

State Aid Act

Promulgated, SG No. 85/24.10.2017, amended, SG No. 102/23.12.2022, effective 1.01.2023

*Note: An update of the English text of this Act is being prepared following the amendments in SG No. 102/8.12.2023, effective 12.12.2023

Chapter One GENERAL DISPOSITIONS

Subject Matter

Article 1. This Act regulates the terms and procedures for:

1. the granting of State aid and de minimis aid;
2. the implementation of the notification procedures for the granting of State aid pursuant to Article 108, paragraph 3 of the Treaty on the Functioning of the European Union;
3. the categories of State aid compatible with the internal market;
4. the implementation of the obligations for reporting, collection, recording and storage of data;
5. the recovery of unlawful and incompatible State aid and of misused State aid;
6. the recovery of unlawfully received de minimis aid;
7. the assessment of any State aid, for which notification of the European Commission is not mandatory, for compliance with the block exemption rules;
8. the legal challenge of violations relating to the granting of State aid and de minimis aid.

Scope

Article 2. (1) This Act shall apply in respect of:

1. individual State aid and de minimis aid;
 2. State aid and de minimis aid schemes.
- (2) This Act shall furthermore apply in respect of aid which is exempt from the notification requirement by an act of the Council of the European Union or of the European Commission.

Exclusion from the Scope

Article 3. This Act shall not apply to aid measures directly connected with the production of or trade in arms, munitions for military use and military equipment to which Article 346 of the Treaty on the Functioning of the European Union applies.

Compatibility

Article 4. (1) Granting of State aid, except in the cases provided for in the Treaty on the Functioning of the European Union, shall be incompatible with the internal market.

(2) Granting of State aid shall be compatible with the internal market where the aid:

1. has a social character and is granted to individual consumers, without discrimination related to the origin of the products concerned, or
2. is intended to make good the damage caused by natural disasters or other exceptional occurrences.

(3) Granting of State aid may be considered to be compatible with the internal market where it satisfies any of the following conditions:

1. the aid is to promote the economic development of areas where the standard of living is low or where there is high underemployment;
2. the aid is to promote the execution of an important project of common European economic interest or to remedy a serious disturbance in the economy of the Republic of Bulgaria;

3. the aid is to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest of the European Union;
 4. the aid is to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Union to an extent that is contrary to the common interest of the European Union;
 5. the aid is authorised by an act of the Council of the European Union on a proposal from the Commission.
- (4) State aid specified in Paragraphs (2) and (3) shall be granted under the conditions and in accordance with the procedure established by this Act.

Principles

Article 5. (1) The following principles shall apply to the granting of State aid:

1. necessity – State aid shall be targeted at areas of activity for which substantial improvement or development is necessary that cannot be achieved under normal market conditions;
 2. appropriateness – support for the achievement of an objective of common interest for the European Union, including when comparing the actual and expected results;
 3. proportionality and effectiveness – the requirements must be appropriate to the attainment of the objective pursued and must not go beyond what is necessary to achieve it, aiming at maximum results with the smallest amount of State aid;
 4. transparency – ensuring publicity rules for the granting and spending of public funds in a way that allows access to, use and analysis of information regarding financial relationships and allows for monitoring, coordination and control;
 5. balance – achieving a positive result while taking into account the negative effects on competition;
 6. comparability – choosing the right way to provide State aid that affects competition as little as possible, while achieving its objective;
 7. incentive effect – a positive change in the behaviour and activity of the beneficiary of the aid so that it can carry out the relevant activity that it would not have undertaken without the aid or would have undertaken but in a limited amount and in a different way.
- (2) The incentive effect referred to in Item 7 of Paragraph (1) shall be determined based on the criteria set out in the act of the European Union whereby the State aid is granted.
- (3) Where no criteria are defined in the act referred to in Paragraph (2), but the State aid is required to have an incentive effect, such effect shall be determined by at least carrying out a comparative analysis of the option where aid is granted and the option without granting of aid.
- (4) The aid administrator shall bring forth in writing arguments for the implementation of the principles set out in Paragraph (1), where applicable, based on the act of the European Union whereby the State aid is granted. These arguments shall be an integral part of the documents relating to the granting of State aid.

Public Claims

Article 6. The monetary liabilities to the state and the municipalities under enacted judgments and orders of the courts under this law shall be public state or public municipal claims and shall be collected by the National Revenue Agency authorities in accordance with the procedure established by the Tax and Social Insurance Procedure Code.

Chapter Two

BODIES OF THE EXECUTIVE RESPONSIBLE FOR STATE AID

General Competencies

Article 7. (1) The Minister of Finance shall be the national authority responsible for the monitoring, transparency and coordination of State aid and de minimis aid at the national, regional and municipal level and for the interaction with the European Commission, except in the cases specified in Article 8.

(2) In pursuance of the powers under Paragraph (1), the Minister of Finance shall:

1. carry out the monitoring, coordination and interaction with the European Commission and aid administrators in the field of State aid and de minimis aid;
2. accept, examine and assess State aid notifications for completeness, quality and compliance with the European Union law and the Bulgarian legislation in the field of State aid;
3. monitor and deliver opinions on the provision of new and on the modification of existing State aid in terms of compliance with the State aid policy pursued in the European Union and in the Republic of Bulgaria;
4. coordinate and transmit the notifications of State aid to the European Commission;
5. assess the State aid falling within the scope of the general block exemption regulation;
6. deliver opinions regarding aid which is exempt from the notification requirement by an act of the Council of the European Union or of the European Commission;
7. prepare a notification to the European Commission on the regional map of state aid, containing a proposal of the maximum intensity of regional aid and of the specific local scope of the areas in the Republic of Bulgaria which qualify for regional aid;
8. ensure transparency of State aid by requiring, summarising and storing information from all aid administrators, including in respect of de minimis aid;
9. prepare annual reports and thematic reports on State aid and transmit such reports to the European Commission;
10. coordinate and assist aid administrators in the exercising of their rights and fulfilling their obligations arising from the European Union law and the Bulgarian legislation in the field of State aid;
11. coordinate the actions relating to the recovery of unlawful and incompatible State aid and the recovery of misused State aid, including where State aid in the field of agriculture, rural development, forestry, hunting and fisheries is concerned;
12. deliver opinions on draft statutory and other instruments relating to the settlement of relations in the field of State aid;
13. participate in the activity of the working bodies of the European Commission on matters concerning State aid;
14. provide methodological guidance on the application of the law, the statutory acts on its implementation and the rules in the field of State aid;
15. take measures to develop and improve the rules in the field of State aid and to ensure transparency.

Special Competencies

Article 8. (1) (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Agriculture shall be the authority responsible for the monitoring, transparency, coordination and interaction with the European Commission in the field of State aid and de minimis aid in the areas of agriculture, rural development, forestry, hunting and fisheries, except in the cases specified in Article 7, Paragraph (2), Item 11.

(2) (Amended, SG No. 102/2022, effective 1.01.2023) In pursuance of the powers under Paragraph (1), the Minister of Agriculture shall:

1. develop the content, parameters and mechanisms for the granting and control of all aid measures in the areas of agriculture, rural development, forestry and hunting and fisheries;
2. assess the impact of the aid measures in the areas of agriculture, rural development, forestry and hunting and fisheries, where such an assessment is required;
3. transmit to the European Commission the notifications of State aid in the areas of agriculture, rural development, forestry and hunting and fisheries;

4. prepare annual reports on the State aid in the areas of agriculture, rural development, forestry and hunting and fisheries and transmit such reports to the European Commission;
5. deliver opinions regarding State aid and de minimis aid in the areas of agriculture, rural development, forestry and hunting and fisheries;
6. deliver opinions on proposals and draft amendments to the extant State aid legislation in the areas of agriculture, rural development, forestry and hunting and fisheries;
7. participate in the activity of the working bodies of the European Commission on matters concerning State aid in the areas of agriculture, rural development, forestry and hunting and fisheries.

Chapter Three

AID ADMINISTRATOR

Definition of Administrator

Article 9. (1) An aid administrator shall be a person granting or managing, including developing, State aid or de minimis aid, unless otherwise provided for by law.

(2) Where State aid or de minimis aid is granted by a person over which a public body exercises a dominant influence, the aid administrator shall be the public body exercising a dominant influence.

(3) Where State aid or de minimis aid is granted with an act of the Council of Ministers, the aid administrator shall be the minister or the other public body responsible for the implementation of the relevant state policy in the sector in which the aid is granted.

(4) Where State aid or de minimis aid is granted by a body managing an operational programme or by a body which is a programme operator, the aid administrator shall be the body responsible for the management and implementation of the programme.

(5) In the cases referred to in Paragraphs (1) through to (4), the aid administrator may delegate some of its functions under this Act to a body governed by public law, a public body or a public undertaking which shall be responsible as an aid administrator for the delegated functions and shall fulfil the associated obligations towards the aid recipient.

Special Case

Article 10. (Amended, SG No. 102/2022, effective 1.01.2023) In the case of State aid and de minimis aid in the areas of agriculture, rural development, forestry and hunting and fisheries, aid administrators shall be determined by the Minister of Agriculture.

Act for Granting

Article 11. State aid or de minimis aid shall be granted with an act for granting, in which an aid administrator and a person under Article 9, Paragraph (5) in the case of delegation shall be designated.

Responsibilities of the Aid Administrator

Article 12. (1) The aid administrator shall be responsible for the lawful granting and spending of State aid and de minimis aid in compliance with the European Union law and the Bulgarian legislation.

(2) An aid administrator – budget authorising officer may develop or grant State aid or de minimis aid related to national or national co-financing measures under projects and programmes funded by the European Union, the Schengen Facility, the Transition Facility, donor programmes and the like, where funds are provided for in the State Budget Act for the respective year or in the medium-term budget forecast.

Development of Aid Measures

Article 13. (1) The aid administrator shall determine in advance the objectives and shall develop the content, parameters and mechanisms for the granting and control of any new State aid it intends to grant, and shall assess its impact when required.

(2) The aid administrator shall also be obliged to develop a plan for assessing the impact of the aid measures and a report thereto for transmission to the European Commission, where this is required by an act of the European Union or at the request of the European Commission.

(3) In the event of a State aid scheme or de minimis aid, the aid administrator shall be obliged to ensure compliance with the State aid rules in each individual case within the scope of the scheme.

Standstill

Article 14. The aid administrator shall be obliged not to implement and not grant State aid before:

1. the European Commission issues a decision authorising the planned State aid or deciding that the measure does not constitute State aid, or before circumstances arise under which it may be deemed that the European Commission has taken a decision to authorise the aid;
2. receiving an assessment from the Minister of Finance that the measure has been brought in conformity with the rules of the general block exemption regulation.

Notification

Article 15. (1) Prior to granting new State aid, the aid administrator shall be obliged to notify the Minister of Finance.

(2) The conditions and procedure for notification under Paragraph (1) shall be determined by an ordinance of the Minister of Finance.

(3) (Amended, SG No. 102/2022, effective 1.01.2023) New State aid in the areas of agriculture, rural development, forestry and hunting and fisheries shall be granted with a decision of or upon a proposal by the Minister of Agriculture.

Informing the Beneficiary

Article 16. (1) The aid administrator shall be obliged to provide each beneficiary of State aid or de minimis aid with information regarding the type, size, grounds for granting and compatibility of the aid by reference to the act of the European Union, its name and publication in the Official Journal of the European Union, as well as regarding the obligations for the beneficiary of the aid arising from receiving the aid. Such information shall be included in the act whereby the aid is granted or shall be provided to the beneficiary of the aid within 14 days of the issuing of such act.

(2) Information regarding the aid amount shall not be provided where the aid relates to tax measures requiring processing of tax returns of persons liable to tax.

Documentation

Article 17. The aid administrator shall be obliged to prepare the documents required for the implementation of the aid measure in accordance with the requirements of the act of the European Union applicable to the aid.

Capacity

Article 18. (1) The aid administrator shall be obliged to provide and maintain sufficient capacity for carrying out the activities related to the planning, development, notification, documenting, granting and management, reporting and monitoring of State aid and de minimis aid.

(2) The aid administrator shall be obliged to identify the necessary measures for the implementation of the activities under Paragraph (1) according to the volume and specificity of the administered aid, including at least technical facilities, staff and measures for storage of information.

(3) For each State aid and de minimis aid the aid administrator can designate persons responsible for the implementation of the activities specified in Paragraph (1).

Keeping and Storing Information

Article 19. (1) The aid administrator shall be obliged to keep and store the information regarding the actions performed thereby and relating to the granted state aid and de minimis aid, and shall be responsible for its reliability.

(2) All documents provided by aid administrators to the Ministry of Finance shall be prepared in the Bulgarian language, and, where prepared in a foreign language, shall be accompanied by a translation into the Bulgarian language.

(3) The time period for storing the information referred to in Paragraph (1) shall not be shorter than 10 years as of the date of the last granting of aid under a State aid or de minimis aid scheme or from the date of granting individual State aid or de minimis aid.

(4) In the cases of aid granted in tranches, the time period under Paragraph (3) shall start from the date of granting the last tranche.

(5) Upon request, access to the information referred to in Paragraph (1) or part thereof shall be provided to persons designated by the Minister of Finance or the European Commission in the form and within the time limit specified in the request.

Chapter Four

BENEFICIARIES OF AID

Definition

Article 20. (1) A beneficiary of State aid shall be any undertaking for which State aid or de minimis aid is intended, and any undertaking which, directly or indirectly, benefits from that aid by receiving in any form an economic advantage, and in respect of which all elements for existence of aid within the meaning of Article 107, paragraph 1 of the Treaty on the Functioning of the European Union are in place.

(2) An undertaking under Paragraph (1) shall be any person who or which conducts economic activity irrespective of its legal and organisational form, status and mode of financing, regardless of whether it forms and distributes profit.

(3) Where the person under Paragraph (2) conducts simultaneously economic and non-economic activities, it can be considered to be a beneficiary of State aid or de minimis aid only with regard to its economic activities, provided that:

1. the economic and the non-economic activities are fully separated from a financial and accounting perspective in terms of assets, liabilities, income and expenditure from them, and/or

2. there is a factual separation of the respective activities through a separate entity.

(4) Where the aid measure is implemented by an undertaking but the economic advantage from the aid is also received by another undertaking, the amount of State aid or de minimis aid shall be determined based on the advantage received by each undertaking.

(5) Where following the granting of State aid or de minimis aid, not performed under market conditions, the economic advantage from the aid passes on to another undertaking, the latter undertaking shall be considered to be a beneficiary of State aid or de minimis aid.

Chapter Five

TYPES OF STATE AID AND PROCEDURE FOR GRANTING

State Aid Subject to Notification Requirement

Article 21. State aid, including any intention to grant new State aid or to modify an existing State aid, shall be subject to notification to the European Commission. No notification shall be required if this is provided for in an act of the European Union or in this Act.

Notification

Article 22. (1) (Amended, SG No. 102/2022, effective 1.01.2023) Each notification shall contain information regarding the objectives, characteristics, parameters and conditions for the granting of the aid. The notification shall be prepared and submitted to the European Commission by

the aid administrator through the Minister of Finance, and in the case of aid in the areas of agriculture, rural development, forestry and hunting and fisheries – by the Minister of Agriculture.

(2) The notification shall be accompanied by a justification of conformity with the European Union law and the Bulgarian legislation in the field of State aid or by a justification that the proposed aid measure does not constitute State aid, where the notification is submitted for the purposes of legal certainty. The justification shall be an integral part of the notification.

(3) Aid administrators shall coordinate the notification and the justification thereto in advance with the Minister of Finance.

Bringing into Conformity

Article 23. (1) Where in the course of the coordination referred to in Article 22, Paragraph (3) the Minister of Finance finds that the notification and the justification do not conform to the European Union law and the Bulgarian legislation in the field of State aid, the said Minister shall notify the aid administrator, suggesting measures to bring the said aid into conformity.

(2) Any aid administrator who or which fails to bring the notification and the justification into conformity with the measures specified in Paragraph (1) shall be obliged to send to the Minister of Finance a written statement and reasons for the failure to bring them into conformity. In such cases the Minister of Finance shall send the notification to the European Commission in the form declared with the statement.

(3) After receiving all necessary information from the aid administrator, the Minister of Finance shall transmit the notifications of State aid to the European Commission.

Information

Article 24. (1) After receiving a Commission decision confirming the compatibility and/or authorising the granting of State aid, the Minister of Finance shall notify the aid administrator that the aid measure can be implemented.

(2) The conditions set in the decision referred to in Paragraph (1) must be fulfilled.

(3) Where the decision referred to in Paragraph (1) contains conditions for the fulfilment of which the Commission has not set a time limit, within one month of receiving the decision the aid administrator shall provide to the Minister of Finance information regarding the time period and the manner of fulfilling such conditions.

Formal Investigation Procedure

Article 25. In the event that the European Commission opens a formal investigation procedure, the Minister of Finance shall notify thereof the corresponding aid administrator.

State Aid Not Subject to Notification Requirement

Article 26. State aid for which no notification to the European Commission is required shall be aid to which the notification requirement under Article 108, paragraph 3 of the Treaty on the Functioning of the European Union does not apply.

Preliminary Coordination

Article 27. The aid administrator shall be obliged to notify in advance the Minister of Finance and to coordinate therewith each intention for granting new State aid and modifying an existing State aid, where the State aid concerned falls within the scope of the general block exemption regulation.

Consideration

Article 28. (1) The Minister of Finance shall consider the information under Article 27 in the order of its receipt and shall prepare an assessment regarding the conformity of the State aid with the group exemption regulations. The assessment shall be prepared within one month of the receipt of the information.

(2) Where additional information is required for the assessment, the Minister of Finance shall notify the aid administrator. In such cases the time period specified in Paragraph (1) shall start when the additional information is received. A new time period shall start each time additional information is provided.

(3) In the cases of non-conformity, the Minister of Finance shall propose to the aid administrator to bring the aid measure in conformity with the rules of the general block exemption regulation or with the applicable instruments of the European Union.

Notification to the European Commission

Article 29. The Minister of Finance shall notify the European Commission of the granting of State aid falling within the scope of the general block exemption regulation or exempted from the notification requirement by an act of the Council of the European Union or of the European Commission in accordance with the procedure provided for in the applicable instruments of the European Union.

Opinion and Assessment

Article 30. Where the grounds for and the conditions of the State aid are specified by a statutory instrument, the Minister of Finance shall prepare:

1. an opinion regarding the draft statutory instrument prior to the procedure for its coordination and the tabling of the draft instrument for adoption or issuing by the competent authority;
2. an assessment under Article 28, Paragraph (1) prior to the procedure for tabling the draft instrument for adoption or issuing by the competent authority; the assessment shall accompany the draft statutory instrument in the procedure for its coordination and tabling for adoption or issuing by the competent authority.

Special Competencies

Article 31. (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Agriculture shall develop State aid falling within the scope of the group exemption regulation in the areas of agriculture, rural development, forestry and hunting and fisheries, shall notify the European Commission of the granting of such aid in accordance with the procedure provided for in the applicable instruments of the European Union, and shall put it into effect after the information is published on the European Commission's website.

De minimis aid and aid exempted from the notification requirement

Article 32. (1) De minimis aid or aid exempted from the notification requirement by an act of the Council of the European Union or of the European Commission, except for the aid specified in Article 28, can be granted without prior notification from the aid administrator and receiving an opinion from the Minister of Finance.

(2) (Amended, SG No. 102/2022, effective 1.01.2023) De minimis aid in the areas of agriculture, rural development, forestry and hunting and fisheries shall be granted after receiving an opinion from the Minister of Agriculture, where applicable.

(3) The control for conformity of the granting of de minimis aid or aid exempted from the notification requirement by implementing acts of the European Union under Article 107 and Article 108 of the Treaty on the Functioning of the European Union shall be exercised by the relevant aid coordinator.

Special Case

Article 33. (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Agriculture shall develop de minimis aid measures and shall exercise control for the lawful granting of de minimis aid in compliance with an implementing act of the European Union under Article 107 and Article 108 of the Treaty on the Functioning of the European Union in the areas of fisheries and production of agricultural products specified in Annex I of the Treaty on the Functioning of the European Union.

Information from the Administrator

Article 34. (1) (Amended, SG No. 102/2022, effective 1.01.2023) Within three business days of the granting of aid falling within the scope of the de minimis aid regulation, the aid administrator shall inform the Minister of Finance or the Minister of Agriculture, as applicable.
(2) Paragraph (1) shall not apply where otherwise provided for in an act of the European Union.

Information to the European Commission

Article 35. (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Finance or the Minister of Agriculture, as applicable, shall notify the European Commission of the granting of de minimis aid or aid exempted from the notification requirement by an act of the Council of the European Union or of the European Commission in accordance with the procedure provided for in the applicable instruments.

Rules and Mechanism for Granting

Article 36. (1) In the act for granting de minimis aid or aid exempted from the notification requirement by an act of the Council of the European Union or of the European Commission, the aid administrator shall be obliged to define the rules for the implementation of the conditions for the granting and control of the aid, and a mechanism for establishing unlawfully received de minimis aid.
(2) (Amended, SG No. 102/2022, effective 1.01.2023) The rules and mechanism referred to in Paragraph (1) can be submitted in advance to the Minister of Finance or the Minister of Agriculture, as applicable, for an opinion and/or guidance.

Claims relating to unlawfully received de minimis aid

Article 37. (1) Unlawfully received de minimis aid or aid exempted from the notification requirement by an act of the Council of the European Union or of the European Commission shall constitute a public claim established by the aid administrator by issuing an act establishing a public claim in accordance with the procedure laid down in the Code of Administrative Procedure.
(2) Claims under acts issued in accordance with Paragraph (1) shall be subject to collection in accordance with the procedure established by the Tax and Social Insurance Procedure Code by the National Revenue Agency authorities.
(3) (Amended, SG No. 102/2022, effective 1.01.2023) An aid administrator who or which issued an act in accordance with Paragraph (1) shall, within three business days of the issuing of such act, inform the Minister of Finance or the Minister of Agriculture, as applicable, unless where the corresponding minister has issued the act.

Chapter Six

RECOVERY OF UNLAWFUL AND INCOMPATIBLE STATE AID UNDER A DECISION OF THE EUROPEAN COMMISSION. RECOVERY OF MISUSED STATE AID

Grounds and Procedure for Recovery

Article 38. (1) Recovery of unlawful and incompatible State aid or of misused State aid shall be made on the grounds of a decision of the European Commission ordering recovery and an enforced act establishing a public claim, where applicable.
(2) The decision of the European Commission for recovery of unlawful and incompatible State aid and of misused State aid shall be enforceable in accordance with the procedure established by the Tax and Social Insurance Procedure Code.
(3) Where the decision of the European Commission for recovery of unlawful and incompatible State aid or of misused State, as appropriate, does not individualise the beneficiaries of the aid and the amount of the aid subject to recovery, the aid administrator shall issue an act establishing a public claim in accordance with the procedure laid down in the Code of Administrative Procedure.

(4) Claims under Paragraph (1) shall be subject to collection by the National Revenue Agency authorities in accordance with the procedure established by the Tax and Social Insurance Procedure Code.

(5) (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Finance or the Minister of Agriculture, as applicable, shall notify the aid administrator within 5 business days of the date of being notified, through the Permanent Representative of the Republic of Bulgaria to the European Union, of the decision of the European Commission, except where the relevant minister is the aid administrator.

(6) In the cases referred to in Paragraph (3), the aid administrator shall be obliged to establish the persons – beneficiaries of the aid and the amount of aid received by each such person, and inform the Minister of Finance of the facts established and the actions taken for recovery within the deadlines set in the decision of the European Commission.

(7) The aid amount under Paragraph (6) shall be established based on:

1. information available with the aid administrator;
2. assessment accepted by the aid administrator – outside the cases specified in Item 1.

(8) The amount of the illegality interest on the aid, calculated cumulatively for the period from the date on which the aid was granted till the date of its full recovery, shall be added to the aid amount under Paragraph (6).

(9) The assessment under Paragraph (7), Item 2 shall be carried out by a certified independent valuer registered under the Independent Valuers Act, who is not in an employment or service relationship with the contracting entity and is not a related person, within the meaning of § 1, Item 3 of the Supplementary Provisions of the Tax and Social Insurance Procedure Code, with the beneficiary of the aid.

(10) The assessment under Paragraph (7), Item 2 shall be assigned and accepted by the aid administrator in accordance with the conditions and time limit set in the decision of the European Commission.

(11) In the cases where the aid administrator does not accept the assessment under Paragraph (7), Item 2, it shall assign by a reasoned act a new expert assessment to three valuers, except in the cases where the assessment is assigned in accordance with the procedure established by the Public Procurement Act.

(12) The costs for the assessment under Paragraph (7), Item 2 shall be covered by the beneficiaries of the unlawful or incompatible State aid, the persons who or which misused the State aid, or the contracting entity where the assessment is assigned in accordance with the procedure established by the Public Procurement Act.

Act for Establishing

Article 39. (1) The decision of the European Commission shall also be specified in the act establishing a public claim referred to in Article 38, Paragraph (3).

(2) Article 38, Paragraph (3) shall not apply where:

1. the granted unlawful and incompatible aid falls within the scope of the de minimis aid regulation; Article 37, Paragraph (1) shall apply in such cases;
2. the decision of the European Commission individualises the beneficiaries of the aid and defines the amount of the State aid subject to recovery.

(3) A copy of the decision of the European Commission and the act establishing a public claim under Article 38, Paragraph (3) shall be delivered by the aid administrator to the beneficiary of the aid in accordance with the procedure established by the Code of Administrative Procedure.

Actions in the Case of Insolvency

Article 40. Where the beneficiary of the aid is subject to insolvency proceedings, the aid administrator shall send the act establishing a public claim to the insolvency court through the National Revenue Agency.

Register of Recovery Decisions

Article 41. (1) The National Revenue Agency or the aid administrator shall inform the Minister of Finance of any repaid liability for recovery of unlawful and incompatible State aid or misused State aid within 7 business days from the date of such repayment.

(2) The Minister of Finance shall keep a register of the decisions of the European Commission referred to in Article 38, Paragraph (1) and shall record therein their implementation.

Implementation of Recovery Decisions

Article 42. (1) (Amended, SG No. 102/2022, effective 1.01.2023) Within the time limit set in the decision of the European Commission referred to in Article 38, Paragraph (1) or, where no such time limit is set, within two months of the date of the decision of the European Commission, the following shall provide information to the Minister of Finance or the Minister of Agriculture, as applicable:

1. the aid administrator regarding:

(a) the beneficiaries of the aid, together with their tax identification;

(b) the amount of the aid to be recovered, including principal and interest;

(c) the actions taken and planned for implementing the decision of the European Commission (description, analysis, action plan);

(d) the issued acts establishing claims, as well as their enforcement;

(e) the acts establishing claims appealed against;

2. the National Revenue Agency regarding:

(a) the actions taken in insolvency proceedings for collecting the claims;

(b) other actions taken for implementing the decision of the European Commission, including their legal grounds.

(2) (Amended, SG No. 102/2022, effective 1.01.2023) Within the time limit set in the decision of the European Commission referred to in Article 38, Paragraph (1) or, where no such time limit is set, within 6 months of the date of the decision of the European Commission, the National Revenue Agency shall inform the Minister of Finance or the Minister of Agriculture, as applicable, of the implementation of the decision.

(3) (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Finance or the Minister of Agriculture, as applicable, can request that the National Revenue Agency or the aid administrator, as applicable, provides additional information and evidence of the final implementation of the decision.

(4) The information under Paragraphs (1) – (3) shall be submitted to the European Commission under the terms and conditions set thereby through the Minister of Finance.

Impossibility of Recovery

Article 43. In the event that evidence exist of impossibility of full or partial recovery of unlawful and incompatible State aid or misused State aid, the National Revenue Agency or the aid administrator, as appropriate, shall immediately notify the European Commission through the Minister of Finance of the possibility that its decision for recovery of aid might remain fully or partially unimplemented.

Prohibition to Grant New Aid

Article 44. The aid administrator shall be obliged not to grant new State aid to an undertaking which has failed to implement a decision of the European Commission referred to in Article 38, Paragraph (1) and has not recovered in full unlawful and incompatible State aid or misused State aid.

Subsidiary Application

Article 45. The provisions of the Code of Administrative Procedure or the Tax and Social Insurance Procedure Code, as appropriate, shall apply to any matters not settled in this Chapter.

Chapter Seven INFORMATION AND COORDINATION

Exchange of Information

Article 46. (Amended, SG No. 102/2022, effective 1.01.2023) The exchange of information with the European Commission on all matters concerning State aid shall be conducted through the Minister of Finance, respectively through the Minister of Agriculture, according to their respective competencies, as well as through the Permanent Representative of the Republic of Bulgaria to the European Union.

Provision of Information

Article 47. (Amended, SG No. 102/2022, effective 1.01.2023) Aid administrators, public bodies and the State Fund "Agriculture" shall be obliged to provide the Minister of Finance or the Minister of Agriculture, as appropriate, with information about the State aid and de minimis aid administered thereby.

Annual Reports

Article 48. (1) Every year by the 31 March aid administrators and public bodies shall be obliged to submit to the Minister of Finance annual reports regarding the State aid administered thereby based on reporting data regarding the previous year. These reports shall not constitute notification under Article 15, Paragraph (1).

(2) (Amended, SG No. 102/2022, effective 1.01.2023) Every year by 31 January State Fund "Agriculture" and aid administrators in the areas of agriculture, rural development, forestry and hunting and fisheries shall submit to the Minister of Agriculture annual reports regarding the State aid administered thereby based on reporting data regarding the previous year.

(3) Reports under Paragraphs (1) and (2) regarding State aid relating to the implementation of tax measures that require the processing of returns of persons liable to tax shall be submitted not later than 10 June of the current year based on preliminary data, and final data shall be provided not later than 10 July.

(4) Aid administrators, public bodies and the State Fund "Agriculture" shall be obliged to publish on their websites the reports under Paragraphs (1) and (2) within the time limits for sending such reports to the relevant minister.

(5) On the basis of the reports received in accordance with Paragraph (1), the Minister of Finance shall compile an annual report on the State aids granted in the preceding year and shall submit it to the European Commission on or before 30 June of the current year.

(6) (Amended, SG No. 102/2022, effective 1.01.2023) On the basis of the reports received in accordance with Paragraph (2), the Minister of Agriculture shall compile an annual report on the State aids granted in the preceding year in the areas of agriculture, rural development, forestry and hunting and fisheries and shall submit it to the European Commission on or before 30 June of the current year.

(7) (Amended, SG No. 102/2022, effective 1.01.2023) Where the final data under Paragraph (3) differ from the preliminary data in the reports specified in Paragraphs (1) and (2), the Minister of Finance or the Minister of Agriculture, as appropriate, shall send to the European Commission information regarding the corrections that need to be made in the reports referred to in Paragraph (5) or (6).

Coordination

Article 49. The Minister of Finance shall coordinate the operations of aid administrators and shall monitor the compliance with the policy in the field of State aid and de minimis aid.

Assistance

Article 50. (1) (Amended, SG No. 102/2022, effective 1.01.2023) When the European Commission requests from the Republic of Bulgaria information or assistance under an aid measure, the Minister of Finance or the Minister of Agriculture, as appropriate, shall send to the aid administrator or the relevant competent authority and to the beneficiary of the aid a request for provision of information setting the conditions and the deadline for its provision.

(2) (Amended, SG No. 102/2022, effective 1.01.2023) Within the deadline set by the Minister of Finance or the Minister of Agriculture the aid administrator or the relevant competent authority shall be obliged to provide the requested information and the assistance required.

(3) (Amended, SG No. 102/2022, effective 1.01.2023) The beneficiary of the aid shall be obligated to afford the required assistance to the aid administrator, to the Minister of Finance or to the Minister of Agriculture, as applicable, and to the European Commission, inter alia by granting access, providing information or a declaration and expressing an opinion on each specific case under the conditions and within the deadline specified in the request referred to in Paragraph (1).

(4) The request for information referred to in Paragraph (1) can also be made by electronic means.

(5) (Amended, SG No. 102/2022, effective 1.01.2023) Within 7 business days of receiving a decision of the European Commission for suspension of the granting of aid, the Minister of Finance or to the Minister of Agriculture, as applicable, shall require that the aid administrator take actions to implement such decision. Where the aid administrator is the relevant minister, the latter shall take actions to implement the decision. The decision shall be published on the website of the relevant ministry.

(6) With a decision of the Council of Ministers, aid measures under Article 21, which shall be considered by the European Commission with priority, can be determined. The Minister of Finance shall inform the European Commission of such decision.

Information System for State Aid

Article 51. (1) The Minister of Finance shall develop and maintain an information system for monitoring and coordination of State aid at central, regional and municipal level in accordance with his competency specified in Article 7, Paragraph (1).

(2) The system referred to in Paragraph (1) shall comprise a set of measures for exchanging information, developing and maintaining administrative capacity, and shall include as a minimum: a specialised website, a register of de minimis aid, standardised forms, and other information ensuring the transparency of State aid.

(3) (Amended, SG No. 102/2022, effective 1.01.2023) The Minister of Agriculture shall keep information regarding the State aid and de minimis aid granted in the areas of agriculture, rural development, forestry and hunting and fisheries, and shall ensure its transparency.

Archives and Registers

Article 52. (1) (Amended, SG No. 102/2022, effective 1.01.2023) Based on the information provided by the aid administrator, the Minister of Finance or the Minister of Agriculture, as applicable, shall process and store summary information on the granted State aid and de minimis aid.

(2) (Amended, SG No. 102/2022, effective 1.01.2023) To ensure transparency and reporting of State aid and de minimis aid, the Minister of Finance or the Minister of Agriculture, as applicable, shall maintain archives and records containing information regarding:

1. the notifications for aid, including such transmitted to the European Commission;
2. the decisions of the European Commission on the State aid schemes and the individual State aid;
3. the de minimis aids granted;
4. the decisions for recovery of unlawful and incompatible State aid and of misused State aid, as well as the beneficiaries of the aid to be recovered;
5. other data, where necessary.

(3) In order to ensure transparency of State aid, aid administrators shall submit information for updating the register kept by the European Commission.

Chapter Eight JUDICIAL CHALLENGE

Subject Matter and Scope

Article 53. (1) This Chapter shall apply to the judicial challenge of acts for granting State aid or de minimis aid and of actions relating to violations of the Bulgarian legislation and the European Union law in the course of granting State aid and de minimis aid, as well as to claims relating to the granting of state aid or de minimis aid.

(2) Where the act for granting State aid is issued by a public body or a person under Article 9, Paragraph (5), the challenge shall be made before the competent administrative court.

(3) Complaints and claims under Paragraph (1) shall be considered in accordance with the procedure laid down in the Code of Administrative Procedure.

Right to Challenge and Right to Claim

Article 54. (1) Each interested person can challenge an act for granting State aid or de minimis aid in accordance with the procedure laid down in the Code of Administrative Procedure, where interests relating to the activities carried out thereby are affected.

(2) Anticipatory enforcement of the act for granting State aid or de minimis aid shall be allowed under the conditions and in accordance with the procedure established by Article 60 of the Code of Administrative Procedure.

(3) A prosecutor can also lodge a protest against the act for granting State aid or de minimis aid.

(4) When challenging an act for granting State aid or de minimis aid, each interested person can also lodge one or several of the following claims for:

1. preventing the disbursement of unlawful State aid or unlawfully received de minimis aid;
2. compensation in the event of violation of the standstill obligation;
3. full recovery of unlawfully received aid regardless of its compatibility, and payment of illegality interest;
4. compensation for damages incurred by competitors of the beneficiary and/or affected third parties as a result of unlawfully granted aid, or
5. recovery of State aid which has not been recovered in accordance with the procedure established by Chapter Six, or recovery of de minimis aid which has not been recovered in accordance with the procedure established by Article 37, regardless of whether an act establishing a public claim has been issued.

(5) The lodging of a claim shall not stay the procedure for granting State aid or de minimis aid, unless the court orders otherwise.

Lodging

Article 55. (1) Claims under Article 54, Paragraph (4), Items 1, 2, 4 or 5 shall be brought against the aid administrator, and claims under Article 54, Paragraph (4), Item 3 shall be brought against the beneficiary of the aid.

(2) Where the aid has been received, the claims under Article 54, Paragraph (4), Items 1, 2, 4 or 5 shall also be brought against the beneficiary of the aid. Where a claim has not been brought also against the beneficiary of the aid, the court shall give instructions and shall set a time limit for supplementing the application. Where such instructions are not acted upon within the prescribed time limit, the court shall constitute ex officio the beneficiary of the aid as a party to the case and shall summon it in accordance with the law.

Hearing by the Court

Article 56. (1) The court shall be obliged to examine the complaint, protest or claim, regardless of whether the aid measure is being examined by the European Commission for compatibility with the internal market. The court may not decide whether an aid measure is compatible with the internal market.

(2) When examining the complaint, protest or claim, the court shall take into account the case law of the Court of Justice of the European Union and the practices of the European Commission.

Request to the European Commission

Article 57. (1) The court may request the European Commission to express an opinion on the applicability of the State aid rules or on an existing and/or approved State aid or de minimis aid scheme, or to rule with a decision on the compatibility of the aid measure with the internal market. (2) The court may ask the European Commission to assist for the submission of the information required, including information regarding the procedures pending before the Commission, or request an opinion regarding the implementation of the State aid or de minimis aid rules. Where necessary, the Court may request the European Commission to provide copies of documents that have not been published, and information regarding factual data and statistics, market surveys and other data and documents.

Reference for a Preliminary Ruling

Article 58. Regardless of whether a request under Article 57 has been made, the court can make a reference for a preliminary ruling to the Court of Justice of the European Union on the interpretation of a provision of the European Union law or on the validity of an act of European Union bodies relevant to the subject matter of the case.

Staying of Proceedings

Article 59. The court shall stay the proceedings under the case in the cases specified in Articles 57 and 58.

Delivery of a Judgement

Article 60. The court can order:

1. annulment of the act for granting State aid or de minimis aid;
2. suspension of the disbursement of unlawful State aid or of de minimis aid;
3. payment of compensation in the event of violation of the standstill obligation;
4. recovery by the beneficiary of unlawfully granted State aid or of unlawfully received de minimis aid, and payment of illegality interest;
5. payment of compensation for damages caused to competitors of the beneficiary and/or third parties;
6. recovery of State aid which has not been recovered in accordance with the procedure established by Chapter Six, or recovery of de minimis aid which has not been recovered in accordance with the procedure established by Article 37, regardless of whether an act establishing a public claim has been issued;
7. prohibition to take actions relating to the disbursement of unlawful State aid or de minimis aid.

Illegality Interest

Article 61. (1) Where the court orders a recovery of unlawfully granted State aid, it shall also determine illegality interest until the date of the full recovery of the aid. (2) Where as of the date of the judgement the European Commission has expressed an opinion or has made a decision that the aid is compatible with the internal market, the court shall not order full recovery of the unlawfully granted State aid, but shall order the payment of illegality interest for the period from the receiving of the aid till the date of the Commission decision. (3) Where the amount of the illegality interest has been determined with a decision of the European Commission, the court shall award that amount.

Compensation

Article 62. (1) In the cases referred to in Article 60, Items 3 and 6, the court shall order the payment of compensation if damages are proved. (2) In the cases referred to in Article 60, Item 5, the court shall order the payment of compensation, if this is requested, after the damages are proved and where the following conditions are cumulatively satisfied:

1. the act for granting the aid has violated a provision of a statutory instrument, providing rights, and the violation is serious;

2. the granting of the aid has led to conditions for the development and/or marketing of goods or services, more favourable for the beneficiary than to its competitors, or has caused property damage to third parties;

3. there is a direct causal relationship between the violation and the damages.

(3) When determining the amount of the compensation under Paragraph (2), the court shall take into consideration the damages incurred by the claimant as a result of:

1. lost profit comprising unrealised or not provided goods and/or services;

2. loss of an asset or inability to improve an asset;

3. loss of market share, where the actual income reported by the claimant is lower than the income it would have realised had the aid not been granted;

4. loss resulting from lost profits if the beneficiary of the aid has concluded a contract which could have been concluded by the claimant had the aid not been granted; the loss shall include the expected revenue and expenditure that the claimant would have realised/incurred at the time of conclusion of the contract, and where the contract is already performed by the beneficiary, the profits made by the beneficiary shall be taken into account;

5. termination of operations and/or insolvency;

6. other actions or omissions of the beneficiary of the aid which have caused damages to the claimant and have led to competitive advantage for the beneficiary of the aid.

(4) The claim for payment of compensation can also be honoured where after the date of initiation of the case the European Commission has confirmed the compatibility of the aid measure with the internal market, if the claimant proves that the damages have resulted from the prior receipt of the aid. The compensation shall be awarded for the damages incurred during the period from the receipt of the aid till the date of the Commission decision.

Precautionary Measures

Article 63. In the cases referred to in Article 60, Item 7, the court can order that no actions shall be taken relating to the disbursement of unlawful State aid or de minimis aid until the dispute is resolved. In such cases the court can impose precautionary measures in accordance with the procedure established by the Tax and Social Insurance Procedure Code or the Code of Civil Procedure.

Subsidiary Application

Article 64. The provisions of the Code of Administrative Procedure or the Code of Civil Procedure, as appropriate, shall apply to any matters not settled in this Chapter.

Chapter Nine

ADMINISTRATIVE PENALTY PROVISIONS

Failure to Appoint an Administrator

Article 65. (1) Any person, who or which violates the requirements of Article 11 herein, shall be liable to a fine or to a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 5,000.

(2) Any official who commits an offence under Paragraph (1) shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 500.

General Liability

Article 66. (1) Any aid administrator, who or which grants or spends State aid or de minimis aid in violation of the European Union law or the Bulgarian legislation shall be liable to a fine or to a pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(2) Any official who commits an offence under Paragraph (1) shall be liable to a fine of BGN 200 or exceeding this amount but not exceeding BGN 500.

Liability for Breach of Procedures

Article 67. (1) Any aid administrator, who or which fails to fulfil an obligation under Article 13, Article 14 or Article 15, Paragraph (1) herein, shall be liable to a fine or to a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 4,000.

(2) Any official who commits an offence under Paragraph (1) shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 400.

Failure to Comply with Documentation, Information and Coordination Requirements

Article 68. (1) Any aid administrator, who or which fails to fulfil an obligation under Article 17, Article 24, Paragraph (3), Article 27 or Article 50, Paragraph (2) herein, shall be liable to a fine or to a pecuniary penalty of BGN 500 or exceeding this amount but not exceeding BGN 3,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 300.

Failure to Fulfil Requirements for Storing Information

Article 69. (1) Any aid administrator, who or which fails to keep and store information for the time period specified in Article 19, Paragraph (3) herein, shall be liable to a fine or to a pecuniary penalty of BGN 500 or exceeding this amount but not exceeding BGN 3,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 300.

Failure to Notify and Failure to Provide Information

Article 70. (1) Any aid administrator, who or which violates a provision of Article 22, Paragraph (1) or (3) or Article 34, Paragraph (1) herein, shall be liable to a fine or to a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 4,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 400.

Granting of State Aid in Breach of an Assessment

Article 71. (1) Any aid administrator, who or which grants State aid contrary to the assessment of the Minister of Finance under Article 28, Paragraph (1) herein, and such aid is declared unlawful and incompatible by the European Commission, shall be liable to a fine or to a pecuniary penalty of BGN 4,000 or exceeding this amount but not exceeding BGN 10,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000.

Granting without an Opinion

Article 72. (1) (Amended, SG No. 102/2022, effective 1.01.2023) Any aid administrator, who or which grants de minimis aid or aid exempted from the notification requirement, with regard to which the Minister of Agriculture has not expressed an opinion as required by Article 32, Paragraph (2) herein, shall be liable to a fine or to a pecuniary penalty of BGN 4,000 or exceeding this amount but not exceeding BGN 10,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000.

Absence of Rules and Mechanism

Article 73. (1) Any aid administrator, who or which fails to fulfil an obligation under Article 36, Paragraph (1) herein, shall be liable to a fine or to a pecuniary penalty of BGN 4,000 or exceeding this amount but not exceeding BGN 10,000.

(2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000.

Failure to Issue an Act

Article 74. (1) Any aid administrator, who or which fails to issue an act establishing a public claim under Article 37, Paragraph (1) or Article 38, Paragraph (3) herein, shall be liable to a fine or to a pecuniary penalty of BGN 4,000 or exceeding this amount but not exceeding BGN 10,000. (2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000.

Failure to Comply with a Prohibition to Grant New Aid

Article 75. (1) Any aid administrator, who or which breaches the prohibition for granting new State aid under Article 44 herein, shall be liable to a fine or to a pecuniary penalty of BGN 4,000 or exceeding this amount but not exceeding BGN 10,000. (2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 400 or exceeding this amount but not exceeding BGN 1,000.

Failure to Submit an Annual Report

Article 76. (1) Any aid administrator, who or which fails to submit the relevant report within the time limits specified in Article 48, Paragraphs (1), (2) or (3) herein, shall be liable to a fine or to a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 4,000. (2) Any official who allows an offence under Paragraph (1) shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 400.

Failure to Afford Assistance

Article 77. (1) Any beneficiary of aid, who or which fails to provide information or to afford assistance in accordance with Article 50, Paragraph (3) herein, shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 400, or to a pecuniary penalty of BGN 1,000 or exceeding this amount but not exceeding BGN 4,000. (2) Any person who or which commits an offence under Paragraph (1) shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 400.

Repeated Violation

Article 78. Where the violations under Articles 65 – 77 are repeated, the fine, respectively the pecuniary penalty shall be imposed in a double amount.

Drawing up of Acts

Article 79. (1) Acts establishing violations under this Act shall be drawn up by officials authorised by the Director of the Public Financial Inspection Agency within 6 months of the identification of the offender but no later than 4 years from the committing of the violation. (2) Penal decrees shall be issued by the Director of the Public Financial Inspection Agency or officials authorised thereby. (3) The ascertainment of violations, the issuing, appeal and execution of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

Collecting of Fines and Pecuniary Penalties

Article 80. Fines and pecuniary penalties imposed in accordance with this Act shall be subject to enforced collection by the National Revenue Agency authorities in accordance with the procedure established by the Tax and Social Insurance Procedure Code.

SUPPLEMENTARY PROVISION

§ 1. Within the meaning of this Act:

1. "Act for granting" shall be any statutory provision, written act, action or omission whereby State aid or de minimis aid is granted or which gives a right to receiving such aid.
2. "Recovery of unlawful and incompatible State aid" shall be the implementation of a set of measures designed to enable the beneficiary of the aid to return the amount received under certain conditions

- in order to establish the existing market situation before the granting of the aid as if such aid had not been granted.
3. "Internal market" shall be a concept within the meaning of Article 26 of the Treaty on the Functioning of the European Union.
 4. "Forestry" shall mean activities relating to the maintenance, development, conservation and protection of the forest territories and the extraction and use of timber and non-timber forest products.
 5. "Date of granting the aid" shall be the date of entry into force of the act based on which such aid is granted to the beneficiary.
 6. "Dominant influence" shall exist where a public body:
 - (a) holds more than 50 percent of the capital of the undertaking or of the votes in the general meeting of shareholders, or
 - (b) holds a blocking quota in the capital of the undertaking, or
 - (c) can appoint more than half of the members of the management or supervisory bodies of the undertaking, or
 - (d) can influence on its own the decision-making of the undertaking.
 7. "State aid" shall be any aid, falling within the scope of Article 107, paragraph 1 of the Treaty on the Functioning of the European Union, granted by the State or a municipality, or for the account of State or municipal resources, whether directly or through other persons, in any form whatsoever, which distorts or threatens to distort free competition by favouring certain undertakings, the production of or the trade in certain goods, or the provision of certain services, insofar as it affects trade between European Union Member States.
 8. "Standstill obligation" shall be the requirement to abstain from implementing a planned State aid measure before it is duly notified to the European Commission and before the Commission makes a decision regarding such measure.
 9. "Interested party" shall be a concept within the meaning of Article 1, letter (h) of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ, L 248/9 of 24.9.2015), hereinafter referred to as "Regulation (EU) 2015/1589".
 10. "Agriculture" shall be activities relating to the production, processing, preparation for marketing and marketing of agricultural products listed in Annex I to Article 38 of the Treaty on the Functioning of the European Union.
 11. "Individual State aid" shall be any aid that is not granted on the basis of an aid scheme, or any aid that is granted on the basis of an aid scheme but is individually notifiable.
 12. "Exceptional occurrences" shall be events triggered by the occurrence of unforeseen or unavoidable circumstances of extraordinary nature, which are not the result of natural disasters but are the result of force majeure, such as blockades, lockouts, accidents, uprisings, revolutions, wars, fires, industrial accidents and other circumstances, which result in a disruption of the hitherto existing development of public relations.
 13. "Economic activity" shall be any activity relating to the supplying of goods and services on the market, as well as any activity the outcome of which is intended for exchange in the market, regardless of whether profit or other income is generated and distributed. The provision for use of tangible and intangible assets and rights shall also be regarded as economic activity.
 14. "Irregularity interest" shall be the interest rate compensating the quantified advantage of the beneficiary of unlawful State aid for the period from the date on which the unlawful aid was first put at the disposal of the beneficiary until the date of the full recovery of the aid, determined on a compound basis in accordance with the procedure established by Chapter Five of Commission Regulation (EC) No. 794/2004 of 21 April 2004 implementing Council Regulation (EU) No. 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union.
 15. "De minimis aid" shall be the de minimis aid which does not distort or jeopardise competition or has an insignificant impact on it due to its minimum amount, as defined in the extant de minimis aid

- regulations adopted by the European Commission for the application of Article 107 and Article 108 of the Treaty on the Functioning of the European Union.
16. "Aid measure" shall be each State aid or de minimis aid developed or granted in accordance with the European Union law and the Bulgarian legislation, regardless of its nature and of whether it is granted in the form of an aid scheme or as an individual aid.
17. "Misused State aid" shall be State aid used by the beneficiary in violation of a decision made pursuant to Article 4, paragraph 3 of Regulation (EU) No. 2015/1589, including any amendments and supplements thereto.
18. "Unlawful State aid" shall be State aid granted in violation of Article 108, paragraph 3 of the Treaty on the Functioning of the European Union.
19. "Unlawfully received de minimis aid" shall be de minimis aid granted in violation of a de minimis aid regulation.
20. "New State aid" shall be any aid, including State aid scheme and individual State aid, which is not existing aid, including an alteration to an existing State aid under Item 34.
21. "General group exemption regulation" shall be the exemption from a requirement for preliminary notification under Article 108 of the Treaty on the Functioning of the European Union of the granting of certain categories of State aid in accordance with Commission regulations adopted on the grounds of Article 1 of Council Regulation (EU) No. 2015/1588 of 13 July 2015 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of horizontal State aid (OJ, L 248/1 of 24.9.2015), including any amendments and supplements thereto, except for de minimis aid regulations and the regulations in the areas of agriculture, rural development, forestry and hunting and fisheries.
22. "Reporting data" shall be the data which, by the virtue of the act for granting State aid, relate to the funds that have been:
- (a) actually disbursed, and/or
 - (b) subject to disbursement.
23. "Formal investigation procedure" shall be a procedure under Article 6 of Regulation (EU) No. 2015/1589.
24. "Repeated violation" shall be any violation committed within one year from the enforcement of an act whereby a punishment has been imposed on the offender for the same type of violation.
25. "Aid exempted from the notification requirement by an act of the Council of the European Union or of the European Commission" shall be aid to which the requirement for preliminary notification under Article 108 of the Treaty on the Functioning of the European Union does not apply on grounds other than a general group exemption regulation and a de minimis aid regulation.
26. "Granting and administering State aid or de minimis aid" shall be the creation in any form of the possibility for using public resources and the related actions for starting the implementation and control over the fulfilment of the terms, conditions and procedure for the utilisation of the aid in accordance with the State aid rules regulated by European Union law and the Bulgarian legislation.
27. "Public body" shall be a sole or collegiate body that has public authority in the field of state and local public and/or economic development, management and control and is financed from the state or municipal budget.
28. "Body governed by public law" shall be a legal entity with regard to which the following conditions are fulfilled:
- (a) more than half of the members of its management or supervisory body are appointed by contracting entities under Article 5, Paragraph (2), Items 1 – 14 of the Public Procurement Act, or more than half of the income thereof for the preceding budget year is financed by the State budget, by the budgets of the public social insurance, by the municipal budgets, or by any contracting entity under Article 5, Paragraph (2), Items 1 – 14 of the Public Procurement Act;
 - (b) it is subject to management supervision by any contracting entity under Article 5, Paragraph (2), Items 1 – 14 of the Public Procurement Act; management supervision shall be presumed when a person can exert, in any way whatsoever, a dominant influence on the activity of another person.

29. "Public undertaking" shall be any undertaking over which any public body may exert directly or indirectly a dominant influence. Any legal entity that is financed, fully or partially, with resources from the state or municipal budget or has the right to spend such funds, shall also be considered a public undertaking.

30. "Development" shall be the activity for determining the conditions, procedure and mechanism for granting State aid or de minimis aid in favour of a particular beneficiary, as well as for determining the measures for controlling the conformity of its granting with the State aid rules regulated in the European Union law and the Bulgarian legislation.

31. "Regional aid" shall be State aid aimed at promoting the economic development of disadvantaged regions in the European Union, which can be considered compatible on the grounds of Article 107, paragraph 3, letters (a) and (c) of the Treaty on the Functioning of the European Union.

32. "Decision authorising the planned State aid" shall be an act of the European Commission not raising objections, giving a positive decision or giving a positive decision subject to certain conditions.

33. "Fisheries" shall be activities of legal entities, sole traders and individuals, including commercial fishing and aquaculture.

34. "Existing State aid" shall be a concept within the meaning of Article 1, letter (b) of Regulation (EU) No. 2015/1589.

35. "State aid scheme" shall be any act on the basis of which, without further implementing measures being required, individual State aids may be granted to one or more undertakings defined within the said act in a general and abstract manner, and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period and/or in an indefinite amount.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. The provision of Article 9, Paragraph (4) shall not apply to aid measures, the procedures for implementation of which have been launched prior to the entry of this Act into force, unless otherwise provided for by law.

§ 3. The State Aids Act (promulgated, SG No. 86/2006; amended, SG No. 16/2008, No. 66/2013, No. 98/2014 and No. 58/2017) is hereby repealed.

§ 4. (1) Within one year of the entry of this Act into force:

1. the Council of Ministers shall adopt Implementing Regulations of the Act;

2. the Minister of Finance shall adopt the ordinance referred to in Article 15, Paragraph (2).

(2) Until the acts specified in Paragraph (1) are adopted or issued, as appropriate, the extant secondary legislation shall apply, insofar as it does not contradict the law.

§ 5. At the end of Article 162, Paragraph (2), Item 6 of the Tax and Social Insurance Procedure Code (promulgated, SG No. 105/2005; amended, SG No. 30, 33, 34, 59, 63, 73, 80, 82, 86, 95 and 105 of 2006, No. 46, 52, 53, 57, 59, 108 and 109 of 2007, No 36, 69 and 98 of 2008, No 12, 32, 41 and 93 of 2009, No. 15, 94, 98, 100 and 101 of 2010, No 14, 31, 77 and 99 of 2011, No. 26, 38, 40, 82, 94 and 99 of 2012, No. 52, 98, 106 and 109 of 2013, No. 1/2014; Ruling No 2 of the Constitutional Court of 2014 – SG No. 14/2014; amended, SG No. 18, 40, 53 and 105 of 2014, No 12, 14, 60, 61 and 94 of 2015, No. 13, 42, 58, 62, 97 and 105 of 2016, and No. 58 and 63 of 2017), the text "including the compensation, fines and pecuniary sanctions payable in connection thereto" is added.

§ 6. The following amendments and supplements are made to the Public Financial Inspection Act (promulgated, SG No. 33/2006; amended, SG No. 59/2006, No 59, 64 and 86 of 2007, No. 98/2008, No. 42/2009, No 60/2011, No. 38/2012, No. 15/2013, No. 14 and 61 of 2015, and No. 43/2016):

1. At the beginning of Article 4, Item 7 the text "aid administrators" is added, and the text "or de minimis" is added after the word "State".

2. In Article 5, Paragraph (1), Item 3 the text "utilisation of State" is replaced by "lawful granting and utilisation of State and de minimis".

§ 7. The following amendments are made to Article 48 of the Public-Private Partnership Act (promulgated, SG No. 45/2012; amended, No. 87 and 102 of 2012, No. 15/2013, and No. 13/2016):

1. In Paragraph (1), the text "Article 7, Paragraph (1)" is replaced by "Article 21".

2. In Paragraph (2), the text "positive opinion of the Minister of Finance under Article 9, Paragraph (2)" is replaced by "positive assessment of the Minister of Finance under Article 28, Paragraph (1)".

§ 8. Article 188, Paragraph (5), Item 3 of the Corporate Income Tax Act (promulgated, SG No. 105/2006; amended, No. 52, 108 and 110 of 2007, No. 69 and 106 of 2008, No. 32, 35 and 95 of 2009, No. 94/2010, No. 19, 31, 35, 51, 77 and 99 of 2011, No. 40 and 94 of 2012, No. 15, 16, 23, 68, 91, 100 and 109 of 2013, No. 1, 105 and 107 of 2014, No. 12, 22, 35, 79 and 95 of 2015, No. 32, 74, 75 and 97 of 2016, and No. 58/2017) is amended as follows:

"3. up to the maximum admissible intensity of the corresponding State aid, determined by a decision of the European Commission authorising the corresponding aid and/or in the assessment under Article 28, Paragraph (1) of the State Aid Act for these assets."

§ 9. In Article 166, Paragraph (5), Item 2 of the Value Added Tax Act (promulgated, SG No. 63/2006; amended, No. 86, 105 and 108 of 2006; Ruling No. 7 of the Constitutional Court of 2007 – No 37/2007; amended, No. 41, 52, 59, 108 and 113 of 2007, No. 106/2008, No. 12, 23, 74 and 95 of 2009, No. 94 and 100 of 2010, No. 19, 77 and 99 of 2011, No. 54, 94 and 103 of 2012 and No. 23, 30, 68, 98, 101, 104 and 109 of 2013, No. 1, 105 and 107 of 2014, No. 41, 79, 94 and 95 of 2015, and No. 58, 60, 74, 88, 95 and 97 of 2016), the text "a permit under Article 9 of the State Aid Act for these assets for determination of" is replaced by "an assessment under Article 28, Paragraph (1) of the State Aid Act to determine".

§ 10. At the end of letter (a) of Article 4 of the Stamp Duty Act (promulgated, Izvestia, No. 104/1951; amended, SG No. 89/1959, No. 21/1960; amended and supplemented, No. 53/1973, No. 87/1974, No. 21/1975, No. 21/1990, No. 55/1991, No. 100/1992, No. 69 and 87 of 1995, No. 37, 100 and 104 of 1996, No. 82 and 86 of 1997, No. 133/1998, No. 81/1999, No. 97/2000, No. 62, 63 and 90 of 2002, No. 84 and 86 of 2003, No. 24, 36 and 37 of 2004, No. 43/2005, No. 18 and 33 of 2006, No. 43/2008, No. 74 and 82 of 2009, No. 55 and 99 of 2011, No. 68/2013, and No. 53/2014), the text "for applications and complaints in proceedings under cases relating to the granting of State aid and to violations of the Bulgarian legislation and the European Union law in the course of granting State aid or de minimis aid" is added.

§ 11. The following amendments are made in the Recovery and Resolution of Credit Institutions and Investment Firms Act (promulgated, SG No. 62/2015; amended, No. 59/2016):

1. In Article 85, Paragraph (6) the text "§ 1, Item 4 of the Supplementary Provisions of" is replaced by "Article 9 of".

2. In the second sentence of Article 115, Paragraph (5) the text "§ 1, Item 4 of the Supplementary Provisions of" is replaced by "Article 9 of".

§ 12. In § 7, Item 3 of the Transitional and Final Provisions of the Climate Change Mitigation Act (promulgated, SG No. 22/2014; amended, No. 14, 17, 41 and 56 of 2015, No. 47/2016, and No. 12 and 58 of 2017), the text "§ 1, Item 1" is replaced by "§ 1, Item 7".

This Act was passed by the 44th National Assembly on the 12th day of October 2017 and the Official Seal of the National Assembly is affixed thereto.

to the Act to Amend and Supplement
the Agricultural Producers Support Act
(SG No. 102/2022, effective 1.01.2023)

.....
§ 53. In the State Aid Act (promulgated, SG No. 85/2017) everywhere in the text the words "The
Minister of Agriculture, Food and Forestry" and "Minister of Agriculture, Food and Forestry" shall
be replaced by "The Minister of Agriculture" and "Minister of Agriculture", respectively.
.....