

Bulgaria

Preserving individual debtor's human dignity in distress

1. Monthly income

Adults	Single person	With 2 dependent children
Minimum wage for a full-time employee (if it exists): Name: Minimum gross wage	Gross : 560 BGN (2019) Gross: 610 BGN (2020) Net : approx 400 BGN	Not applicable, the minimum wage is not affected by the people in one's household
Median income per capita	980 BGN countrywide with the difference across the country. Capital Sofia – almost double, north western BG - half	Not applicable, the wage is not affected by the people in one's household

Poverty threshold	348 BGN - official	2448 BGN for a family of four with two minors. This is average sum needed for survival according to study of the biggest labour union
Minimum solidarity allowance for an adult without income	207 BGN minimum social pension. The system is complex and depends on the respective case: In the winter, household spending typically rises by about 20%. Allowances for gas prices increase; Aids for heating in winter; Aids for paying the min expenses. There are different cases of municipal aids for poor people.	Additional 75 BGN per member of the household

Elderly people	Single person	Couple
Minimum pension for a former employee (full career)	220 BGN	Calculated per person, no couple pensions

	From July 1, an index of 5.7% is expected for all pensions	
Average pension per capita (all types of pensions)	380 BGN (The ceiling of pensions to BGN 1 200 since 1 st July. Other measures are envisaged)	Calculated per person, no couple pensions
Minimum solidarity allowance for elderly people with no or very limited pension	The system is complex and depends on the respective case	Calculated per person, no couple pensions, again the support is complex and depend on the case

Additional information: there are different types of support for low income persons and households e.g. single lump sum payments, monthly additions for heating etc. In general the system is too complicated and includes even support in natural resource e.g. coal for heating during the winter.

2. Garnishment of funds in bank accounts

This concerns the seizure of funds directly from the bank account of the debtor, as a result of a court ruling or equivalent procedure.

Unseizable funds	Not applicable (single person)	
Unseizable_income	Description	Designation
	560 BGN for 2019 i.e. the minimum wage	Support of living
Partly seizable income	<u>N/A</u>	<u>N/A</u>
Income that can be fully seized	<u>Everything above minimum wage per month</u>	<u>Disbursement among creditors</u>

Additional information:

The Code of civic procedure designates monetary threshold as well as certain types of movable property that cannot be seizure although the private enforcement agent often trespass those regulations and it is up to the debtor to fight them.

When the indebted adult has only one home, the creditor has no right to seize it, Adverse consequences that incur in case you stop paying the credit commitment:

- Charging additional interest, fees and charges that must be paid along with overdue credit obligations;
- Actions against you by the creditor;
- Enforcement of the obligation through a private bailiff (enforcement agent).

The items the bailiff cannot sell are:

- items of ordinary use for you and your family;
- the necessary food for you and your family for one month, and for farmers - to a new harvest or its equivalent in other agricultural produce, if it is not;
- the necessary heating, cooking and lighting for three months;
- the tools, books and books you personally need if you practice a liberal profession or are an artisan for your pursuit of your profession;

- your land if you are a farmer: gardens and vineyards with a total area of up to 5 acres or fields or meadows with an area of up to 30 decares and the machinery and equipment required for keeping the farm, as well as fertilizers, plant protection products and seed for sowing - for one year;
- the two heads of livestock, one cow, five heads of cattle, ten bee hives and poultry, as well as the necessary food to feed them to a new harvest or to grazing;
- your dwelling, if you and any of the members of your family with whom you live together have no other home, regardless of whether you live in it. If the dwelling exceeds the household needs of you and your family members, the overwhelming majority of the dwelling is sold if the dwelling is in the statutory terms and the dwelling is divided into separate units;

3. Seizures on wages and from third parties

This concerns seizures made directly by the debtor's employer from their employee's wages, following a court ruling or equivalent procedure. The same type of seizure may be made with other third parties.

Unseizable amount	560 BGN (single person)			
Seizable amounts (single person)	Income range	Monthly income	Percentage portion that can be seized	Maximum amount that can be seized per month
	1	560 BGN	0	0
	2	All above 560 BGN	100	No limit
	3			
	4			
	5			
	6			
	7			

Additional information: There is only the minimum wage threshold below which funds are not to be seizure, Above it any amount may be distributed to creditors.

4. Additional rules for the protection of debtors

As part of an amicable debt mediation procedure or of a personal bankruptcy procedure, some additional protection rules exist in some countries, such as:

- The freezing of the recovery costs and default interest;
- The freezing of recovery procedures (made by registered mail or through a bailiff);
- The possibility for the debt advisor or the judge to lower or increase the protected amounts;
- The possibility of choosing other methods or calculation rules to determine the remaining income.

If similar rules exist in your country, it would be very useful to describe them.

Not yet a law, only Proposals and conceptions on the personal indebtedness and bankruptcy

Three types of personal bankruptcy

The concept offers three types of personal bankruptcy procedures –

a repayment plan (where there is income above the undisclosed amount),

liquidation of the property (if any)

and in the case of lack of income and property.

Over 80% of Bulgarian citizens want a special law regulating the conditions, criteria and procedure for declaring personal bankruptcy.

Interestingly, in this respect, the opinions of the experts and the opinions of the citizens coincide - 81.5% of the citizens and 82.3% of the experts support the adoption of a law.

At the same time, only 71.3% of citizens have affirmed the question whether they approve of allowing individuals to declare bankruptcy if they are unable to cover their obligations to the state, to credit and other institutions.

Do you accept we include your name, or the name of your organisation, in the list of respondents that will be included in the final report?		YES	NO
		X	
Personal name	Desislav Danov and Iskra Balkanska		
Name of the organisation	Fintechguardian		