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# Mandatory Automatic Exchange of Financial Information in the Field of Taxation

Changes to the Bulgarian Tax and  
Social Security Procedure Code  
(effective as of 1<sup>st</sup> January 2016)



# Introduction; Purpose of Exchange; Object of Exchange

## Introduction

Countries/jurisdictions will automatically and systematically exchange information about financial accounts.

Bulgaria will start exchanging such information as of 1<sup>st</sup> January 2016.

## Purpose of Exchange

The information obtained through the exchange may be used for establishment and collection of tax liabilities.

## Information Object of Exchange

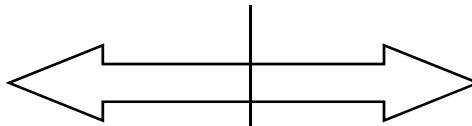
The information that is exchanged includes *inter alia* name and address of account holder, account number, account balance, interest received at the account through the calendar year, information for income from financial assets, dividends received, etc.

## Participating Jurisdiction

exchange of information  
(once a year until September 30<sup>th</sup> of the following year)

Competent Body  
(Participating Jurisdiction)

Executive Director  
(National Revenue Agency)



### Participating Jurisdiction

1. All EU countries
2. Countries with which Bulgaria has agreements for exchange of information
3. Countries with which EU has agreements for exchange of information
4. USA

### Note:

The list of Participating Jurisdictions is to be published on the Internet site of the Bulgarian NRA.

automatic provision of  
information about  
the **financial account**

once a year  
until June 30<sup>th</sup>  
of the following year

Financial Institution  
(providing information)  
**financial account**

Person – account holder  
(individual or entity)

Bulgaria



Person - account holder  
(individual or entity)

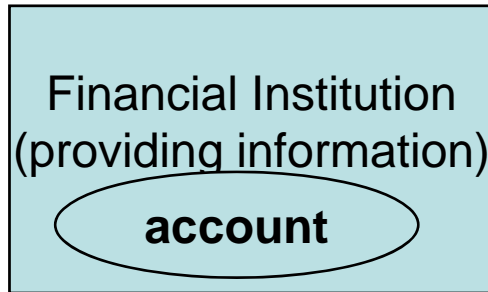
Information is provided about the following persons:

- Individuals – tax resident in a participating jurisdiction
- Entities – tax resident in a participating jurisdiction
- Partnerships; civil partnerships or other similar forms – having a place of effective management in a participating jurisdiction

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Information is not provided about the following persons:

- Publicly traded companies
- Companies related to publicly traded companies
- State formation
- International organization
- Central Bank
- Financial institution



## **Financial Institutions - Definition**

Financial Institutions that are required to provide information are defined in a series of provisions contained in § 1a point 1 – 12 of the Additional Provisions of the Code (e.g. banks, insurance companies, etc.)

## **Excluded Financial Institutions**

Financial Institutions excluded from the obligation to provide information are defined in § 1a, point 12 of the Additional Provisions of the Code

## **Accounts**

Accounts on which information is provided are fairly broadly defined in the Additional Provisions of the Code (see § 1a, point 40 but also points 23, 24, 25)

## **Excluded Accounts**

Accounts on which information is not provided are defined in § 1a, point 39 of the Additional Provisions of the Code