

Public Financial Inspection Act

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Text in Bulgarian: Закон за държавната финансова инспекция

Chapter One GENERAL PROVISIONS

Article 1. This Act shall define the objectives, the tasks, the principles and the scope of the public financial inspection activity, as well as the statute and functions of the Public Financial Inspection Agency, hereinafter referred to as the "Agency".

Article 2. (1) The main purpose of public financial inspection shall be to protect the public financial interests.

(2) The purpose under Paragraph 1 shall be accomplished by the Agency through the implementation of the following tasks:

1. (supplemented, SG No. 60/2011) conducting ex-post financial inspections on the observance of the statutory acts, regulating the budget, economic or accounting activities, as well as activities related to the awarding and implementation of public procurement contracts, of the organisations and entities under Article 4;
2. establishing violations of the statutory acts, regulating the budget, economic or accounting activities, as well as any indicators of frauds committed;
3. discovering any damages caused to the property of the organisations and entities under Article 4;
4. where the relevant legal grounds are present, holding the perpetrators administratively, penally and property liable;
5. (new, SG No. 86/2007) detecting fraud and irregularities, affecting the financial interests of the European Communities.

Article 3. Public financial inspection shall be governed by the principles of legitimacy, objectivity, ex-officio and confidentiality.

Article 4. Public financial inspection shall be performed in:

1. budget organisations;
2. (supplemented, SG No. 15/2013, effective 1.01.2014) state-owned enterprises under Article 62, Paragraph 3 of the Commerce Act, as well as in municipal enterprises;
3. commercial companies with a blocking quota of state or municipal equity in their capital;
4. commercial companies in whose capital entities under items 2 or 3 have blocking quota equity;
5. legal entities that have obligations guaranteed with state or municipal property;

6. legal entities under the Non-profit Legal Persons Act and the non-personified partnerships under the Obligations and Contracts Act, where the state or municipalities participate directly or indirectly in their property;

7. (supplemented, SG No. 86/2007, amended, SG No. 15/2013, effective 1.01.2014, supplemented, SG No. 85/2017) aid administrators, state aid or de minimis beneficiaries, entities financed with funds from the central government budget or municipal budgets, under international agreements or under European Union programs, as well as the entities funded by state-owned enterprises under Article 62, Paragraph 3 of the Commerce Act - as regards the spending of such funds.

Article 5. (1) (Previous Article 5, SG No. 60/2011) Financial inspections shall be conducted:

1. upon received requests, complaints or alerts for violations of the budget, financial, economic or accounting activities of the organisations and entities under Article 4, submitted by state authorities, natural persons and legal entities;

2. (amended, SG No. 60/2011) upon a request by the Public Procurement Agency or the National Audit Office in the cases stipulated by law;

3. (supplemented, SG No. 86/2007, amended, SG No. 85/2017) for checking lawful granting and utilisation of State and de minimis aid and the spending of target subsidies, provided under the State Budget of the Republic of Bulgaria Act for the respective year and Decrees issued by the Council of Ministers;

4. upon request by the Council of Ministers or the Minister of Finance;

5. (amended, SG No. 64/2007) upon assignment by the Prosecutor's Office under the procedure of Article 145, Paragraph 1, item 3 of the Judiciary System Act;

6. (new, SG No. 86/2007, amended, SG No. 98/2008, SG No. 60/2011, SG No. 14/2015) upon alerts for irregularities, affecting the financial interests of the European Communities, established by the "Protection of the Financial Interests of the European Union (AFCOS)" Directorate at the Ministry of Interior;

7. (new, SG No. 86/2007) for observation of the instructions and time limits under Article 18, Paragraph 1, item 1 and Paragraph 2.

(2) (New, SG No. 60/2011) In addition to the cases referred to in Paragraph 1, financial inspections of the activities related to the awarding and implementation of public procurement contracts shall also be conducted regularly, on the basis of an approved annual plan the execution of which is mandatory.

(3) (New, SG No. 60/2011) The regularity of the conducting of the financial inspections specified in Paragraph 2 and the specific contracting authorities for public procurement contracts, subject to control during the corresponding year, shall be determined on the basis of analysis of the information on the activities related to the awarding and implementation of public procurement contracts, assessment of the risk factors and according to the administrative capacity of the Agency.

(4) (New, SG No. 60/2011) The procedure for the development of the plan referred to in Paragraph 2 and the assessment criteria for the risk factors shall be set out in the Regulation implementing this act.

Chapter Two

PUBLIC FINANCIAL INSPECTION AGENCY

Section I

Structure and functions of the Public Financial Inspection Agency

Article 6. (1) The Public Financial Inspection Agency shall be an administration under the Minister of Finance and shall be a legal entity supported by the budget.

(2) The structure, the staff and the organisation of the activities of the Agency shall be defined in Structural Regulations adopted by the Council of Ministers.

Article 7. Authorities of the Agency shall be the Director of the Agency and the financial inspectors.

Article 8. (1) The Agency shall perform the following functions:

1. it shall manage, conduct and control the performance of the inspection activities;
2. (amended, SG No. 60/2011) exercise ex-post control for legitimacy over the activities related to the awarding and implementation of public procurement contracts;
3. (new, SG No. 60/2011) collect and analyse information about the activities of the organisations and entities under Article 4 related to the awarding and implementation of public procurement contracts;
4. (renumbered from Item 3, SG No. 60/2011) analyse the reasons and conditions for the violations of the financial discipline and propose corrective measures to the competent authorities;
5. (supplemented, SG No. 86/2007, renumbered from Item 4, SG No. 60/2011) provide methodological guidance to the financial inspectors for performance of the activities under this Act and exercise control over the quality of inspection activities;
6. (renumbered from Item 5, SG No. 60/2011) organise primary professional training for newly appointed officers, for maintaining and raising the qualification, as well as gaining new professional knowledge and skills of the officers of the Agency;
7. (renumbered from Item 6, SG No. 60/2011) cooperate and exchange information with other public authorities;
8. (renumbered from Item 7, SG No. 60/2011) cooperate with the financial control authorities and organisations of other states and international organisations.
9. (new, SG No. 98/2008, renumbered from Item 8, SG No. 60/2011) assist the controllers from the European Commission, hereinafter referred to as "the Commission", to gain access to the premises and/or documentation and bearers of computerised information data, so that they can carry out the inspections and on-the-spot checks - in the event that the organisation or entity inspected, referred to in Article 4, paragraph 7 and financed with funds under international agreements or European Union programmes, refuses to grant access;

(2) The Agency shall present an annual report on the results of its activities to the Council of Ministers via the Minister of Finance by 31 May of the following year. The Report shall be submitted to the National Assembly for information.

(3) The authorities of the Prosecutor's Office, of the Ministry of Interior and of the Agency shall cooperate in the conducting of financial inspections.

(4) (Supplemented, SG No. 60/2011) The Agency and the National Audit Office shall cooperate with the purpose of protecting the public financial interests, including by exchanging information about the contracting authorities for public procurement contracts, which have been or will be subject to financial inspections or audits.

(5) (New, SG No. 60/2011) The Agency and the National Audit Office shall coordinate their activities, related to the control of contracting authorities for public procurement contracts, in accordance with a procedure set out in an agreement.

Article 9. (1) The Agency shall be represented and managed by a Director appointed by the Minister of Finance in consultation with the Prime Minister, under a labour employment contract for a period of 4 years, with no limitations for the number of subsequent re-appointments.

(2) An individual, who meets the following requirements, shall be eligible for appointment as Director of the Agency:

1. to be legally able;
2. to be a Bulgarian citizen;
3. to have obtained educational degree and professional qualification "Master" in economics or law with acquired legal capacity;
4. to have ten years professional experience, of which at least two in a managerial position;

5. not to have been convicted of any premeditated crime of a general nature, irrespective of him/her being rehabilitated.

(3) Prior to the expiry of the term under Paragraph 1, the Director of the Agency shall be dismissed by the Minister of Finance in consultation with the Prime Minister, in the following cases:

1. on the Director's own request made in writing;
2. in case of continued actual inability to fulfil his/her obligations for more than 6 months;
3. in case of absolute verdict for imprisonment for premeditated crime;
4. in case of gross violation or continuous failure to fulfil his/her obligations.

(4) The Deputy Director of the Agency shall work under a labour employment contract and shall be appointed and dismissed by the Director of the Agency in consultation with the Minister of Finance.

(5) The Director of the Agency shall appoint and dismiss the financial inspectors and the other officers of the Agency, who should meet the requirements set forth in Article 11.

Section II

Powers of the authorities of the Agency

Article 10. (1) The Director of the Agency shall:

1. manage and control the activities of the Agency;
2. approve methodological guidelines for the inspection activities performance;
3. assign by means of orders the conducting of financial inspections and cross-checks;
4. be responsible for the quality of the inspection activities;
5. (amended, SG No. 60/2011) organise the professional qualification and training of the officers of the Agency in accordance with Article 8, Paragraph 1, item 6;
6. represent the Agency and organise its international relations;
7. conclude agreements for co-operation with other public authorities in relation to the implementation of the activities of the Agency;
8. (new, SG No. 98/2008) assign by an order that assistance is given to the controllers from the Commission under the procedure of Chapter three "a";
9. (new, SG No. 60/2011) approve an annual plan of the financial inspections of the activities related to the awarding and implementation of public procurement contracts;
10. (renumbered from Item 8, SG No. 98/2008, renumbered from Item 9, SG No. 60/2011) perform also other functions assigned to him/her by law or other statutory acts.

(2) The Director of the Agency or authorized by him/her officials may appoint external experts, at the expense of the Agency, under terms and procedures, specified in the Rules on the Implementation of this Act.

(3) (Amended, SG No. 59/2006) On the basis of a written request by the Director of the Agency or authorized by him/her officials, banks shall be obligated to provide information on the number of accounts and account numbers of any existing or closed accounts held by the organisations and entities inspected, and to provide, under the terms of Article 62 (6) subparagraph 5 of the Credit Institutions Act, information on the movement of funds in these accounts.

(4) (New, SG No. 98/2008) In the event that by an act of an authority of the Agency a refusal is established by the organisation or entity under Article 4 to grant to the financial inspectors or the controllers from the Commission access to premises, transport vehicles, as well as to other places where documentation necessary for the inspection or check is kept, the Director of the Agency or officials authorised by him/her shall prepare a written request to the authorities of the Ministry of Interior for securing the access.

(5) (New, SG No. 98/2008) In the event that by an act of an authority of the Agency a refusal is established by the organisation or entity under Article 4 to provide the financial inspectors or the controllers from the Commission with the documentation necessary for the inspection or check, the Director of the Agency or officials authorised by him/her shall prepare a request to the court to allow a search of the premises and/or confiscation of the documentation and a request to the authorities of the Ministry of Interior for assisting in the search and/or confiscation.

(6) (New, SG No. 60/2011) Based on a written request by the Director of the Agency or officials authorised by him/her, the Public Procurement Agency, the other public authorities, and the Managing Authorities for the European Union Operational Programmes shall be obliged to provide information about the Contracting Authorities of public procurement contracts, the number, type and value of the procedures conducted by them, as well as other data available to them.

(7) (New, SG No. 60/2011) Based on a written request by the Director of the Agency or officials authorised by him/her, the National Audit Office shall provide information about the contracting authorities for public procurement contracts, included in the annual audit programme for the corresponding year.

(8) (New, SG No. 60/2011) Based on a written request by the Director of the Agency or officials authorised by him/her, all contracting authorities for public procurement contracts shall be obliged to provide information on the public procurement procedures conducted by them, as well as the supply, works and service contracts concluded during the corresponding year.

(9) (Renumbered from Paragraph 4, SG No. 98/2008, renumbered from Paragraph 6, amended, SG No. 60/2011) The Director of the Agency or officials authorised by him/her shall inform the public about the activities of the Agency and the results from financial inspections carried out only after their completion.

(10) (New, SG No. 60/2011) By the 10th day of the month, following each quarter, a list of the objects in which the financial inspections have been completed, as well as information on the results thereof, shall be published in the Agency's web site.

Article 11. (1) (Amended, SG No. 86/2007) The positions at the Agency shall be occupied under the procedure of the Civil Servants Act and the Labour Code.

(2) The financial inspectors shall exercise their powers under civil-service relationship and should meet the following requirements:

1. to have obtained educational degree and professional qualification "Master" in economics or law with acquired legal capacity;
2. to have the professional experience set forth in the Structural Regulations of the Agency.

(3) (Amended, SG No. 60/2011, repealed, SG No. 38/2012, effective 1.07.2012).

(4) (Repealed, SG No. 38/2012, effective 1.07.2012).

(5) (New, SG No. 60/2011) The length of service of individuals with higher education in law, acquired in the position of "Financial Inspector" in the Agency, shall be recognised as length of service under Article 164, Paragraphs 1 - 7 of the Judiciary Act and Article 8, Paragraph 1, Item 3 of the Notaries and Notary Activities Act.

Article 12. The officers of the Agency, as specified by the Rules on the Implementation of this Act, shall obtain insurance cover by means of life insurance policies and insurance against accidents at the expense of the Agency's budget.

Article 13. In the performance of their functions the authorities of the Agency shall have the right to:

1. unrestricted access to the whole information, including classified information, according to their level of access, while observing the principle "necessity to know", as well as to all documents, including in electronic format, which are stored at the organisation or entity inspected;
2. unrestricted access to the business premises and to all employees of the organisation or entity inspected;
3. check the assets and liabilities, the established accounting system, and all documents, electronic documents inclusive;
4. demand, within deadlines specified by them, from officials of the organisations or entities inspected documents, certified copies of documents, information and statements and any other documents relevant to the financial inspections

conducted;

5. demand, within deadlines specified by them, from officials of the organisations or entities inspected declarations about all bank accounts both in the country and abroad;

6. demand, within deadlines specified by them, from officials of the organisations or entities inspected written explanations on issues related to the financial inspections conducted;

7. demand, within deadlines specified by them, and acquaint themselves with the reports of the internal auditors, the reports of the National Audit Office and other control authorities, which are kept at the organisation or entity inspected;

8. demand certified copies of documents, information and statements from legal entities and sole proprietorships outside the organisation or entity inspected, related to the conducting of the financial inspection;

9. conduct cross-checks at legal entities and sole proprietorships outside the organisation or entity inspected, where necessary in conducting the financial inspection;

10. acquaint themselves with materials, collected during legal proceedings, as well as with court decisions, relevant to the inspection activities;

11. terminate the access of liable persons to the inspected safes, warehouses, etc. by their sealing in the presence of an official from the organization inspected;

12. (new, SG No. 98/2008) search premises, transport vehicles, as well as other places where documents of the inspected organisation or entity, referred to in Article 4, are kept, and confiscate documents, records of computerised information data and bearers of computerised information data in order to collect evidence - with the assistance of the authorities of the Ministry of Interior following the permission of the court.

Article 14. (1) In the performance of their functions the financial inspectors shall be obligated to:

1. identify themselves by producing an official employment ID card and an order for assignment of financial inspection;

2. report objectively and precisely the results established from the implemented inspection activity, any irregularities and damages established, the causes for their occurrence and the perpetrators on the basis of the facts and circumstances checked officially by them;

3. not to disclose any facts or circumstances that they have become aware of in the course of, or in relation to the performance of their functions, except in the cases provided for by the law.

(2) The financial inspectors and the external experts appointed by the Director of the Agency or by authorised by him/her officials shall be obligated to recall themselves where over the last three years:

1. they have worked at the organisation or entity inspected;

2. they have participated in the management or the supervisory authorities of the organisations and/or entities under item 1;

3. they have personal interest in the activities inspected;

4. (supplemented, SG No. 42/2009) their spouse, a domestic partner, a direct relative without any limitation, relatives up to the fourth degree laterally inclusive or by marriage to the fourth degree inclusive have been employed as accounting officers or have been in the management or the supervisory authorities of the organisation or entity inspected.

(3) Upon occurrence and establishment of the circumstances under Paragraph 2 the financial inspector or the external expert shall advise in writing the Director of the Agency or the authorized by him/her official.

(4) Judgment on the merits of the recall in the cases under Paragraph 2, item 3 shall be made by the Director of the Agency or authorized by him/her officials.

Article 15. (1) Each person from the inspected organisations or entities under Article 4 shall be obliged to:

1. cooperate with and not impede the financial inspectors in the performance of their duties;

2. ensure unrestricted access of the financial inspectors to the business premises and the whole documentation;

3. provide within deadlines specified by the financial inspectors documents, certified copies of documents, information, statements and declarations for any bank accounts and written explanations, as well as the reports under Article 13, item 7;
 4. present within deadlines specified by the financial inspectors accurate data, statements, declarations, documents and certified copies of documents;
 5. (new, SG No. 60/2011) provide within deadlines, specified by the financial inspectors, documents in foreign languages together with a certified translation into the Bulgarian language.
- (2) A person under Paragraph 1 shall not have the right to refuse access to information by referring before the financial inspectors to his/her or other party's trade or bank secret, as well as to information classified as state or professional secret, observing the provisions of the Classified Information Protection Act.
- (3) The persons under Article 13, item 8 shall be obliged to provide within the deadlines set certified copies of documents, data and statements to the authorities of the Agency, whenever requested.

Section III

Conducting financial inspection

Article 16. (1) Financial inspections shall be conducted by the financial inspectors of the Agency based on an order issued by the Director of the Agency or by authorised by him/her officials.

(2) The order under Paragraph 1 shall not be subject to appeal.

Article 17. (1) On the results of the financial inspection the respective financial inspector shall draw up a report, which shall contain the findings supported with evidence.

(2) After the submission of the report the manager of the organization or entity inspected may give a written opinion within 14 days of the presentation of the report.

(3) Under the procedure and within the deadline under Paragraph 2 a copy of the respective findings of the report and the supporting evidence shall be submitted to the persons, whose activities have been subject to financial inspection, for the purpose of expressing a written opinion.

(4) (Amended, SG No. 86/2007) The financial inspector, who has conducted the financial inspection, shall provide a reasoned conclusion in writing within 14 days after the receipt of the written opinions under Paragraph 2 and 3. The reasoned written conclusion shall be presented within 14 days to the manager of the organization or entity inspected and to the persons under Paragraph 3.

(5) (Amended, SG No. 60/2011) The report under Paragraph 1, the reasoned written conclusion under Paragraph 4 and the written opinions under Paragraph 2 and 3 shall be submitted within three business days to the authority, which has issued the order under Article 16, Paragraph 1 for undertaking follow-up measures.

Section IV

Follow-up measures

Article 18. (1) Depending on the results of the inspection activities performed the Director of the Agency or authorised by him/her officials shall:

1. provide written instructions to the manager of the organization or entity inspected to discontinue perpetrating irregularities and/or to remove the harmful consequences thereof;
2. make proposals to the competent authorities to stop the actions leading to irregularities and to causing damages to the organisations and entities inspected;

3. make proposals to the competent authorities to repeal any illegal administrative instruments of the managers of the organisations and entities inspected;
4. propose to the competent authorities to seek property and/or disciplinary liability under the relevant procedures;
5. propose to the Minister of Finance to discontinue the transfer of the subsidies provided for in the State Budget of the Republic of Bulgaria Act for the relevant year or to freeze the accounts of budget organisations until the elimination of the irregularities.

(2) The managers of the organisations or entities inspected in the cases under Paragraph 1, item 1 must within two months of submission of the instructions advise in writing the Director of the Agency about the actions undertaken.

(3) (New, SG No. 86/2007) The competent authorities under Paragraph 1, items 2, 3 and 4 must within two months advise in writing the Director of the Agency about the actions undertaken. The term shall run from the date of receipt of the proposal.

Article 19. (Amended, SG No. 86/2007, SG No. 60/2011) In the presence of data for crime committed, a copy of the report under Article 17, Paragraph 1 together with the evidence thereto, the opinions under Article 17, Paragraph 2 and 3 and the conclusion under Article 17, Paragraph 4 shall be send within seven business days to the authorities of the ProsecutorTs office.

Article 20. (1) Where irregularities have been established, information on the results of the financial inspection conducted of the organisations under Article 4, item 1 shall be send to the higher level organization.

(2) In the case of financial inspection of municipalities and municipal budget spending units, information shall also be sent to the relevant municipal council, where irregularities have been established.

(3) Where irregularities have been established, information on the results of the financial inspection conducted of the entities under Article 4, items 2 and 3 shall be send to the authority exercising the property rights of the state or the municipalities in the entity inspected.

(4) Where irregularities have been established, information on the results of the financial inspection conducted of the commercial companies under Article 4, item 4 shall be sent to the legal entity, owning a blocking quota in their capital.

(5) When financial inspection has been conducted of a commercial company in bankruptcy or liquidation proceedings, where irregularities have been established, information shall be send to the authority exercising the property rights of the state or the municipality.

(6) (Amended, SG No. 15/2013, effective 1.01.2014) Where irregularities have been established, for entities financed by the central state budget, the municipal budgets, under international agreements or under European Union programs, as well as the entities funded by state-owned enterprises under Article 62, Paragraph 3 of the Commerce Act, information shall also be sent to the funding authority.

Chapter Three

PROPERTY LIABILITY

Article 21. (1) For any damages, caused to the organisations or entities under Article 4, items 1 - 3 through malfeasance and established during a financial inspection under this Act, that are the direct and immediate result of the behaviour of the perpetrator, the latter shall bear full property liability, when such damages:

1. have been caused intentionally, or
2. result from a deficit, or
3. have been caused otherwise than in the course of or in relation to the performance of functions.

(2) In case several persons have caused the damage, they shall be jointly held liable.

(3) (Supplemented, SG No. 86/2007) The persons, who have received anything in the absence of legal grounds or as a

donation as a result of the perpetrator's actions, shall be obligated to return that thing and they shall be jointly held liable with the perpetrator of the damage. Where the received is labour remuneration or compensation under an employment or civil-service relationship, the recipients shall not be obligated to return it provided they have acted in good faith. Good faith shall be presumed unless proven otherwise.

(4) Any persons, who have ordered or allowed illegal payments shall bear full property liability jointly with the persons under Paragraph 3.

Article 22. (1) When the prerequisites for seeking full property liability under this Act are present, the financial inspectors shall draw up a statement of defalcation.

(2) The factual statements in the statement of defalcation must be supported with evidence.

(3) The persons charged with deficiency in accounts shall provide written objections to the statement of defalcation issued within a deadline set by the financial inspector, which cannot be earlier than 14 days after the presentation of the statement.

(4) The financial inspectors shall pronounce on the merits of these objections with a reasoned conclusion in writing within 14 days after the receipt of the objections under Paragraph 3.

(5) (New, SG No. 59/2007) The findings of fact in the deficit deed shall be considered true until proven otherwise.

(6) (Renumbered from Paragraph 5, SG No. 59/2007) When after an additional check it is established that the objections raised are justified and they in essence change the findings in the statement of defalcation, the initiated statement of defalcation proceedings shall be terminated under the procedure set forth in the Rules on the Implementation of this Act.

(7) (New, SG No. 86/2007) Upon completion of the procedure under Paragraphs 1 - 4 the statement of defalcation and the attachments thereto shall be sent within 14 days to the Prosecutor's Office to check whether there is reason to believe that a crime of general nature has been committed.

Article 23. The following persons may be held property liable under this Act:

1. those who receive, collect, store, spend or account for property;
2. those who supervise the persons under item 1;
3. those who exercise control over the budget, financial, economic and accounting activities of the organisation or entity inspected;
4. those who manage and dispose with property;
5. those referred to in Article 21, Paragraph 3.

Article 24. The amount of the damage under this Act shall be determined as of the date on which it has been caused, and if that date cannot be identified, as of the date it has been discovered. The amount of the damage shall be determined at market or book value, whichever is higher.

Article 25. A damage caused in foreign currency shall be recovered in the same foreign currency or in Bulgarian leva, using the highest exchange rate of the Bulgarian National Bank as of the date of the causing, discovery or recovery.

Article 26. The persons responsible for the damage shall be charged the interest stipulated by law as from the date of causing the damage and, if such a date cannot be identified, as of the date of discovery, until the day of recovery of damages.

Article 27. (1) Property liability, including interest, shall expire with the expiry of a statute of limitation of 5 years as from the date the damage has been caused, and if this day cannot be identified, as from the date of discovery of such damage.

(2) Except for cases subject to the provisions of the Obligations and Contracts Act, the duration of the statute of limitation

under Paragraph 1 shall be interrupted also by the issuance of a statement of defalcation.

(3) Regardless of any suspension and discontinuation of the statute of limitation, the property liability under this Act shall expire with the elapse of ten years following the causing of the damage.

(4) (Amended, SG No. 59/2007) On the basis of the deficit deed, an immediate enforcement order shall be issued according to the procedure established by Article 418 of the Code of Civil Procedure.

(5) (New, SG No. 60/2011) Organisations and entities under Article 4, items 1 - 3 shall be obliged to request from the court to rule immediate enforcement of the amount receivable under the deficit deed and issue a writ of execution.

(6) (Renumbered from Paragraph 5, SG No. 60/2011) The organisations and entities under Article 4, items 1 - 3 may not waive the claim under the statement of defalcation, including in respect to any interest due.

Article 28. Officials shall not bear property liability, when executing an illegal or incorrect order of their manager, in the cases where they have objected in writing against such order, provided the execution of the order does not constitute a crime.

Article 29. The property liability shall be excluded, when the damages caused have occurred due to: natural wastage, force majeure or untoward event, normal production-economic risk, inevitable defence within the limits required or injurious acts of third parties, established in the proper manner.

Article 30. Liable persons shall be relieved from property liability, when the established deficit could be compensated with surplus, established during the financial inspection, provided the following conditions are in place:

1. (amended, SG No. 86/2007) the surplus and the deficit have been established during a material check of the tangible assets subject to accounting;
2. existence of a reason-result relation between the deficit and the surplus, i.e. the injurious fact has simultaneously caused also a benefit that should be deducted from the damage.

Article 31. (1) (Amended and supplemented, SG No. 61/2015, effective 1.11.2015) The Minister of Defence, the Minister of Interior and the head of the National Service for Protection shall organise Units for material checks within their subordinate structures.

(2) (New, SG No. 86/2007, amended and supplemented, SG No. 61/2015, effective 1.11.2015) The control bodies under Paragraph 1 shall check through material checks the activities of the persons accountable within the Ministry of Defence, the Ministry of Interior and in the National Service for Protection in respect of the collection, keeping, disposal and accounting of the entrusted to them assets.

(3) (Renumbered from Paragraph 2, SG No. 86/2007) The control under Paragraph 1 shall not exclude the control exercised by the authorities of the Agency.

(4) (Renumbered from Paragraph 3, SG No. 86/2007, amended, SG No. 61/2015, effective 1.11.2015) The provisions of this Chapter shall also apply where the officers of the Units under Paragraph 1 conduct material checks in the structures of the relevant department.

Chapter Three "a"

(New, SG No. 98/2008)

ASSISTING THE CONTROLLERS OF THE EUROPEAN COMMISSION IN GAINING ACCESS TO PREMISES AND/OR DOCUMENTATION SO THAT THEY CAN CARRY OUT THE INSPECTIONS AND THE ON-THE-SPOT CHECKS UNDER REGULATION NO. 2185/96 OF THE COUNCIL (EURATOM, EC) FROM 11 NOVEMBER 1996 CONCERNING ON-THE-SPOT CHECKS AND INSPECTIONS CARRIED OUT BY THE COMMISSION IN ORDER TO PROTECT THE EUROPEAN COMMUNITIES' FINANCIAL INTERESTS AGAINST FRAUD AND OTHER IRREGULARITIES

Article 31a. (New, SG No. 98/2008) Under the procedures specified in this Chapter assistance is given to the controllers from the Commission in the course of the inspections and on-the-spot checks carried out by them in the event that:

1. access is refused to premises, transport vehicles, as well as to other places where documents, records of computerised information data and bearers of computerised information data of the organisation or entity inspected, referred to in Article 4, paragraph 7 and financed with funds under international agreements or European Union programmes, are kept;
2. the providing of documents, records of computerised information data and bearers of computerised information data, necessary for the inspection, is refused following the securing of the access referred to in item 1.

Article 31b. (New, SG No. 98/2008) (1) (Amended, SG No. 60/2011, SG No. 14/2015) The assistance is given following an order by the Director of the Agency issued on the grounds of a justified written request by the Director of the "Protection of the Financial Interests of the European Union (AFCOS)" Directorate at the Ministry of Interior.

(2) The request referred to in paragraph 1 shall contain information on the inspected organisation or entity under Article 4, item 7, financed with funds under international agreements or European Union programmes, the scope and objectives of the inspection or on-the-spot check, and the grounds for the assistance sought under Article 31a.

(3) Copies of the authorisation of the controller from the Commission and the document where the scope and objective of the inspection or on-the-spot check are stated shall be enclosed with the request under paragraph 1.

Article 31c. (New, SG No. 98/2008) (1) The order referred to in Article 31b, paragraph 1 shall contain: the name and registered address of the organisation or entity inspected; the names and position of the financial inspector who will give assistance; the names and position of the controller from the Commission to whom assistance will be given; the grounds for the assistance and the deadline for implementation.

(2) The order referred to in paragraph 1 shall not be subject to appeal.

Article 31d. (New, SG No. 98/2008) The financial inspector shall establish the existence of the grounds under Article 31a by an on-the-spot check in the inspected organisation or entity under Article 4, item 7, financed with funds under international agreements or European Union programmes.

Article 31e. (New, SG No. 98/2008) (1) In the event that the financial inspector establishes that access has been refused to the controller from the Commission to premises, transport vehicles, as well as to other places where documents, records of computerised information data and bearers of computerised information data of the organisation or entity inspected are kept, he/she shall prepare a fact-finding protocol.

(2) Where refusal of access has been established in accordance with paragraph 1, the Director of the Agency shall prepare a written request to the authorities of the Ministry of Interior for securing access for the controller from the Commission.

(3) The authorities of the Ministry of Interior shall give the assistance under paragraph 2 in accordance with the procedures envisaged in the Ministry of Interior Act.

Article 31f. (New, SG No. 98/2008) (1) In the event that the financial inspector establishes that the inspected organisation or entity, financed with funds under international agreements or European Union programmes, refuses to provide the controller from the Commission with documents and/or computerised information data or bearers thereof, he/she shall prepare a fact-finding protocol and may discontinue the access to the premises, transport vehicles and other places where the documents of the organisation or entity are kept by sealing them off. A separate protocol shall be prepared for the sealing off.

(2) Where refusal has been established in accordance with paragraph 1, the Director of the Agency or officials authorised by him/her shall prepare a justified request to the district court, competent for the area where the registered address or the address of the organisation or entity inspected are situated or where the search of the premises will take place, to allow a search of the premises, transport vehicles and other places, if sufficient evidence is available that documents and/or computerised information data or the bearer thereof are kept, which are material for the inspection, and to allow their

confiscation for the purpose of collecting evidence.

(3) The District judge shall deliver judgement on the request under paragraph 2 immediately on the day of its receipt, at a closed session and by a justified ruling, which shall not be subject to appeal.

(4) After obtaining the ruling referred to in paragraph 3 the Director of the Agency or an official authorised by him/her shall prepare a request to the authorities of the Ministry of Interior for assistance in the search and/or confiscation.

Article 31g. (New, SG No. 98/2008) (1) The search and confiscation shall be carried out by the financial inspector with the assistance of a representative of the Ministry of Interior in the presence of:

1. a representative of the inspected organisation or entity, financed with funds under international agreements or European Union programmes;
2. the controller from the Commission, and
3. two witnesses.

(2) The actions related to the search and/or confiscation shall be ascertained with a protocol which shall contain a list of the documents confiscated. The protocol shall be signed by all persons referred to in paragraph 1. The refusal of the person referred to in paragraph 1, item 1, to sign the protocol shall be ascertained with the signature of one witness.

(3) The protocol referred to in paragraph 2, translated into the English language, shall be prepared in 4 identical counterparts - one for each of the following: the controller from the Commission, the financial inspector, the representative of the Ministry of Interior and the person referred to in paragraph 1, item 1.

(4) With respect to all issues not settled here the rules of the Criminal Procedure Code shall respectively apply.

Article 31h. (New, SG No. 98/2008) Copies of the documents confiscated and/or records of computerised information data confiscated shall be provided by the financial inspector to the controller from the Commission with a handing-over protocol, and the originals and the records of computerised information data confiscated shall be kept at the Agency until the inspection and the on-the-spot check is completed.

Article 31i. (New, SG No. 98/2008) The controller from the Commission shall use the documentation and the computerised information data referred to in Article 31h only for the purpose of the inspection and the on-the-spot check.

Article 31j. (New, SG No. 98/2008) Within three days of completing all actions related to the assistance assigned, the financial inspector shall report to the Director of the Agency in writing.

Article 31k. (New, SG No. 98/2008) The provisions of Articles 31e - 31h shall be applied by the authorities of the Agency when inspection activities under this Act are performed.

Chapter Four

ADMINISTRATIVE PENAL PROVISIONS

Article 32. (1) (Supplemented, SG No. 86/2007) In exercising inspection activities under this Act, the officials accountable for irregularities, as well as the persons working under management contracts, where such irregularities do not constitute a crime, shall be penalised in the following cases:

1. (amended, SG No. 15/2013, effective 1.01.2014) for a violation of a statutory act, regulating the budget, financial, economic and accounting activities, unless a penalty is provided for in the respective statutory act, with a fine from BGN 200 to BGN 2,000;
2. for not providing access of the financial inspectors to the business premises or to the documentation, with a fine from BGN 200 to BGN 1,000;

3. for a failure to provide to the authorities of the Agency within the deadlines set documents, certified copies of documents, statements, information, declarations for the bank accounts and written explanations, with a fine from BGN 200 to BGN 300;
4. for presenting inaccurate information, statements, declarations, documents and certified copies of documents, with a fine from BGN 200 to BGN 400;
5. for other acts or omissions, other than the cases under items 2 - 4, hindering the financial inspectors in the exercise of their powers, with a fine from BGN 200 to BGN 1,000;
6. (new, SG No. 86/2007) for non-observance of the instructions under Article 18, Paragraph 1, item 1, with a fine from BGN 200 to BGN 1,000;
7. (new, SG No. 86/2007) for non-observance of the provided for in Article 18, Paragraph 2 time limit, with a fine from BGN 100 to BGN 500.

(2) In the cases under Paragraph 1, item 1, to the organisations and entities under Article 4, items 2 - 6 a property sanction to the amount from BGN 500 to BGN 2,000 shall be also imposed.

(3) (Amended, SG No. 86/2007) When conducting cross-checks under this Act, the perpetrators shall bear administrative penal liability for violations under Paragraph 1, items 2 - 5.

Article 32a. (New, SG No. 98/2008) In the event that access is not granted to the controllers from the Commission to premises, transport vehicles, as well as to other places where documents, records of computerised information data and bearers of computerised information data of the inspected organisation or entity, referred to in Article 4, Item 7 and financed with funds under international agreements or European Union programmes, are kept, the officials at fault as well as the persons who work under service contracts for management and control shall be subject to a fine in the amount from BGN 1,000 to BGN 5,000.

Article 32b. (New, SG No. 98/2008) In the event of failure to provide the controllers from the Commission with documents and/or computerised information data, necessary for the inspection, the officials at fault as well as the persons who work under service contracts for management and control shall be subject to a fine in the amount from BGN 1,000 to BGN 5,000.

Article 33. (Supplemented, SG No. 98/2008) Where the violations under Articles 32, 32a and 32b have been repeated, the perpetrator shall be penalised with double the amount of the fine, the property sanction respectively.

Article 34. Anyone, being authority or officer of the Agency, who violates or fails to perform duties under this Act or exceeds his/her powers, provided the act does not constitute a crime, shall be penalised with a fine from BGN 200 to BGN 1,000.

Article 35. (1) (Supplemented, SG No. 98/2008) The violations under Articles 32, 32a and 32b and Article 33 shall be established by statements issued by the financial inspectors, and the penal orders shall be issued by the Director of the Agency or authorised by him/her officials.

(2) For the violation under Article 34, the statement for the establishment of administrative violation shall be drawn and the penal order shall be issued by officials, appointed by the Minister of Finance.

(3) The drafting of statements, the issuance, appeal and execution of the penal orders shall be performed under the procedure provided for in the Administrative Violations and Sanctions Act.

Article 36. The fines and property sanctions imposed under this Act shall be collected under the procedure set in the Tax and Social Insurance Procedure Code.

ADDITIONAL PROVISIONS

(Title amended, SG No. 98/2008)

§ 1. Within the meaning of this Act:

1. (Amended, SG No. 15/2013, effective 1.01.2014, SG No. 43/2016) "Budget organisations" shall mean the budgetary organisations defined in § 1, item 5 of the Additional Provisions of the Public Finance Act.
2. "Blocking quota" is the equity participation of the State or municipality in the capital of a commercial company which amounts to no less than 34 per cent, or such participation which enables them to prevent one of the following decisions being made: increase or decrease of capital, transformation or termination of the company, amendments to its statute or articles of incorporation.
3. "Guaranteed with state or municipal property" are all liabilities of legal entities in favour of which guarantees with funds under state and/or municipal budget have been given, including with funds of centralised funds, as well as with funds and property of legal entities with more than 34 per cent state or municipal equity participation.
4. "Confidentiality" is a prohibition for the authorities of the Agency to disclose or provide to third parties any information that has become known to them in the course of or in relation to the performance of their functions, unless otherwise provided by the law.
5. (New, SG No. 86/2007) "Material check" is a physical check through counting, weighing and measuring the available tangible assets and cash, their reconciliation with accounting information and establishing the result thereof.
6. (Renumbered from Item 5, SG No. 86/2007) "Objectivity" is a principle that requires impartial, full and accurate establishment of all facts and circumstances, subject of the financial inspection conducted.
7. (Renumbered from Item 6, SG No. 86/2007) "Ex-officio principle" is a principle for establishing on the initiative of the financial inspectors all the facts and circumstances related to the financial and economic activities of the organisations or entities inspected.
8. (Renumbered from Item 7, SG No. 86/2007, amended, SG No. 15/2013, effective 1.01.2014) "Financed with funds from the central government budget or municipal budgets under international agreements or under European Union programs, as well as the entities funded by state-owned enterprises under Article 62, Paragraph 3 of the Commerce Act" are the natural persons and legal entities that have received grants for general or targeted purpose from the central government budget or from municipal budgets under international agreements or under European Union programs, as well as the entities funded by state-owned enterprises under Article 62, Paragraph 3 of the Commerce Act.
9. (Renumbered from Item 8, SG No. 86/2007) "Indicator of fraud" is a sign wherefrom a reasoned conclusion can be drawn for intentional incorrect or inaccurate presentation of facts.
10. (Renumbered from Item 9, SG No. 86/2007) "Repeated" is the violation committed within a year of the enactment of the penal order, whereby the person has been penalised for the same type of violation.

§ 1a. (New, SG No. 98/2008) This Act introduces the requirements of Regulation No. 2185/96 of the Council (Euratom, EC) from 11 November 1996 concerning on-the-spot checks and inspections carried out by the commission in order to protect the European communities' financial interests against fraud and other irregularities.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. This Act shall repeal the Public Internal Financial Control Act (promulgated, SG No. 92/2000, amended, SG Nos. 28 and 101/2002, No. 31/2003, No. 38/2004, No. 105/2005).

§ 3. The proceedings that have been initiated and not finalized till the entry into force of this Act, including seeking of property liability, shall be finished under the hitherto existing procedure.

§ 4. (1) The Public Financial Inspection Agency is the successor of the records, liabilities, assets and any other rights and obligations of the Public Internal Financial Control Agency.

(2) The legal relationships of the Public Internal Financial Control Agency officers shall be regulated in accordance with Art. 123 of the Labour Code and Art. 87a of the Civil Servants Act and in accordance with the structure and staff number set forth in the Structural Regulation of the Public Financial Inspection Agency.

(3) The provision of Paragraph 2 shall not be applied to the delegated internal auditors, whose civil-service relationship shall be regulated under § 2 of the Transitional and Final Provisions of the Public Sector Internal Audit Act.

(4) Till the appointment of a Director of the Agency under Article 9, Paragraph 1, a person, appointed by an order of the Minister of Finance, shall be an acting Director for a period not longer than 6 months.

§ 5. The units under Article 31, Paragraph 1 are successors of the existing audit directorates under the Minister of Defence and the Minister of Interior, organised under the repealed Public Internal Financial Control Act.

§ 6. In the Code of Civil Procedure (promulgated, Transactions of the Presidium of the National Assembly No. 12/1952; amended, SG No. 92/1952, No. 89/1953, No. 90/1955, No. 90/1956, No. 90/1958, Nos. 50 and 90/1961; corrected No. 99/1961; amended, SG No. 1/1963, No. 23/1968, No. 27/1973, No. 89/1976, No. 36/1979, No. 28/1983; No. 41/1985, No. 27/1986, No. 55/1987, No. 60/1988, Nos. 31 and 38/1989, No. 31/1990, No. 62/1991, No. 55/1992, Nos. 61 and 93/1993, No. 87/1995, Nos. 12, 26, 37, 44 and 104/1996, Nos. 43, 55 and 124/1997, Nos. 21, 59, 70 and 73/1998, Nos. 64 and 103/1999, Nos. 36, 85 and 92/2000, No. 25/2001, Nos. 105 and 113/2002, Nos. 58 and 84/2003, Nos. 28 and 36/2004, Nos. 38, 42, 43, 79, 86, 99 and 105/2005, No. 17/2006) in Article 299, Paragraph 1 the words "Public Internal Financial Control Act" shall be replaced by "Public Financial Inspection Act", and the words "public internal financial control" shall be replaced by "public financial inspection".

§ 7. In the Tax and Social Insurance Procedure Code (SG No. 105/2005) in Article 74, Paragraph 1, item 3 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 8. In the Insurance Code (promulgated, SG No. 103/2005; amended, SG No. 105/2005) in Article 253, Paragraph 2 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 9. In the State Budget of the Republic of Bulgaria Act for 2006 (SG No. 105/2005) in § 22, Paragraph 7 of the Transitional and Final Provisions the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 10. In the Administrative Violations and Sanctions Act (promulgated, SG No. 92/1969; amended, SG No. 54/1978, No. 28/1982, Nos. 28 and 101/1983, No. 89/1986, No. 24/1987, No. 94/1990, No. 105/1991, No. 59/1992, No. 102/1995, Nos. 12 and 110/1996, Nos. 11, 15, 59, 85 and 89/1998, Nos. 51, 67 and 114/1999, No. 92/2000, Nos. 25, 61 and 101/2002, No. 96/2004, Nos. 39 and 79/2005) in Article 34, Paragraph 2 the words "Article 41, item 1 of the Public Internal Financial Control Act" shall be replaced by "Article 32, Paragraph 1, item 1 of the Public Financial Inspection Act".

§ 11. In the Public Procurement Act (SG No. 28/2004; amended, No. 53/2004, Nos. 31, 34 and 105/2005, No. 18/2006) the following amendments shall be made:

1. In Article 123:

a) in Paragraph 1 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency";

b) in Paragraph 3 the words "the Public Internal Financial Control Act shall be checked by the authorities of the Public Internal Financial Control Agency" shall be replaced by "the Public Financial Inspection Act shall be checked by the authorities of the Public Financial Inspection Agency", and the words "performance of an internal audit" shall be replaced by "financial inspection";

c) in Paragraph 4 the words "internal audit under the Public Internal Financial Control Act" shall be replaced by "financial inspection under the Public Financial Inspection Act", and the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency";

d) in Paragraph 5 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency";

e) in Paragraph 7 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

2. In Article 124, Paragraph 1 and 2 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

3. In Article 126:

a) in Paragraph 1 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency", and the words "conclusions, and recommendations" shall be deleted;

b) in Paragraph 5 the words "the audit report and" shall be replaced by "the report on the financial inspection conducted or";

c) in Paragraph 6 the words "checks performed" shall be replaced by "the results from the control exercised", and the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

4. In Article 127, Paragraph 1 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 12. In the Banking Act (promulgated, SG No. 52/1997; amended, SG Nos. 15, 21, 52, 70 and 98/1998, Nos. 54, 103 and 114/1999, Nos. 24, 63, 84 and 92/2000, No. 1/2001, Nos. 45, 91 and 92/2002, No. 31/2003, Nos. 19, 31, 39 and 105/2005) the following amendments shall be made:

1. In Article 52, Paragraph 5, item 3 shall be amended to read:

"3. the Director of the Public Financial Inspection Agency where by a statement of an authority of the Agency it has been established that:

a) the management of the organization or entity inspected frustrates the performance of the inspection activity by the authorities of the Agency;

b) in the organization or entity inspected no accounting is kept or the accounting is incomplete or untrustworthy;

c) there is evidence for deficit;

d) by an act of a government authority the occurrence of an untoward event has been established that has led to destruction of accounting documentation of the organization or entity inspected."

2. In § 45, Paragraph 2 of the Transitional and Final Provisions of the Act to Amend the Banking Act (promulgated, SG No. 54 from 1999; amended, No. 103 from 1999, Nos. 1 and 92 from 2000) the words "financial audits to be made under the Public Internal Financial Control Act" shall be replaced by "conducting financial inspection under the Public Financial Inspection Act".

§ 13. In the National Audit Office Act (promulgated, SG No. 109/2001; amended, SG No. 45/2002, No. 31/2003, No. 38 from 2004, Nos. 34 and 105/2005, Nos. 24 and 27/2006) in Article 7, Paragraph 1, item 1 the words "public internal financial control" shall be replaced by "Public Financial Inspection Agency".

§ 14. In the Accountancy Act (promulgated, SG No. 98/2001; amended, SG No. 91/2002, No. 96/2004, Nos. 102 and 105/2005) the following amendments shall be made:

1. In Article 35, Paragraph 1, items 1 and 2 the words "external and internal financial audit" shall be replaced by "external, internal financial audit and financial inspection".

2. In Article 48, Paragraph 1 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 15. In the Independent Financial Audit Act (promulgated, SG No. 101/2001; amended, SG No. 91/2002, No. 96/2004, Nos. 77 and 105/2005) in Article 16 in the text before item 1 the words "internal and external financial audit" shall be

replaced by "internal, external financial audit and financial inspection".

§ 16. In the Act on the Liability Incurred by the State for Damage Inflicted on Citizens (promulgated, SG No. 60/1988; amended, SG No. 59/1993, No. 12/1996, No. 67/1999, No. 92/2000, No. 105/2005) in Article 9, Paragraph 2 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 17. In the Criminal Assets Forfeiture Act (promulgated, SG No. 19/2005; amended, SG Nos. 86 and 105/2005) in Article 16, Paragraph 1 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 18. In the Public Offering of Securities Act (promulgated, SG No. 114/1999; amended, SG Nos. 63 and 92/2000, Nos. 28, 61, 93 and 101/2002, Nos. 8, 31, 67 and 71/2003, No. 37/2004, Nos. 19, 31, 39, 103 and 105/2005) in Article 71, Paragraph 6, item 3 the following amendments shall be made:

1. Everywhere the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency" and the words "of the Agency and the directors of the territorial directorates" shall be deleted.
2. In letter "a" the words "the audited entity" shall be replaced by "the organization or entity inspected", and the words "internal audit or inspection" shall be replaced by "financial inspection".
3. In letter "b" the words "the audited entity" shall be replaced by "the organization or entity inspected".
4. In letter "d" the words "by the internal audit" shall be replaced by "during the financial inspection".
5. In letter "e" the words "the audited entity" shall be replaced by "the organization or entity inspected".

§ 19. In the Religious Denominations Act (SG No. 120/2002) in Article 25, Paragraph 3 words "public financial control" shall be replaced by "Public Financial Inspection Agency".

§ 20. In the Health and Safety at Work Act (promulgated, SG No. 124/1997; amended, SG No. 86/1999, Nos. 64 and 92/2000, Nos. 25 and 111/2001, Nos. 18 and 114/2003, No. 70/2004, No. 76/2005) in Article 50 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 21. In the Integration of Persons with Disabilities Act (promulgated, SG No. 81/2004; amended, SG Nos. 28, 88, 94, 103 and 105/2005, No. 18/2006) in Article 55, Paragraph 1, item 1 the words "the Executive Director of the Public Internal Financial Control Agency" shall be replaced by "the Director of Public Financial Inspection Agency".

§ 22. In the Cooperatives Act (promulgated, SG No. 113/1999; amended, SG No. 92/2000, No. 98/2001, No. 13/2003, Nos. 102 and 105/2005) in Article 63, Paragraph 2 the words "Chapter Four "Financial Liability and Measures against Violations" of the Public Internal Financial Control Act" shall be replaced by "Chapter Two, Section Four "Follow-up measures" and Chapter Three "Property Liability" of the Public Financial Inspection Act".

§ 23. In the Employment Promotion Act (promulgated, SG No. 112/2001; amended, SG Nos. 54 and 120/2002, Nos. 26, 86 and 114/2003, Nos. 52 and 81/2004, Nos. 27 and 38/2005, No. 18/2006) in § 3 of the Transitional and Final Provisions the words "Public Internal Financial Control" shall be replaced by "Public Financial Inspection Agency".

§ 24. In the Health Insurance Act (promulgated, SG No. 70/1998; amended, SG Nos. 93 and 153/1998, Nos. 62, 65, 67, 69, 110 and 113/1999, Nos. 1, 31 and 64/2000, No. 41/2001, Nos. 1, 54, 74, 107, 112, 119 and 120/2002, Nos. 8, 50, 107 and 114/2003, Nos. 28, 38, 49, 70, 85 and 111/2004, Nos. 39, 45, 76, 99, 102, 103 and 105/2005, Nos. 17 and 18/2006) in Article 70, Paragraph 2 the words "Public Internal Financial Control Act" shall be replaced by "Public Financial Inspection Act".

§ 25. In the Stamp Duty Act (promulgated, Izv., No. 104/1951; amended, SG No. 89/1959, No. 21/1960, SG No. 53/1973, No. 87/1974, No. 21/1975, No. 21/1990, No. 55/1991, No. 100/1992, Nos. 69, 87/1995, Nos. 37, 100 and 104/1996, Nos. 82, 86/1997, No. 133/1998, No. 81/1999, No. 97/2000, Nos. 62, 63 and 90/2002, Nos. 84, 86/2003, Nos. 24, 36

and 37/2004, No. 43/2005, No. 18/2006) in Article 7, Paragraph 1, in the second sentence the words "departmental control" shall be replaced by "the authorities of the Public Financial Inspection Agency".

§ 26. In the Safeguarding of Farming Property Act (promulgated, SG No. 54/1974; amended, SG No. 22/1976, No. 36/1979, No. 28/1982, No. 45/1984, No. 65/1995, Nos. 44 and 86/1996, No. 11/1998) the following amendments shall be made:

1. In Article 6, Paragraph 1, item 3 the words "the Financial Control Act and the Public and People's Control Act" shall be replaced by "Public Financial Inspection Act".
2. In Article 15, Paragraph 1 the words "the public and people's control" shall be replaced by "Public Financial Inspection Agency".
3. In Article 40, Paragraph 5 the words "the Financial Control Act and the Public and People's Control Act" shall be replaced by "and the Public Financial Inspection Act".

§ 27. In the Family Allowances Act (promulgated, SG No. 32/2002; amended, SG No. 120/2002, No. 112/2003, No. 69/2004, No. 105/2005, No. 21/2006) in Article 11 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 28. In the Act to Settle Non-Performing Loans Contracted by 31 December 1990 (promulgated, SG No. 110/1993; amended, No. 112/1995, No. 55/1997, Nos. 12, 90, 103 and 111/1999, Nos. 1 and 92/2000, Nos. 28 and 46/2002, No. 115/2004) in Article 15, Paragraph 2 the words "Public Internal Financial Control Agency" shall be replaced by "Public Financial Inspection Agency".

§ 29. In the Non-profit Legal Persons Act (promulgated, SG No. 81/2000; amended, SG Nos. 41 and 98/2001, Nos. 25 and 120/2002, Nos. 42, 102 and 105/2005) in Article 46, Paragraph 3 and in Article 48, Paragraph 1 the words "public financial control" shall be replaced by "Public Financial Inspection Agency".

§ 30. The Council of Ministers shall adopt Rules on the Implementation of this Act within three months of its entering into force.

§ 31. The Council of Ministers shall adopt Structural Regulations of the Public Financial Inspection Agency within three months of entering into force of this Act.

§ 32. The Council of Ministers shall be responsible for the implementation of this Act.

This Act was passed by the 40th National Assembly on 6 April 2006 and the official seal of the National Assembly was affixed on it.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Civil Servants Act

(Promulgated, SG No. 38/2012, effective 1.07.2012)

.....

§ 84. (Effective 18.05.2012 - SG No. 38/2012) Within one month after the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Positions in the Administration into conformity with this Act;

2. the competent authorities shall bring the organic acts of the respective administration into conformity with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Access to and Disclosure of the Documents and Announcing the Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army Act, the Criminal Assets Forfeiture Act, the Conflict of Interest Prevention and Ascertainment Act, the Social Insurance Code, the Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under the terms established by § 36 of the Transitional and Final Provisions of the Act to Amend and Supplement the Civil Servants Act (State Gazette No. 24 of 2006).

(2) The act on appointment of the civil servant shall:

1. award the lowest rank designated in the Classifier of Positions in the Administration for occupation of the position, unless the servant holds a higher rank;

2. fix an individual monthly basic salary.

(3) The additional resources required for social and health insurance contributions of the persons referred to in Paragraph (2) shall be provided within the limits of the expenditures on salaries, remunerations and compulsory social and health insurance contributions under the budgets of the spending units concerned.

(4) The Council of Ministers shall effect the requisite modifications under the off-budget account of State Fund Agriculture arising from this Act.

(5) The governing bodies of the National Social Security Institute and of the National Health Insurance Fund shall effect the requisite modifications under the respective budgets arising from this Act.

(6) Any unused leaves under the employment relationships shall be retained and shall not be compensated by cash compensations.

§ 86. (1) Within one month after the entry into force of this Act, the individual monthly basic salary of the servant shall be fixed in such a way that the said salary, net of the tax due and the compulsory social and health insurance contributions for the account of the insured person, if they were due, would not be lower than the gross monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the insured person, if they were due, and the tax due.

(2) The gross salary referred to in Paragraph (1) shall include:

1. the monthly basic salary or the monthly basic remuneration;

2. supplementary remunerations which are paid constantly together with the monthly basic salary or monthly basic remuneration due and which are contingent solely on the time worked.

§ 87. This Act shall enter into force as from the 1st day of July 2012 with the exception of § 84 herein, which shall enter into force as from the day of promulgation of the Act in the State Gazette.