



The New State of Emergency Act (Promulgated)

Document Contents

On 24 March 2020 the Measures and Actions during a State of Emergency Act, declared with a decision of the National Assembly on the 13th March 2020 (the Act) was promulgated in the State Gazette.

The Act will come into force with retroactive effect as of 13th March, 2020 with the exception of some provisions which will come into force on the date of the promulgation.

The Act provides for measures and actions in different areas during the time of the state of emergency. This newsletter does not list them in their entirety, but aims to inform you only of the fundamental ones:

- [Employment Relations and Social Security](#)
- [Terms](#)
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- [Taxation and Annual Closing](#)
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Deloitte Bulgaria's team remains at your disposal to assist with further analysis and comments.



- Employers may issue an order to assign work from home or telework to their workers and employees without their consent.
- Employers may grant up to one-half of the paid annual leave without the consent of their employees or workers.
- The employer may establish in the enterprise or its unit a part-time work for the full-time employees and workers for the whole or part of the state of emergency period .
- In the event of a state of emergency, the employer may issue an order to suspend the work of the entire or part of the enterprise or of individual employees for the whole or part of the period until the state of emergency is lifted. When a state of emergency is declared and all or part of the enterprise's operations are suspended by an order of a state authority, the employer is obliged not to admit the employees or workers to their workplaces for the period determined in the order. In such cases, during the period when the work is suspended the employee or worker is entitled to their gross remuneration.
- When the employer or a state authority issues an order to suspend the work of the enterprise, a part of the enterprise or individual employees and workers due to a declared state of emergency, the employer has the right to grant the paid annual leave to the employee or worker without their consent, including to an employee or worker who has not yet acquired 8 months of service.



- When a state of emergency is declared, the employer is obliged to allow the use of paid annual leave or unpaid leave at the request of certain categories of employees (a pregnant employee or worker, as well as an employee or worker in advanced stages of in vitro treatment; a mother or adoptive parent of a child up to 12 years of age or a disabled child regardless of their age; a worker or employee with permanently damaged working capacity 50 and over 50%, etc.).
- While the Act is in force, but for a period not exceeding three months, the National Social Security Institute will pay 60% of the insurance income for January 2020 to insurers who meet the criteria which will be determined by an act of the Council of Ministers*.
- The running of the statutory time limits for insured persons and pensioners in connection with the implementation of Part One, Chapter 4-8 of the Social Security Code is suspended.
- Part of the statutory terms for pension insurance companies are extended (e.g. for the preparation of actuarial report).

**A draft of the act is available.*



- As of 13th March, 2020 until the lifting of the state of emergency, the following terms shall cease to run:
 - procedural time-limits for judicial, arbitral and enforcement proceedings, with the exception of time-limits: for criminal proceedings; under the Extradition Act; under the European Arrest Warrant; and for proceedings related to duress measures;
 - prescription periods and other periods provided for in the statutory acts, on expiry of which rights are terminated or extinguished or obligations arise for individuals and private entities, except for the time-limits under the Criminal Code and the Administrative Violations and Sanctions Act;
 - the terms for implementation of instructions issued by an administrative authority to parties or interested persons in proceedings, except for the proceedings under the Management of Resources from the European Structural and Investment Funds Act.



- The following terms shall be extended by one month after the lifting of the state of emergency:
 - the terms beyond those specified above, set out in an act, which expire during the state of emergency and are related to the exercise of rights or the fulfillment of obligations of individuals and private entities;
 - the effect of administrative acts which is restricted by a time-limit and expires during the period of the state of emergency.
- Until the state of emergency is lifted, the prescription period under the Tax and Social Security Procedure Code (TSSPC) ceases to run, and the absolute prescription period for the payment of public claims under TSSPC will not apply.
- The payment deadlines for the electricity supply of household customers are extended from 10 days to 20 days.
- At the request of an assignee under public procurement, there is a possibility the performance deadline to be renegotiated, but not more than the term of the emergency state.
- The terms for establishment, declaring, depositing, securing and collecting duties on customs duties, taxes, excise duties and social security contributions are not changed, except in the cases explicitly listed in the Act.



- Until the state of emergency is lifted, the effects of late performance of the obligations of individuals and private entities, including interest and penalties for late payment, as well as non-monetary consequences such as early repayment, contract termination due to default and seizure of property, shall not apply. All announced public sales and entries into possession shall be suspended; after the state of emergency is lifted, they shall be re-scheduled, and no new fees and expenses shall be due.
- No distraints shall be imposed on the bank accounts of individuals and medical centers, salaries and pensions, no security measures shall be imposed on medical facilities and equipment, as well as no inventory shall be performed of movable property and real estate owned by individuals, except for liabilities for maintenance, for damages caused by delict and for remuneration claims from employment relations.
- No enforcement proceedings shall be initiated under the TSSPC unless such initiation is necessary for the protection of important state or public interests or in case the execution of the act may be seriously impeded, or if significant damage may result from the implementation delay.
- The enforcement under TSSPC shall be suspended; after the suspension the public bailiff may not perform new enforcement actions, but may perform actions to secure the claim, as well as distribution of amounts received under the enforcement case; prior to the expiration of the term of the state emergency, the enforcement shall be resumed with an order of the public bailiff at the debtor's request for enforcement over: a) receivables and funds from banks; b) receivables from third parties; c) treasury values, including the content of safe deposits, as after the enforcement is completed, the enforcement proceedings shall be suspended.



- The following deadlines are extended until 30 June 2020:
 - The deadline for filing annual tax returns under the Corporate Income Tax Act (CITA) and the Personal Income Tax Act (PITA) (for merchants and individuals – sole traders) for 2019 and payment of taxes, including tax on expenses;
 - The deadline for usage of 5% discount when pre-paying the tax on real estate and/or vehicle for the whole year.
- The deadline for usage of 5% discount when filing the annual tax return under PITA and the term for additional payment of the due tax shall be extended until 31 May 2020 (for merchants and individuals – sole traders);
- The due advance contributions for the period from January to June 2020 shall be determined by a declaration until 15 April 2020, in case the enterprises did not file an annual tax return prior to the entry into force of the Act. The deadlines for payment of the down payments remain unchanged.
- The term for filling the annual financial statements, consolidated financial statements and annual reports of the enterprises shall be extended up to 30 September 2020.
- The signing of the annual financial statements for 2019 could be made by means of qualified electronic signatures.
- The deadline for filing a declaration that an enterprise has not operated during the reporting period shall be extended to 30 June 2020.



- A foreigner with a long-term residence permit for residence in Bulgaria, in case the residence term expires during the period of state of emergency, may apply for continuation of residence within 14 days after the state of emergency is lifted.
- A foreigner who is a long-term resident and whose long-term residence permit expires during the state of emergency, may enter the territory of the country without a visa within 14 days after the state of emergency is lifted.
- The right of residence of a foreigner in Bulgaria will not be revoked if in cases of emergency the foreigner who has been granted a long-term or permanent residence permit has been absent from the EU territory in 12 consecutive months.
- The period of validity of the documents for residence of certain categories of foreigners in Bulgaria, which expire from 13 March 2020 to 31 October 2020, is extended by 6 months.



The legislator has also provided a number of other measures and actions, related to the state of emergency, such as the following:

- Notarial proceedings are restricted, except for the urgent* ones, observing the health and hygiene requirements; The Notary Chamber ensures the availability of notaries on duty under a ratio of at least one notary per 50,000 inhabitants in the respective area;
- The servicemen of the armed forces, jointly and/ or in coordination with other authorities, may participate in the implementation of anti-epidemic measures and restrictions under conditions and in order determined by an act of the Council of Ministers;
- The Public Procurement Act shall not be applied for certain supplies, related to the anti-epidemic measures;
- The possibility of distance education is regulated;
- Specific rights are conferred on the management authorities of the European Structural and Investment Funds;
- Amendments and supplements are being made to the Penal Code and the Health Act;

The preliminary adopted on 20 March 2020 rules against price speculation during the state of emergency and disasters were repealed by the National Assembly after the Bulgarian President imposed veto thereon.

**The Act does not provide for a legal definition of an urgent notarial proceedings.*



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