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 law, and when the good is imported – the tax base at import, including the tax under this law.

(2) the tax base under par. 1 cannot be negative value.

Art. 146. The delivery of good by the special procedure of levying the margin shall be leviable with zero rate, when the conditions under art. 28 are present for the

delivery.

Art. 147. (1) The dealer shall have right of tax credit for the other goods and services, acquired or imported by him/her, which he/she uses only for carrying out deliveries under this chapter.

(2) The tax credit generally used under par. 1 for the year may not exceed the total amount of the tax for deliveries under art. 143 charged by the dealer.

(3) When the tax credit used during the year exceeds the tax charged during the year, the person shall owe tax to the amount of the exceeding.

(4) The exceeding under par. 3 shall be declared in the reference-declaration for the last tax period for the year.

(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.

Art. 148. The documentation and accounting of the delivery of goods by the special procedure for levying the margin shall be implemented by procedure, determined by the regulation for implementation of the law.

Art. 149. The leviable turnover of the dealer regarding deliveries of goods by the special procedure for levying the margin shall be the sum of the margins.

Art. 150. (1) The deregistration of a dealer shall be implemented pursuant to the general conditions for deregistration under this law.

(2) At deregistration 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 deregistration.

(3) The procedure and the way for determining the average margin under par. 2 shall be specified in the regulation for the implementation of the law.

(4) At the deregistration the dealer shall be liable with tax under art. 111, except for the tax regarding the available goods under par. 2.

Art. 151. (1) The dealer may apply the general procedure for levying under the law with regards to the delivery 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 delivery, as into the issued invoice shall not be pointed, that the special procedure under this chapter is being applied.

(3) The tax base of the delivery shall be determined by the procedure of art. 26 and 27 and may not be lower than the tax base at acquiring the good or than the tax delivery at import.

(4) In the cases under par. 2 the right of tax credit for the goods received or imported by the person, for which the special procedure for levying the margin is not applied, shall occur and shall be exercised in the tax period, during which the tax for

the subsequent delivery of the goods has become exigible.

(5) The documentation of the deliveries 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 deliveries, he/she shall keep separate accounting of the deliveries, determined by the regulation for implementation of the law.

Chapter eighteen. LEVYING DELIVERIES OF SERVICES, MADE VIA ELECTRONIC WAY BY PERSONS, NOT SETTLED IN THE COMMUNITY

Art. 152. (1) Right to be registered under this chapter shall have the tax liable person, for whom the following circumstances are simultaneously present:

1. he/she carries out deliveries of services, made via electronic way, which shall be received by tax non-liable persons, who are established or have permanent address or usually reside in a Member State;

2. he/she is not established on the territory of the Community;

3. he/she is not obliged to get registered for the purposes of VAT on other grounds on the territory of the state or on the territory of another Member State.

(2) The right under par. 1 shall be exercised, as the person submits via electronic way application for registration to the territorial directorate of the National Revenue Agency – Sofia.

(3) With the application under par. 1 the person shall provide the following information:

1. name, postal address, e-mails, including web sites in internet;

2. national tax number, if there is any;

3. declaration, that he/she is not registered for VAT in other Member State.

(4) The person shall inform the territorial directorate under par. 2 through electronic way for all changes occurred in the information submitted under par. 3.

(5) In 7-days term since the receipt of the application the territorial directorate under par. 2 shall inform the person via electronic way for the registration, implemented by the procedure under this chapter, for the identification number under art. 94, par. 2 and for the registration date.

(6) For date of registration shall be considered the first day of the month, following the month of the notification under par. 5.

Art. 153. (1) The registration under art. 152 shall be terminated on the initiative of the person, when he/she:

1. terminates his/her activity under this chapter;

2. ceases to meet the requirements under art. 152, par. 1;

(2) For termination of the registration under par. 1 the person shall submit application for termination of the registration via electronic way to the territorial directorate under art. 152, par. 2.

(3) The registration under art. 152 may be terminated on the initiative of the revenue administration, when:

1. it is found that the activity of the person is terminated, or

2. the person does not meet the conditions under art. 152, par. 1, or

3. the person systematically does not observe the provisions of this chapter.

(4) In the cases under par. 3 the territorial directorate under art. 152, par. 2 shall notify the person, that the registration has been terminated, and shall indicate the date of termination of the registration.

(5) In the cases under par. 1 the registration shall be terminated on the date of submitting the application under par. 2.

(6) In the cases under par. 3 the registration shall be terminated on the date of the notification under par. 4.

Art. 154. The place of performance of deliveries of services, carried out via electronic way by the registered person under art. 152, shall be the Member State, where the recipient under art. 152, par. 1, item 1 is settled.

Art. 155. The tax base, the date of occurrence of the tax event and the exigibility of the tax regarding deliveries of services under this chapter shall be determined pursuant to the general provisions of this law.

Art. 156. The tax rate of the deliveries of services, carried out via electronic way under this chapter, shall be the tax rate applicable in the Member State, in which the recipient under art. 152, par. 1, item 1 is settled.

Art. 157. (1) The tax period for the persons registered under this chapter shall be three months and shall coincide with the calendar trimester.

(2) The person, registered under this chapter shall submit declaration according to a form, specified in the regulation for implementation of the law, for each tax period in 20 days period following the end of the period, notwithstanding whether during the same period deliveries of services, carried out via electronic way, have been carried out. The declaration shall be submitted via electronic way before the territorial directorate under art. 152, par. 2.

(3) In the declaration shall be indicated the identification number of the registered person, the total amount of the deliveries for each individual Member State, without the value added tax, the total amount of the tax for each Member State, the tax rate applicable in the respective Member State and the total amount of the tax due for all Member States for the tax period.

(4) The values under par. 3 shall be indicated in euro and in Bulgarian levs, as for the recalculation shall be applied art. 26, par. 6.

(5) The tax exigible for the tax period shall be deposited to the account of the territorial directorate under art. 152, par. 2 in the period for submitting the declaration under par. 2.

Art. 158. (1) The persons, registered under this chapter shall not have right of tax credit for the received deliveries of goods and services on the territory of the state and from import.

(2) The persons, registered under this chapter shall have right to reimburse the tax paid on the territory of the state by the procedure of art. 81, par. 1, item 2.

Art. 159.(1) The person, registered under this chapter shall be obliged to maintain electronic register under art. 120, par. 3 for the deliveries of services carried out under this chapter in a way that gives the tax administration of the Member States, where the recipients are located, the opportunity to determine whether the information in the declaration under art. 157, par. 2 is complete and accurate.

(2) At a request the information from the electronic register should be provided via electronic way to the Bulgarian revenue administration or to the competent authorities of the Member States, where the recipients are settled.

(3) The information in the electronic register shall be kept for a period no shorter than 10 years, considered from the end of the year, during which the respective delivery has been carried out.

Chapter nineteen. INVESTMENT GOLD

Art. 160. (1) Exempt shall be the deliveries, related to investment gold, which for the purposes of this law shall be:

1. deliveries 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; deliveries, 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 deliveries 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 deliveries under par. 1, item 1 to be leviable. The tax liable persons, who carry out intermediate services regarding deliveries of investment gold, may choose the deliveries under par. 1, item 2 to be chargeable, when the delivery, 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 deliveries is a person, registered under this law;

2. in the invoice, issued for the delivery is indicated, that the tax will be charged by the recipient.

Art. 161. (1) Charging the tax shall be carried out by the recipient – a person, registered under this law, at:

1. deliveries of golden materials or of half-finished products with purity 352

thousandth or more;

2. deliveries, 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.

Art. 162. (1) Regardless of the fact that the subsequent delivery 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 delivery, inter-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 delivery, 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 deliveries, inter-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.

Art. 163. (1) The deliveries, related to investment gold, as well as the deliveries 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. 144 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 delivery 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 delivery has been carried out.

Chapter nineteen. "A" DELIVERY 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)

Art. 163a. (New – SG 108/06, in force from 01.01.2007) (1) Tax event for the deliveries of goods and services, laid down in Appendix No 2 shall occur according to the general provisions of this Law.

(2) The tax regarding the deliveries under para 1 shall be exigible from the recipient – a person, registered under this Law, regardless whether the provider is a tax liable or tax non-liable person.

(3) The tax regarding the deliveries under para 1 shall become exigible by the manner of Art. 25, paras 5 and 6.

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 deliveries 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.

Art. 163c. (New – SG 108/06, in force from 01.01.2007) Where the provider is a tax liable person, the deliveries 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.

Chapter twenty. INVESTMENT PROJECTS

Art. 164. (1) Regardless of art. 56, the tax at import of goods may be charged by a person, registered under this law, 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. declares in the submitted customs declaration, 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 law, 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 to be effectively paid of 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.

Art. 165. A person, registered under this law 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.

Art. 166. (1) A permission to apply the special procedure for charging the tax at import 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 law;

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) there are conditions available for granting of a minimum aid according to Regulation (EC) No. 1998/2006 of the Commission for application of Articles 87 and 88 of the Contract to the minimum aid.

(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. the amount of the investments is over 10 millions BGN for a period, no longer than two years;

3. more than 50 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. analysis of the financial status confirmed by a registered auditor or by a specialized auditing enterprise in the context of the Law for the independent financial audit 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. 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 of the Republic of Bulgaria and the number of the contract for delivery 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) declaration of the person about the amount of the received minimum aids, regardless their form and source, for the last three tax years, including the current one; the received minimum aids for the period must not exceed the equivalent in Levs 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 activity in the field of road transport, the total amount of the minimum aid is the equivalent in Levs of 100.000 EUR as of the date of the permit; these limits shall apply, no matter whether the aid is financed fully or partially with European community resources.

(4) (new – SG 113/07, in force from 01.01.2008) For determination of the maximum allowable intensity of the aid, introduced by the Map of National Regional State Aid (CJ, C 73 – 30 March 2007), the minimum aid under par. 3, item 6 shall be accumulated with any other state aid, received for the same investment project, having been approved by a decision of the European commission or with regard to which Art. 9 of the Law for the state aid has been applied.

(5) (amend. – SG 86/06, prev. par. 4 – SG 113/07, in force from 01.01.2008) 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 Law for state support 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.

(6) (new – SG 113/07, in force from 01.01.2008) A permit under par. 5 shall not be issued, when by receiving a minimum aid pursuant to the procedure laid down in this Article the maximum allowable intensity of the aid, as determined by the Map of the National Regional State Aid, is exceeded.

(7) (new – SG 113/07, in force from 01.01.2008) In the permit under par. 5 the amount of the minimum aid for the approved investment project has to be indicated obligatorily.

(8) (prev. par. 5 – SG 113/07, in force from 01.01.2008) The issuing or the refusal of issuing permission shall be made via a written order of the Minister of Finance.

(9) (prev. par. 6 – SG 113/07, in force from 01.01.2008) In a period of 6 months after issuing the permission under par. 4 it shall be allowed the issuing of new permission for goods, which will be additionally imported or acquired in pursuance of the already approved investment project. Corrections of the issued permission shall not be allowed.

(10) (prev. par. 7 – SG 113/07, in force from 01.01.2008) The refusal of issuing permission may be appealed by the order of Administrative procedure code.

Art. 167. (1) The issued permission shall be withdrawn in the following cases:

1. when the person ceases to meet the requirements under art. 166, par. 1;

2. at expiry of the period under art. 166, par. 3.

(2) When the respective competent body finds out, that the conditions under art. 166 are not present, he/she shall immediately notify the Minister of Finance about this.

(3) The permission shall be withdrawn via order of the Minister of Finance, which may be appealed by the order of the Administrative procedure code.

(4) 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 one. SPECIAL PROVISIONS REGARDING THE NEW VEHICLES

Art. 168. (1) Any person, not registered under this law, who carries out inter-community acquisition of new vehicle under art. 13, par. 2 or implements occasional inter-community delivery of new vehicle under art. 7, par. 2 shall be obliged to declare the inter-community acquisition or the implemented occasional delivery in 14 days period since the expiration of the tax period, during which the tax for the acquisition or the delivery 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 inter-community acquisition shall be deposited by the order and in the terms of art. 91.

(5) In the cases of carrying out inter-community delivery under par. 1 for the person arises 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) possesses customs declaration – in cases of import, or

c) the person has submitted declaration under par. 2 for inter-community acquisition – in the cases of inter-community acquisition under par. 1.

2. the tax for the inter-community acquisition or the import has been deposited to the Republican 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 delivery were not chargeable with zero rate.

(8) At implementing occasional delivery 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.

Part nine. OTHER PROVISIONS

Chapter twenty two. INFORMATION

Art. 169. (1) Public information shall be such for the registration under this law, 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.

(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. 1shall be considered as known by third bona fide persons since the date of publishing the information under par. 1, item 3..

Art. 170. (1) The customs administration shall give to the revenue administration information via electronic way about the customs declarations accepted and the tax payments received regarding import of goods in a term up to 14 days since the expiration of each calendar month.

(2) The information shall be submitted under the conditions and by order, determined with order of the Minister of Finance.

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 law, 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 via electronic way.

Chapter twenty three. APPLYING INTERNATIONAL TREATIES AND REIMBURSEMENT OF TAX TO PERSONS, NOT SETTLED ON THE TERRITORY OF THE STATE

Art. 172. (1) Exempt from tax shall be the import of goods, for which law 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, including when these contracts are financed with assets from the Republican or municipal budgets or with loans, guaranteed by the state.

(2) (suppl. – SG 113/07, in force from 01.01.2008) Exempt from tax shall be the import of goods, which are imported 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 officer or soldier's canteens, when the forces take participation into the joint defensive activities under the North Atlantic treaty on the territory of the state.

(3) The procedure for applying par. 1 and 2 shall be determined by the regulation for implementation of the law.

Art. 173. (1) For deliveries, which are exempt from value added tax by virtue of international treaties, settlements, agreements, conventions or others similar, under which the Republic of Bulgaria is a party, which are ratified and promulgated in the respective order, a zero tax rate shall be applied, including for the part of the delivery, which has been financed with assets of the Republican of municipal budgets or with loans, guaranteed by the state.

(2) For applying the zero rate the provider shall be obliged to request in writing for 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 of applying the exemption, determined with the regulation for implementation of the law.

(3) The restrictions of the right of tax credit under art. 70 shall not be applied regarding the goods or services, which are only used for implementation of deliveries under par. 1.

(4) Leviable with zero rate shall be the deliveries of goods and services, for which recipients are the persons under art. 172, par. 2, and the institutions of the European union.

(5) For applying the zero rate under par. 4 the provider shall be obliged to have at his/her disposition documents, determined by the regulation for implementation of the law.

Art. 174. (1) The charged tax shall be reimbursed for deliveries, 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.

Art. 174a. (new – SG 106/08, in force from 01.01.2009) (1) The status of a person, exempt from value added tax, indicated in Art. 173, para 4 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. AUTHORITIES OF THE MINISTER OF FINANCE

Art. 175. (1) The Minister of Finance shall issue regulation for implementation of this law.

(2) The Minister of Finance shall issue the ordinances under art. 81, par. 2, art. 118, par. 3 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 deliveries, for which the application of the general order shall create practical difficulties;

2. the information, which is public and collected under this law;

3. the information collected under this law which may be provided for the tax administrations of other states;

4. the list of the coins, which represent investment gold;

5. the order, way and form for information exchange with the persons, not settled on the territory of the Community, for the purposes of tax levying of the deliveries of services via electronic way.

(4) The orders under par. 3 shall be published in the State gazette.

Chapter twenty five. AUTHORITIES OF THE REVENUE BODIES AND TAX EVASIONS PREVENTION

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 law;

4. has tax duties, the total amount of which exceeds the amount his/her assets, reduced with his/her duties.

Art. 176a. (new – SG 108/07, in force from 19.12.2007) (1) The competent revenue body may refuse registration to a person, which within the set term has not provided collateral in cash, in securities or in the form of an unconditional and

irrevocable bank guarantee for a period of one year and with regard to whom there is information, that one or more of the owners, chief executives, procurators, majority partners or stake holders:

1. are or have been as of the time of occurrence of the liabilities owners, procurators, majority partners or stake holders, members of managing or control bodies of persons with pending liabilities for value added tax exceeding 5000 Levs, or

2. have got pending liabilities for value added tax exceeding 5000 Levs in their capacity of natural persons, or

3. are persons, against whom penal proceedings have started or have been convicted for offenses against the tax system.

(2) Paragraph 1 shall not apply to persons, subject to registration under the provisions of Art. 99, par. 1.

(3) The competent revenue body shall terminate registration of a person, registered under the provisions of Art. 132, who has failed to provide within the set term the collateral for a period of one year, when the transformation, the expropriation or the non-monetary contribution is carried out by a person with pending liabilities for value added tax exceeding 5000 Levs.

Art. 176b. (new – SG 108/07, in force from 19.12.2007) (1) The competent revenue body shall request provision of the collateral in a written request, where it must indicate:

1. the ground for requesting collateral;

2. the amount of collateral;

3. the term, within which the person is supposed to provide evidences of the provided collateral, which may not be less than 7 days.

(2) The amount of collateral shall be equal to the amount of the pending liabilities with regard to which the collateral is requested. In cases of Art. 176a, par. 1, item 3 the amount of collateral shall be 250 thousand Levs, where as of the date of requesting of collateral the amount of the liabilities has not been identified.

(3) Collateral can be exempted of reduced also prior to expiration of the one-year term, provided that after the person's registration the grounds, on which the amount of the requested collateral is being determined, fall out or are altered respectively.

(4) The revenue body, having determined the availability of a ground for exemption or reduction of collateral under par. 3 shall be obliged to notify the bank, that the collateral can be released, respectively reduced, up to a certain amount.

Art. 177. (1) Registered person – recipient of leviable delivery, shall be responsible for the exigible and not deposited tax by another registered 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 responsibility under par. 1 shall be realized, when the registered person has known or has been obliged to know, that the tax won't be deposited and this is proved by the inspecting body by the procedure of 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 delivery with subject the same good or service, regardless of the fact whether in the same, changed or processed form, and

2. the leviable delivery is apparent, circumvent the law or has a price, that is significantly different from market one.

(4) The responsibility under par. 1 shall not be bound to receiving a certain benefit from not depositing the exigible tax.

(5) At the circumstances under par. 2 and 3 responsibility shall also be undertaken by previous provider for the person, who shall owe the tax, which has not been deposited.

(6) In the cases under par. 1 and 2 the responsibility shall be realized with regards to the person, who is a direct recipient of the delivery, for which the exigible tax has not been deposited, and when the collection has been unsuccessful, the responsibility may be realized with regards to any subsequent recipient by the order of the deliveries.

(7) Paragraph 6 shall applied respectively and regarding the previous providers.

Chapter twenty six. COMPULSORY ADMINISTRATIVE MEASURES AND ADMINISTRATIVE AND PUNITIVE PROVISIONS

Art. 178. A person tax liable under this law, who is obliged, but does not submit application for registration or application for termination of registration in the terms established under this law, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend from 500 to 5 000 BGN.

Art. 179. (amend. – SG 108/07, in force from 19.12.2007) A person registered under this law, who being obliged, does not submit reference-declaration under art. 125, par. 1, the declaration under art. 125, par. 2, the accounting registers under art. 124, the declaration under art. 157, par. 2 or does not submit them in the provided terms, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and sole traders, in extend from 500 to 10 000 BGN.

Art. 180. (1) (amend. – SG 108/07, in force from 19.12.2007) A registered person, who, being obliged, does not charge tax within the terms, provided in this law, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend of the non-charged tax, but no less than 500 BGN.

(2) Paragraph 1 shall also be applied when the person has not charged tax,

because he/she has not submitted application for registration and has not been registered under this law in term.

(3) (amend. – SG 108/07, in force from 19.12.2007) At violation under par. 1, when 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 extend of 25 hundredths of the tax, but no less than 250 BGN.

(4) (amend. – SG 108/07, in force from 19.12.2007) In case of repeated violation under par. 1 and 2 the amount of the fine or the proprietary sanction shall be the double amount of the non-charged tax, and not less than 5000 Levs.

Art. 180a. (new – SG 106/08, in force from 01.01.2009) (1) A registered person, who being obliged, does not charge tax within the terms, provided in this law in those cases where the tax is exigible from the person as a payer under Chapter eight and that he/she is entitled to full tax credit, shall be punished with a fine – regarding natural persons, who are not traders, or with a proprietary sanction – regarding legal persons and sole traders, in extent of five percent of the non-charged tax, but no less than 50 BGN.

(2) Paragraph 1 shall also be applied 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 term.

(3) At 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. 181. (1) (amend. – SG 108/07, in force from 19.12.2007) Registered person, who does not submit information from the accounting registers or submits information on magnet or optical carrier, different from the one, indicated in the accounting registers, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanctions – for the legal persons and the sole traders, in extend from 500 up to 10 000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007) At repeated violation under par. 1 the amount of the fine or the proprietary sanction shall be from 1000 up to 20 000 BGN.

Art. 182. (1) (amend. – SG 108/07, in force from 19.12.2007) Registered person, who does not issue tax document or does not 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 the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, equal to the determined smaller amount of the tax, and not less than 1000 Levs.

(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 law and issues tax document, in which he/she indicates tax, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend of the tax indicated in the document but no less than 1000 BGN.

(2) (amend. – SG 108/07, in force from 19.12.2007) At repeated violation under par. 1 the amount of the fine or the proprietary sanction shall be the double amount of the uncharged tax, but no less than 5000 BGN.

Art. 184. (1) (amend. – SG 108/07, in force from 19.12.2007) A person, who does not submit declaration under art. 168, par. 2 or does not submit it in term, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend from 1000 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 extend from 5000 up to 20 000 BGN.

Art. 185. (1) A person, who does not issue a fiscal cash slip (fiscal receipt) or violates the order and way for approving the type, registering or putting into/taking out of/ operation or accounting, or servicing the fiscal devices, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend from 200 up to 10 000 BGN.

(2) In the cases under par. 1 the natural person who actually has been obliged to issue fiscal cash slip (fiscal receipt) and has accepted payment, without issuing such slip, shall be punished with fine from 100 to 500 BGN.

(3) At repeated offence under par. 1 the amount of the fine shall be from 500 to 2 500 BGN and of the proprietary sanction from 500 to 20 000 BGN.

(4) Who does not fulfil his/her obligation do keep the fiscal cash slip (the fiscal receipt) till he/she leaves the site, shall be punished with fine in extend of 5 BGN, which shall be collected on place with receipt.

Art. 186. (1) The compulsory administrative measure closing the site for a period of up to one month, regardless of the provided fines and proprietary sanctions, shall be imposed for a person, who:

1. does not regard the way or procedure for:

a) issuing the respective purchase document (fiscal receipt, cash receipt from a receipt-book or certifying mark of sale), printed and issued in the established procedure for delivery/sale;

b) putting into operation or registration of the fiscal devices;

c) daily reporting the turnovers of sales, when this is compulsory;

2. uses re-made or altered fiscal device.

(2) In the cases under par. 1, item 2 the re-made or altered fiscal device shall be seized by the revenue body in favour of the state and shall be destroyed. The expenses shall be at the person's expense.

(3) The compulsory administrative measure under par. 1 shall be imposed with motivated order of the revenue body or by a person, authorized by him/her.

(4) The appeal of the order under par. 3 shall be processed by the procedure of the Administrative procedure code.

Art. 187. (1) At 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 by him/her. The measure shall be applied for the site or the sites, where the violations are found.

(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) 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.

Art. 188. The compulsory administrative measure under art. 186, par. 1 shall be subject to preliminary fulfillment under the conditions of the Administrative procedure code.

Art. 189. (1) A person – payer of the tax under art. 91, par. 1-3, who does not deposit in term the exigible tax, shall be punished with fine – for the natural persons, who are not sole traders, or with proprietary sanction – for the legal persons and the sole traders, in extend from 500 to 2000 BGN.

(2) At repeated offence under par. 1 the amount of the fine or the proprietary sanction shall be in extend of the non-deposited tax, but no less than 4 000 BGN.

Art. 190. (1) A revenue body, who in the stipulated period does not reimburse tax, when the conditions for its reimbursement under this law are present, shall be punished with fine in extend from 500 to 2000 BGN.

(2) At repeated offence under par. 1 the fine shall be in extend from 1000 to 4000 BGN.

Art. 191. (1) The customs body, who, being obliged, does not charge tax under this law or charge tax in a smaller extend or releases goods from customs control without paying the exigible tax, shall be punished with fine in extend from 500 to 2000 BGN.

(2) At repeated offence under par. 1 the fine shall be in extend from 1000 to 4000 BGN.

Art. 192. At finding out violations under art. 185, committed by manufacturers, importers or persons, carrying out servicing of fiscal devices, the chairman of the State Agency for Metrological and Technical Supervision or a person, authorized by him/her:

1. shall issue compulsory instructions related to his/has powers;

2. shall withdraw the approval on the type of fiscal devices or the approval on integrated automatic system of management of the commercial activity;

3. shall terminate the registration of the person, carrying out servicing – at systematic violation of art. 185.

Art. 193. (1) The finding out the violations of this law and of the normative acts for its implementation, the issuing, appealing and the implementation of the penal provisions shall be carried out by the procedure of the Law for the administrative offences and sanctions.

(2) The acts for offence shall be issued by the revenue bodies, and the penal provisions shall be issued by the executive director of the National Revenue Agency or by an official, authorized by him/her.

Additional provisions

§ 1. For the purposes of this law:

1. "Territory of the state" shall be the geographical territory of the Republic of Bulgaria, the continental shelf and the exclusive off-shore economic zone.

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) for the Republic of France: Overseas departments;

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) for the United kingdom of Great Britain and Northern Ireland Channel Islands;

b) the deliveries, originating in or intended for:

aa) Kingdom of Morocco – for the purposes of this law they will be considered as deliveries, originating in or intended for the French Republic;

bb) Isle of Man - for the purposes of this law they will be considered as deliveries, originating in or intended for the United Kingdom of Great Britain and Northern Ireland;

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 law shall be treated as deliveries, occurring in or designated to Cyprus.

3. "The Community" and the "territory of the Community" 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. "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 have not expired since the date, on which a permission for utilization has been issued by the procedure of the Law of spatial planning.

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 Law of Spatial Planning 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.

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. "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.

12. "Person, settled on the territory of the Community" is person, who has his/her seat of business and registered office on the territory of the Community or has permanent site on the territory of the Community.

13. (amend. – SG 41/07) "Electronic communication services" shall be the electronic communication services within the meaning of the Law on Electronic Communications. The electronic communication services shall also include transferring or releasing the right to use the capacity for transfer, broadcast, transmission and receiving or granting access to global information networks.

14. "Services, carried out via electronic way" shall be:

a) providing space in Internet, the delivery of contents carriers in Internet (hosting), the remote maintenance of programs and equipment via electronic way;

b) the delivery of software and its update via electronic way;

c) the provision of image, text and information and access to data base via electronic way;

d) providing music, movies and games, including lottery, gambling games and games with money and articles as awards, provided via electronic way, as well as political, cultural, artistic, sport, scientific and entertainment programs and events.

e) providing remote training via electronic way.

When the provider of service and his/her client correspond via e-mail that itself shall not mean, that the service carried out is performed via electronic way.

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. "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 light 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.

19. "Second hand goods" shall be used and individually specified 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 by him/her;

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 Commercial law.

24. "Investment gold" shall be:

a) gold in a form of bars or ingots with weights, accepted by the markets for gold, and with purity, equal or over 995 thousandths;

b) golden coins, specified with order of the governor of the Bulgarian National Bank and the Minister of Finance, for which the following circumstances are simultaneously present:

aa) their purity is equal to or over 900 thousandths;

bb) they are cut after 1800;

cc) they have been legal payment instrument in the state they originate from;

dd) they are customarily sold at 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.

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 good, providing containers, as well as other services, provided directly in connection with the transport.

27. "Trader of natural gas and electric power" shall be tax liable person, whose economic activity is connected with the purchase of natural gas or electric power and subsequent sale of these goods.

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 Law for civil aviation, 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. "Improvement" shall be 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. "Free area", "free warehouse", "temporarily stored goods", "customs procedure", "regime of postponed payment", "non-community goods" shall be the legal terms within the meaning of the customs legislation.

37. (suppl. – SG 108/06, in force from 01.01.2007) "Tourist", "hotel-keeper", "tour operator", "tourist agent", "main tourist services" and "organized trip" shall be the legal terms within the meaning of § 1, item 1, 3, 8, 10, 12 and 14 from the Additional provision of the Law for tourism.

38. "Importer" shall be the person – liable for paying the import customs 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 Community.

39. (suppl. – SG 108/07, in force from 19.12.2007; suppl. – SG 113/07, in force from 01.01.2008) "Excise goods" shall be the goods under art. 2, par. 1, 2 and 3 from the Law on excises and tax warehouses, except for the natural gas, supplied through transfer pipelines and electrical energy.

40. "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.

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) "Accommodation" shall be basic tourist services within the meaning of item 12 of the additional provisions of the Law for Tourism.

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) “Small vessel” means a vessel of respective dimensions as per Art. 34, par. 2 of the merchant Shipping Code.

50. (new – SG 108/07, in force from 19.12.2007) “Large vessel” means a vessel of respective dimensions as per Art. 34, par. 3 of the merchant Shipping Code.

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 Law for the medical products.

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 travellers, 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 traveller 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 travellers" and "sea travellers" 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.

Transitional and concluding provisions

§ 2. This law shall revoke the Law for value added tax (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 regulation for implementation of the law and the ordinances under this law in period of three months since the promulgation of the law in the State Gazette.

(2) The Regulation and the ordinances under par. 1 shall enter into force on the day, on which this law enters into force.

§ 4. (1) All persons, registered under the revoked Law for value added tax by the date of entering into force of the law, shall also be considered registered under this law. 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 law shall be finished by the order of this law.

(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 law, if the grounds for voluntary registration under this law are present.

(4) The tax charged for the available assets regarding termination of the registration prior to entering into force of this law 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 Law for value added tax shall expires after entering into force of this law, the list shall be submitted in three days term since the date of registration under the revoked Law for value added tax.

§ 4a. (new – SG 12/09, in force from 13.02.2009) (1) Traders referred to in Art. 30 of the Law for the Tobacco and Tobacco Products, 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 law 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 law shall arise.

(2) The annual reference-declaration under art. 101, par. 1 of the revoked Law for value added tax shall be submitted by 15 April 2007, as the result indicated in it shall not participate in procedure for reimbursement under this law, 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 Law of the value added tax has started by the date of entering into force of this law, the procedure for deduction shall continue by the order of art. 92, par. 1 of this law.

(2) By the date of entering into force of this law all unfinished 9 month procedures regarding tax deduction for reimbursement under the revoked Law for value added tax shall be finished by the last day of the month, preceding the month of entering of this law 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 law 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 Law for value added tax, which has not been restored by the date of entering into force of this law, 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 Law for value added tax, that has not been restored by the date of entering into force of this law, shall be deducted and restored by the revenue body in the respective terms under art. 77, par. 2 of the revoked Law for value added tax.

§ 7. (1) When payment in advance has been received in connection with exempt delivery within the meaning of the revoked Law for value added tax, which is leviable delivery within the meaning of art. 12, par. 1 of this law (except for the ones leviable with zero rate) and for which the tax event occurs after entering into force of this law, 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 law.

(2) In case payment in advance has been received in connection with leviable delivery within the meaning of the revoked Law for value added tax, which within the meaning of this law is exempt delivery and for which the tax event occurs after entering into force of this law, 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 law 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 law.

§ 8. (1) When the tax event of delivery has occurred until entering into force of this law 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 law, 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 law grounds occur for alteration of the tax base of delivery, which has actually been carried out and documented by the entering of this law into force, the alteration of the tax base shall be carried out via issuing a tax notification under art. 115 of this law, 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 law, any subsequent payment (redemption instalment) under this contract, due after entering into force of this law, 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 law 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 law.

(2) 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 law 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 law, without the tax due for them.

§ 10. When before entering into force of this law 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 law 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 Law for value added tax.

§ 12. Tax documents, issued by the entering into force of this law and meeting the requirements of the revoked Law for value added tax, 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 Law for value added tax, which has not been exercised by the date of entering into force of this law and the terms for its exercising under art. 67, 69 and 71 of the revoked Law for value added tax 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 law.

(3) The tax base in the cases under par. 1 shall be determined by the procedure of art. 55, par. 1-4 of this law.

(4) The charging of the tax shall be implemented by the procedure of art. 56 of this law.

(5) Regarding the tax deposition the provisions of art. 60 and 90 of this law 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 law.

(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 Law for Value Added Tax 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 Law for Value Added Tax 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 Law for Value Added Tax 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 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 Law for Value Added Tax 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 Law for Value Added Tax (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 Law 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.

§ 16. In the Law for the corporate income tax levying (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 Law for waste management (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 Law for value added tax" 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 Law on excises and tax warehouses (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 Law for supporting the agricultural producers, 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 law".

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:

(2) The licensed ware housekeepers shall be obliged to use measuring devices, which meet the criteria of the Law for measurements 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 law 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 law 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 law, shall be exempted or used by the bodies of the National revenue agency by the procedure and under the conditions of the Excise law 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 law 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 Law of the Banks, a secret within the meaning of Art. 71 and 133 of the Law of Public Offering of Securities 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 Law of the Civil Servant 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 Law for the banks (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 by him/her – 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 Law for public offering of securities (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 by him/her – 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 Law for the corporate income tax levying (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 law (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 Law of patronage (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 law 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 provisionsTO THE STATE AID LAW

(PROM. – SG 86/06, IN FORCE FROM 01.01.2007)

§ 11. The Law 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 provisionsTO THE LAW ON DUTY-FREE TRADE

(PROM. – SG 105/06, IN FORCE FROM 01.01.2007)

§ 9. The Law 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 provisionsTO THE LAW ON TH STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2007

(PROM. – SG 108/06, IN FORCE FROM 01.01.2007)

§ 106. The law 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 provisionsTO THE LAW ON THE MARKETS OF FINANCIAL INSTRUMENTS

(PROM. - 52/07, IN FORCE FROM 01.11.2007)

§ 27. (1) This Law 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 provisionsTO 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 provisionsTO THE LAW FOR AMEDNMENT AND SUPPLEMENTATION OF THE LAW ON VALUE ADDED TAX

(PROM. – SG 108/07, IN FORCE FROM 19.12.2007)

§ 36. This law 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 provisionsTO THE LAW FOR AMEDNMENT AND SUPPLEMENTATION OF THE LAW ON VALUE ADDED TAX

(PROM. – SG 113/07, IN FORCE FROM 01.01.2008)

§ 17. This law shall enter into force from 1 January 2008.

Additional provisionsTO THE LAW FOR AMENDMENT AND SUPPLEMENTATION OF THE LAW ON VALUE ADDED TAX

(PROM. – SG 106/07, IN FORCE FROM 01.01.2009)

§ 17. This Law 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 provisionsTO THE LAW FOR AMENDMENT AND SUPPLEMENTATION OF THE LAW ON VALUE ADDED TAX

(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 – payer under Chapter eight, till the entry into force of this Law, 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 Law.

(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 Law.

(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. 73 of this Law 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 Law 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 provisionsTO THE LAW FOR AMENDMENT AND SUPPLEMENTATION OF THE TAX-INSURANCE PROCEDURE CODE

(PROM. - SG 12/09, IN FORCE FROM 01.05.2009)

§ 68. This Law 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 Law in the State Gazette.

Transitional and concluding provisionsTO THE LAW ON PAYMENT SERVICES AND PAYMENT SYSTEMS

(PROM. – SG 23/09, IN FORCE FROM 01.11.2009)

§ 21. This Law shall enter into force from 1 November 2009, except for § 10, , which shall enter into force from the date of promulgation of the Law in the State Gazette.

(Prev. Appendix to art. 32, par. 1 – SG 108/06, in force from 01.01.2007)

Goods	Code from the Combined nomenclature of the Republic of Bulgaria
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 raw or baked	1801
Unrefined sugar	1701 11 1701 12
Natural rubber, in primal forms or in plates, sheets or stripes	4001 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	1507 to 1515

or unrefined, but not modified in chemical way

(New – SG 108/06, in force from 01.01.2007)

1. Household waste under the Law for Waste Management.
2. Production waste under the Law for Waste Management.
3. Construction waste under the Law for Waste Management.
4. Hazardous waste under the Law for Waste Management.
5. Services regarding extraction, treatment or processing of waste under items 1 through 4.