

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

28 March 2017

## In brief

On 21 March 2017, the Ministry of Finance published a revised draft bill amending the Tax and Social Security Procedures Code (TSSPC) in relation to the new country-by-country (CbC) reporting requirements to be implemented in Bulgaria.

The amended draft bill introduces a new deadline for submission of the notification to the tax authorities by Bulgarian companies for the reporting year FY 2016 and specifies the penalties in case of non-complying with the CbC rules. The bill shall enter into force on 1 July 2017.

## 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 Bulgarian tax authorities (i.e. the applied threshold of consolidated revenue is BGN 100 million for Bulgarian headquartered groups and EUR 750 million for non-Bulgarian groups). *For more information, please refer to our PwC newsletter issued on 28 October 2016.*

## Deadlines

The first year for which CbC reports would be filed and/or notification would be submitted to the Bulgarian tax authorities remains FY 2016 (FY 2017 in case the secondary reporting mechanism applies).

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 **30 September 2017** (instead of the initially proposed 30 June 2017).

## Penalties

The amended draft bill introduces ranges for the amount of the penalties to be applied in cases of different non-compliance with the CbC rules.

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.

Reporting of false or misleading information will entail penalty in the amount of BGN 50 thousand to BGN 150 thousand for the first violation and BGN 100 thousand to BGN 250

thousand for subsequent violations.

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.

The reporting constituent entity that does not notify the tax authorities about the ultimate parent's refusal to provide the CbC reporting information will be subject to penalty in the amount of BGN 10 thousand for first violation and BGN 15 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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