

Gugushev & Partners

L A W O F F I C E

LEGAL REVIEW

OF THE REGULATORY DEVELOPMENTS
IN RELATION TO THE COVID-19 PANDEMIC
AND THE STATE OF EMERGENCY

AMENDMENTS RELATED TO SUSPENSION OF ALL PROCEDURAL TERMS
ON LITIGATION, ADMINISTRATIVE AND ENFORCEMENT PROCEEDINGS



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I. INTRODUCTION

The present document represents a general analysis of the main regulations and amendments, introduced by the Emergency Act Regarding the Measures and Safeguards During the State of Emergency declared by the National Assembly of Bulgaria with its Resolution from March 13th, 2020 („the Emergency Act“ or “the Act”) as published in State Gazette, issue 28 of March 24th, 2020 (special issue).

The present review, updated as of March 24th, 2020, presents an analysis of all legal changes introduced by the final version of the bill that became law. This report has been prepared by the legal specialists of Gugushev & Partners Law Office and is to be used for information purposes only. This report does not represent a legal advice/statement, cannot be relied upon in any way as such and shall not in any way be considered legally binding with regards to Gugushev & Partners Law Office.

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II. AMENDMENTS RELATED TO SUSPENSION OF ALL PROCEDURAL TERMS ON LITIGATION, ADMINISTRATIVE AND ENFORCEMENT PROCEEDINGS

According to the final text of the Act, for the period from March 13, 2020, until the state of emergency is officially ended, the following terms will not run:

1. Procedural terms

Procedural terms on litigation, arbitration and enforcement proceedings, with the exception of terms related to criminal proceedings and procedures for imposition of coercive measures under the Law on Extradition and the European Arrest Warrant – i.e. all court proceedings are suspended except those relating to the criminal offence punishment requiring public prosecution.

2. Limitation periods

Limitation periods will not run, except those under the Penal Code and the Law on Administrative Offenses and Penalties - hence, the only time limits that will continue to run are those for the prosecution of criminal and administrative penal liability.

3. Terms for executing instructions given by an administrative authority to citizens or participants in proceedings

Terms for executing instructions given by an administrative authority to citizens or participants in proceedings will not run, with the exception of proceedings relating to the management of the European Structural and Investment Funds. The deadlines given to participants in procurement procedures, procedures of company registration, license and permits issuance procedures, etc. are suspended.

4. Terms under the Anti-Corruption and Forfeiture of Illegally Acquired Assets Act

The terms under the Anti-Corruption and Forfeiture of Illegally Acquired Assets Act, related to the submission of declarations of incompatibility and property and interests by persons holding high public office, as well as in proceedings for establishing conflict of interest and forfeiture in favor of the State of the illegally acquired assets, including the imposition of security measures to secure a future claim for seizure of property. An exception to the suspension is provided only in respect of the annual declaration of property and interests, the period of which remains until 15 May - for the previous calendar year.

5. Time limits under the Judiciary Act

Time limits under the Judiciary Act will not run. These are time limits for submission of declarations by judges, prosecutors and investigators before the Inspectorate at the Supreme Judicial Council. An exception to the suspension is provided only in respect of the annual declaration of property and interests, the period of which remains until 15 May - for the previous calendar year.

Beyond the procedural terms being suspended, the time-limits stipulated by law, which expire during the state of emergency, and which relate to the exercise of rights or the fulfillment of obligations of private persons and entities, are extended by 1 month, as well as the effect of administrative acts, which is limited in time and are to be expired during a state of emergency.

All announced public sales and enforcement actions announced by state and private bailiffs will be suspended and no new fees and costs for rescheduling will be due after the state of emergency is officially ended.

During a state of emergency, bank accounts of individuals and medical institutions, salaries and pensions will not be frozen, security measures on medical equipment will not be imposed, and enforcement actions against movable property and real estate of individuals will not be initiated except for fulfillment of obligations for child support, claims for damage or salaries claims.

Restriction on notarial proceedings except for urgent ones - the Act requires the Notary Chamber to provide notaries on duty at a ratio of at least one notary official per 50,000 citizens for the respective area.

Until the state of emergency is officially ended, the physical persons and legal entities will not be held liable for delayed payment of monetary obligations, as well as non-monetary consequences such as early repayment, contract cancellation and seizure of property, will not apply, i.e. banks will not be able to declare their loans ahead of schedule due to delayed payment by the borrowers or to charge additional penalty interest.

CONCLUSION

With the adoption of the Emergency Act, all procedural terms, which began to run before the announcement of the state of emergency, are suspended in pending court and administrative proceedings, with the exception of terms related to criminal proceedings.

The Act also provides for the suspension of the material limitation periods, as well as the extension of the terms related to the exercise of rights or fulfillment of obligations of citizens and legal entities that expire during a state of emergency. In addition, it cancels all public sales and enforcement actions and introduces a restriction on notary proceedings, except for urgent ones.

Until the state of emergency officially ends, the physical persons and legal entities will not be held liable for delayed payment of monetary obligations, i.e. banks will not be able to charge penalties for late payment or to declare their loans ahead of schedule.

We are looking forward to assisting you further, including for statements with the described topics.

*Faithfully Yours,
Gugushev & Partners Law Office Team*

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