

Bulgaria Dispute Resolution Profile

(Last updated: 16 December 2016)

General Information

- **Bulgaria tax treaties are available at:**

<http://nra.bg/page?id=427> (Bulgarian)

<http://www.nap.bg/en/page?id=530> (English)

- **MAP request should be made to:**

Ms. Iskra Slavcheva
Director of Tax Treaties Directorate
National Revenue Agency
52 Dondukov blvd.
1000, Sofia
Bulgaria
Tel: + 359 2 9859 3060
Fax: +359 2 9859 3077
e-mail: i.slavcheva@nra.bg

- **APA request should be made to:**

Same as above.

Bulgaria Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	No	No such agreements are in place.	-
2.	Are bilateral APA programmes implemented? If yes:	No	-	-
a.	<ul style="list-style-type: none"> Are roll-back of APAs provided for in the bilateral APA programmes? 	No	-	-
b.	<ul style="list-style-type: none"> Are there specific timeline for the filing of an APA request? 	No	-	-
c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available? 	No	-	-
d.	<ul style="list-style-type: none"> Are there any fees charged to taxpayers for a bilateral APA request? 	No	-	-

Bulgaria Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
e.	<ul style="list-style-type: none"> Are statistics relating to bilateral APAs publicly available? 	No	-	-
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	Internal trainings on the application of the tax treaties and the transfer pricing rules are periodically organized by the National Revenue Agency.	-
4.	Is other information available on preventing tax treaty-related disputes?	No	-	-

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the **OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations** (“Transfer Pricing Guidelines”).)

2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

Bulgaria Dispute Resolution Profile – Availability and access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	-	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	-	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes	-	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	See detailed explanation	The Bulgarian domestic legislation does not provide for an audit settlement between the tax authorities and the taxpayer to be concluded.	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	-	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	See detailed explanation	There are no rules that limit the taxpayer's right to request MAP assistance but it is preferable the respective administrative or judicial procedure to be	-

Bulgaria Dispute Resolution Profile – Availability and access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			suspended. See also question 12.	
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	See detailed explanation	Taxpayers are allowed to request MAP assistance in cases where the issue under dispute has already been decided via the administrative remedies provided in the Bulgarian domestic legislation, i.e. when the case has been decided at the level of the revenue administration. On the other hand under the Bulgarian legal system the court decisions are binding for the state authorities, therefore an agreement that deviates from the court decision could not be implemented.	-
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	See detailed explanation	Section XIV "Mutual Agreement Procedures" of the Transfer Pricing Guidelines (revision 2010) of the National Revenue Agency gives a general overview of the MAP process in cases of transfer pricing adjustments.	http://www.nap.bg/news?id=818 The information is only in Bulgarian language.
14.	Are there specific timeline for the filing of a MAP request?	Yes	According to the provisions of the applicable DTC.	http://www.nap.bg/news?id=818 https://ec.europa.eu/taxation_customs/sites/taxation/files/docs/body/tpprofile-bg.pdf

Bulgaria Dispute Resolution Profile – Availability and access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
15.	Are guidance on multilateral MAPs publicly available?	No	-	-
16.	Are tax collection procedures suspended during the period a MAP case is pending?	No	<p>Tax collection and interest charges are not suspended during a MAP. The taxpayers could however request suspension on the grounds provided for in the Bulgarian domestic legislation but this possibility is allowed in very limited cases.</p> <p>The taxpayers may request suspension of tax collection from the administrative body of appeals or the court, as the case may be, only as regards that part of the tax liability which is disputed. The tax collection may be suspended if the taxpayer provides collateral in the amount of the tax at stake and the interest accrued.</p>	https://ec.europa.eu/taxation_customs/sites/taxation/files/docs/body/tpprofile-bg.pdf
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	No	-	-

Bulgaria Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	No	-	-
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	No	-	-
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	No	-	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	No	-	-
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	No	-	-
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	No	-	-
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	See detailed explanation	The current practice of Bulgaria is not to include MAP arbitration provisions in its DTCs.	-

Bulgaria Dispute Resolution Profile – Resolution of MAP cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	No	-	-
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	-	-	-
25.	<p>Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?</p>	Yes	-	-
26.	<p>Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?</p>	No	-	-
27.	<p>Is there any other information available on resolution of MAP cases?</p>	No	-	-

Bulgaria Dispute Resolution Profile – Implementation of MAP Agreements

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	No	-	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	No	-	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	No	A number of the Bulgarian DTCs (in particular 14) do not contain the second sentence of para. 2 of Art. 25 of the OECD Model Tax Convention. In one DTC the application of a MAP is subject to the time limits in accordance with the domestic laws of the	-

Bulgaria Dispute Resolution Profile – Implementation of MAP Agreements

			Contracting States.	
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-