

Bulgaria

1. Bulgaria was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019^[1]) (OECD, 2018^[2]).
2. The first filing obligation for a CbC report in Bulgaria applies to reporting fiscal years commencing on or after 1 January 2016.

Summary of key findings

3. Bulgaria's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[3]) except for the following:
 - It is recommended that Bulgaria take steps to align its local filing implementation with that required by the Action 13 minimum standard.

Part A: The domestic legal and administrative framework

4. Bulgaria meets all the terms of reference relating to the domestic legal and administrative framework.

(a) Parent entity filing obligation

5. No changes were identified.

(b) Scope and timing of parent entity filing

6. No changes were identified.

(c) Limitation on local filing obligation

7. Bulgaria has notified as a non-reciprocal jurisdiction and is therefore applying a local filing requirement more widely than is allowed by the standard. It is recommended that Bulgaria take steps to align its local filing implementation with that required by the Action 13 minimum standard.

(d) Limitation on local filing in case of surrogate filing

8. No changes were identified.

(e) Effective implementation

9. No changes were identified.

Conclusion

10. Bulgaria meets all the terms of reference relating to the domestic legal and administrative framework except for the following:
 - It is recommended that Bulgaria take steps to align its local filing implementation with that required by the Action 13 minimum standard.

Part B: The exchange of information framework

(a) Exchange of information framework

11. As of 31 March 2020, Bulgaria has 62 bilateral relationships in place, including those activated under the CbC MCAA and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Bulgaria has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.¹ Regarding Bulgaria's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

12. No changes were identified.

(c) Completeness of exchanges

13. No changes were identified.

(d) Timeliness of exchanges

14. No changes were identified.

(e) Temporary suspension of exchange or termination of QCAA

15. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

16. No changes were identified.

(g) Format for information exchange

17. No changes were identified.

(h) Method for transmission

18. No changes were identified.

Conclusion

19. Bulgaria meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

Appropriate use

20. In August 2019 Bulgaria notified as a non-reciprocal jurisdiction for the exchange of CbC reports under the Multilateral Competent Authority Agreement for CbC.

Conclusion

21. Bulgaria is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions under the CbC MCAA, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to these paragraphs of the terms of reference.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Bulgaria take steps to align its local filing implementation with that required by the Action 13 minimum standard
Part B	Exchange of information framework	-
Part C	Appropriate use	-

References

- OECD (2019), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9bf1157-en>. [1]
- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

Note

¹ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



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