

Amendments to the draft bill regarding the country-by-country reporting requirements to be introduced in Bulgaria

13 June 2017

In brief

On 5 June 2017, the Council of Ministers proposed to the Parliament a revised draft bill amending the Tax and Social Security Procedures Code (TSSPC) in relation to the new country-by-country (CbC) reporting requirements for multinational enterprise groups (MNE Group) in Bulgaria.

The amended draft bill introduces a new deadline for submission of the notification to the National Revenue Agency (NRA) for the reporting year FY 2016 by Bulgarian companies part of MNE Group. The bill specifies the timeframe within which the executive director of the NRA has to issue an order in relation to the format and the procedure for submission of the country-by-country reports via electronic means.

Reporting entities

The amended draft bill of TSSPC does not introduce any changes as to the scope of the Bulgarian companies, that would be obliged to file CbC reports and/or notification to the NRA (i.e. the applied threshold of consolidated revenue is BGN 100 million for Bulgarian headquartered groups and BGN 1,466,872,500, the equivalent of EUR 750 million, for non-Bulgarian groups). *For more information, please refer to our PwC newsletter issued on 28 October 2016.*

Deadlines

According to the amended draft bill, the deadline for the Bulgarian companies to notify the tax authorities of the group entity which will be filing the CbC report for FY 2016 is extended to **31 December 2017** (instead of the proposed in the previous draft bill

deadline of 30 September 2017).

Content of the CbC report

The amended draft bill does not envisage changes to the content of the CbC reports. A new timeframe – 31 October 2017 has been introduced within which the executive director of the NRA has to issue an order specifying the format and the procedure for submission of the CbC reports via electronic means.

Penalties

The amended draft bill does not introduce amendments in the amount of the penalties in cases of non-compliance with the CbC reporting and/or notifications to NRA rules as introduced in the former draft bill of 21 March 2017.

In particular, failure to fulfill the notification requirements will entail a penalty between BGN 50 thousand and BGN 150 thousand for the first violation, and between BGN 100 thousand and BGN 200 thousand for subsequent violations.

Failure to submit CbC reports will entail an administrative penalty between BGN 100 thousand and BGN 200 thousand for first violation, and between BGN 200 thousand and BGN 300 thousand for subsequent violations.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

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