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**Brief summary of the Amendments in the Act on the
Measures and Actions During the Declared State of
Emergency due to COVID-19**

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The Act on the Measures and Actions During the Declared State of Emergency was published in the State Journal on 24.03.2020 ("Act"). On 09.04.2020 an amendment of the Act was published in the State Journal. A brief summary of some of the changes in the Act follows hereinbelow.

Interests, Liquidated Damages and Other Consequences of Non-Payment

The scope of the agreements under which no interests and liquidated damages for late payment are due, which cannot be terminated due to non-payment, under which no obligations can be made immediately due and payable and no objects can be taken back forcefully is narrowed.

Initial version:

The consequences of non-payment by private persons (i.e. natural persons and companies), including interests and liquidated damages as well as rights to declare immediately due and payable, to terminate agreements due to the non-payment and take back objects forcefully, do not apply during the period of emergency.

Amended version:

The consequences of non-payment of obligations by private persons (i.e. natural persons and companies) due under credit agreements and other types of financing (factoring, forfeiting and other) provided by banks and financial institutions, including when the obligations have been obtained by other banks, financial institutions and third parties, as well as obligations under lease agreements (in Bulgarian „договор за лизинг“), including interests and liquidated damages as well as rights to declare immediately due and payable, to terminate agreements due to the non-payment and to take back objects forcefully, do not apply during the period of emergency.

Suspension of Terms

The scope of the suspended terms is changed.

Initial version:

The following terms are suspended for the period of emergency:

- all court proceedings terms, arbitration proceedings terms and executive proceedings terms except for a very limited number of criminal proceedings terms;
- all limitation terms and other terms under legislative acts the expiration of which leads to expiration by limitation of rights or occurrence of obligations of private persons (natural persons and companies), excluding the terms under the Bulgarian Criminal Code and the Bulgarian Act on the Administrative Infringements and Sanctions;
- all terms for implementation of mandatory prescriptions given by an administrative authority.

Amended version:

For the period of emergency:

- all court proceedings terms, arbitration proceedings terms and executive proceedings terms are suspended except for the terms listed in the Appendix to the Act (mainly criminal proceedings terms, certain administrative court proceedings terms, injunction proceedings terms);
- all limitation terms which lead to expiration by limitation of rights or obtaining of rights by private persons (i.e. natural persons and companies) are suspended;
- the text that all terms for implementation of mandatory prescriptions given by an administrative authority is repealed.

Terms which have been suspended under the initial version of the Act will continue to run after 7 days from the promulgation of the amended Act in State Gazette.

Suspension of Terms for Adoption of Internal Rules under the Bulgarian Act on the Measures Against Money Laundering

An entirely new provision is introduced in the Act under which the terms for preparation and adoption of internal rules under the Bulgarian Act on the Measures Against Money Laundering are suspended until the state of emergency is repealed.

All persons which are listed in the Act on the Measures Against Money Laundering (including wholesale traders, banks, etc.) must prepare and adopt such internal rules.

Generally, the term for preparation and adoption of such internal rules is 6 months as from the publication of the results of the national risk assessment on the webpage of the State Agency for National Security. The results of this risk assessment have been published on the webpage of the State Agency for National Security on 09.01.2020, i.e. the initial term would have expired on 09.07.2020.

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