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**EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW**  
**(VENICE COMMISSION)**

**THIRD REVISED DRAFT LAW**  
**ON FORFEITURE**  
**IN FAVOUR OF THE STATE OF ASSETS ACQUIRED**  
**THROUGH ILLEGAL ACTIVITY**

**OF BULGARIA**

**&**

**EXECUTIVE SUMMARY**

## **FORFEITURE IN FAVOUR OF THE STATE OF ASSETS ACQUIRED THROUGH ILLEGAL ACTIVITY ACT**

### **Chapter one**

#### **GENERAL PROVISIONS**

**Article 1.** (1) This Act shall regulate the terms and procedure of forfeiture in favour of the State of assets acquired through illegal activity.

(2) Any assets acquired through illegal activity which are not subject to restoration for victims of crime or have not been forfeited in favour of the State or confiscated under other laws shall be subject to forfeiture under the procedure established by this Act.

**Article 2.** (1) The purpose of this Act shall be to protect the interests of the society by preventing and limiting the possibilities for deriving benefits and disposing of assets acquired through illegal activity.

(2) For the achievement of the purpose referred to in para. 1 restriction on the property may be imposed during the proceedings with respect to the right of defense of affected persons and the proportionality of the measures imposed.

(3) The restrictions covered by this Act shall not apply for a purpose other than the one they were imposed for.

### **Chapter two**

#### **AUTHORITIES FOR THE IDENTIFICATION OF ASSETS ACQUIRED THROUGH ILLEGAL ACTIVITY**

**Article 3.** (1) The Commission for Establishing Property Acquired through Illegal Activity, hereinafter referred to as "the Commission" shall be a specialized State body carrying out examination and identification of assets acquired through illegal activity under the terms and procedure established by this Act,

(2) The Commission shall be a legal person with a head office in Sofia and a first-level spending unit.

(3) The activity of the Commission shall be assisted by administration.

**Article 4.** (1) The Commission shall be a collegial body which shall consist of five members, including a Chairperson and a Deputy Chairperson.

(2) The Chairperson of the Commission shall be a person who has graduated in law from a higher educational establishment and shall be appointed by the Prime Minister. The Deputy Chairperson and two of the members shall be elected by the National Assembly, and one of the members shall be appointed by the President of the Republic.

(3) The election of the members of the Commission by the National Assembly shall be exercised by a majority of two thirds (2/3) of its members present.

(4) The term of office of the Commission is 5 years. A Commission member shall be entitled to not more than two successive terms of office.

(5) The term of office begins from the date of election, respectively the appointment of all of its members.

(6) The State authorities referred to in para 2 shall appoint, elect respectively, the new members of the Commission not later than a month prior to the expiry of the terms of office of the Commission.

**Article 5.** (1) Eligibility for membership of the Commission shall be limited to a legally capable Bulgarian citizen, who:

1. has not been convicted of a deliberate publicly actionable criminal offence, regardless of whether he/she has been rehabilitated or not;
2. has graduated in Law or Economics from a higher educational establishment, and have at least five years' experience in the relevant field.
3. has not been released from criminal liability for deliberate publicly actionable criminal offence;
4. has not been constituted ineligible for a particular State position.

(2) The member of the Commission may not:

1. exercise commercial activity or be unlimitedly liable associate, managing director or member of supervisory, management or control bodies of any commercial companies, cooperatives, State-owned enterprise or non-profit legal entity;
2. receive remunerations for pursuit of activities under contract or under a civil-service relationship with any State or public organization, commercial company, cooperative or non-profit legal entity, natural person or sole trader, except for scientific research and teaching or exercising copyright.

**Article 6. (1)** A Commission member shall be dismissed ahead of term by the respective authority upon:

1. death;
2. resignation;
3. objective inability to perform the duties thereof for a period exceeding six months;
4. entry into effect of a sentence imposing a penal sanction for a deliberate publicly actionable criminal offence;
5. incompatibility under art. 5, para 2;
6. serious breach or systematic failure to discharge his/her obligations,
7. entry into effect of a written statement, ascertaining conflict of interests under the Conflict of Interest Prevention and Disclosure Act.

**(2) For the establishment of the circumstances under para. 1, sub-para. 6 the respective authority shall request the Commission's statement. The statement of the Commission shall be adopted by a majority of more than one half of the members.**

**(3) Dismissal ahead of term shall be made in accordance with the procedure for the appointment or election of a new member of the respective quota.**

(4) Where a Commission member is dismissed ahead of term, a new member of the respective quota shall be appointed or elected, as the case may be, to serve the term of office.

**Article 7.** (1) The Chairperson of the Commission shall receive a basic monthly remuneration to an amount equivalent to 90 per cent of the basic monthly remuneration of the Chairperson of the National Assembly.

(2) The basic monthly remuneration of the Deputy Chairperson shall be 90 per cent of the remuneration of the Chairperson.

(3) The rest of the Commission members shall receive the basic monthly remuneration to an amount equivalent to 85 per cent of the remuneration of the Chairperson of the Commission.

**Article 8.** (1) The Commission shall make decisions on:

**1. carrying out examination of the correspondence between the value of the assets and the income of the examined person;**

2. institution of proceedings for identification of assets acquired through illegal activity within a specified period;

3. termination of proceedings for identification of assets acquired through illegal activities;

4. extension of the term under art. 25, para 2;

5. submission to the court of a request for imposition of injunctions;

6. starting an action for forfeiture in favour of the State of assets acquired through illegal activities;

7. conclusion of a settlement under art. 91;

8. appointment and dismissal of the directors of territorial directorates;

9. appointment and dismissal of the inspectors upon proposals of the directors of territorial directorates;

10. exercise of other powers as provided for in this Act.

(2) The decisions of the Commission shall be adopted by a majority of more than one half of the members and shall be reasoned. In its decisions the Commission state the facts of the case, the evidences on the basis of which they have been established and the legal conclusion of the body.

**Article 9.** The Chairperson of the Commission shall:

1. represent the Commission;

2. organize and direct the operation;

3. schedule and preside over the meetings;

4. control and be responsible for implementation of the budget;

5. issue penalty decrees on violations committed under this Act.

**Article 10.** (1) The supervision on the Commission's activity shall be exercised by a standing commission of the National Assembly.

(2) The members of the Commission shall be obliged to appear, upon invitation, before the Commission under para 1 and provide the information requested;

**Article 11.** (1) The Commission shall annually submit a report on its activity to the National Assembly by 31 May.

(2) The report shall be further submitted to the President of the Republic and the Council of Ministers and shall be published on the Commission's website.

**Article 12.** (1) The Commission shall have local units enjoying the status of territorial directorates.

(2) The territorial directorates shall be guided by directors.

**Article 13.** (1) The directors of territorial directorates and the inspectors at the territorial directorates shall be Commission authorities in the process of identification of assets acquired through illegal activities.

(2) Eligibility for the offices of directors and inspectors shall be limited to persons who meet the requirements referred to in art. 5.

**Article 14.** The Commission members, as well as the authorities referred to in art. 13, para.1 and the officers in the administration of the Commission may not be members of a political party or a coalition, organization pursuing political goals as well as perform political activity.

**Article 15.** (1) The information of which the Commission members, the authorities referred to in art. 13, para 1 and the officers in the administration have become aware in the course of exercising or on the occasion of discharging their powers constitutes an official secret.

(2) When coming into office the Commission members, the authorities referred to in art. 13, para 1 and the officers in the administration shall sign a declaration that they will not divulge the information mentioned in para 1 during tenure of office as well as after stepping out of office.

**Article 16.** The members of the Commission, the authorities referred to in art. 13, para 1 and the officers in the administration shall be compulsorily insured against accident on the account of the state budget.

**Article 17.** (1) The length of service of the persons under art. 13, para 1 as well as of the persons holding a position for which a degree in law and legal capacity is required shall be recognized as length of service in this field.

(2) The length of service of the persons under art. 13, para 1 as well as the persons holding a position for which a degree in economics is required shall be recognized as length of service in this field.

**Article 18.** (1) Bearing of a service weapon is allowed for officers of the Commission, nominated by an order of the Chairperson of the Commission, who have access to information classified as "Top Secret".

(2) Bearing of a service weapon is allowed under the terms and procedures of the Control of Explosives, Firearms and Ammunitions Act.

**Article 19.** (1) The Commission shall adopt Regulations governing its organization and activities as well as the organization and activities of its administration.

(2) The Regulation shall be published in the State Gazette.

## Chapter Three

### PROCEEDINGS FOR THE IDENTIFICATION OF ASSETS ACQUIRED THROUGH ILLEGAL ACTIVITY

#### Section I

#### Examination of the sources of acquisition of assets

**Article 20. (1)** The Commission shall carry out examination of the sources of acquisition of assets of a person in all cases where it can be reasonably assumed that he/she has acquired the assets through illegal activity.

**(2)** It is assumed that the person has acquired the assets through illegal activity where:

1. pre-trial proceedings have been instituted against the person for crimes under:

- a). art. 108a and art. 109;
- b). art. 116, para 1, τ. 7 and 10;
- c). art. 142 and 142a;
- d). art. 155, 156 and 159;
- e).art. 159a – 159r;
- f). art. 195, para 2 and 3 and 196a;
- g).art. 199;
- h).art. 201 - 203;
- i). art. 209 - 211, art. 212, para 3, 4 and 5, art. 212a and 213;
- j).art. 213a - 214;
- k).art. 215, para 2, sub-para. 1 and art. 217;
- l).art. 220, art. 225c, art. 227c, art. 227d and art. 227e;
- m). art. 233, 234, 234a, 234b and art. 235;
- n). art. 242 - 242a;
- o).art. 243 – 246 and art. 249 – 252;
- q) art. 253, art. 253a, para 1 and 2 and art. 254b;
- r). art. 255 – 256, art. 259 and art. 260;
- s). art. 278, 278b and art. 280;
- t). art. 282, art. 283 and, art. 283a;
- u). art. 301 - 306;
- v). art. 308, para 2, 3 and 5 and art. 310;
- w). art. 319a, para 2 – 5, art. 319b, para 3, art. and 319d, para 2;
- x). art. 321, art. 321a and art. 327, para 1 - 3;
- y). art. 337, art. 339; art. 346, para 2, τ. 4, para 3, para 5 and para 6 and art. 349a, para 2;
- z). art. 354a, art. 354b, para 4 – 6 and art. 354c, para 1 – 3.

2. There is an effective administrative act against the person for customs offence under art. 233, paras. 1-3 and art. 234-235 of the Customs Act;

3. There is an effective administrative act against the person for conflict of interest in accordance with the Law on the prevention and disclosure of conflicts of interest;

4. The person hasn't filed a declaration or a statement of inconsistency is drawn against him under the Public Disclosure of Senior Public Official's Financial Interests Act.

**Article 21. (1)** In cases under art. 20, para. 2, sub-para. 1 the examination is initiated pursuant to a notification from the pre-trial proceedings authorities.

**(2)** In cases under art. 20, para. 2, sub-paras. 2, 3 and 4 the examination is initiated pursuant to a notification from the competent authorities referred to in the Customs Act,

the Law on the prevention and disclosure of conflicts of interest and the Public Disclosure of Senior Public Official's Financial Interests Act.

(3) The notification shall contain information on:

1. the person falling under art. 20;
2. the crime for which the person has been constituted as an accused or the respective circumstances referred to in para 2, sub-paras 2-4;
3. the assets of the person upon availability of the data about them.

(4) In all other cases the examination shall be initiated *ex officio* by the Commission upon its estimation or upon a signal which contains sufficient data for the illegal acquisition of the assets. Anonymous signals can't serve as grounds for the initiation of an examination.

**Article 22. (1)** Upon initiation of the examination the Commission shall forthwith send a request for carrying out a joint examination of the person to the State Agency for National Security, the Ministry of Interior, the Prosecution authorities and the National Revenue Agency authorities.

(2) The pre-trial proceedings authorities shall initiate investigation and notify the Commission in cases where criminal proceedings have been instituted against persons, other than those referred to in art. 20, para 2, sub-para 1., but for crimes listed in it.

## **Section II**

### **Initiation of proceedings for identification of assets acquired through illegal activity**

**Article 23. (1)** The Commission initiates proceedings in cases where the examination establishes that:

1. the value of the assets by the time of acquisition substantially exceeds the net income of the examined person and of his/her family members, and
2. from the evidences in the criminal proceedings for any of the crimes referred to in art. 20, para. 2, sub-para. 1., under which the person is constituted as an accused, it may be reasonably assumed that the origin of the sources of income – subject to examination – is illegal.

(2) The evidence gathered within the examination can be used in the proceedings as well.

**Article 24. (1)** In addition, proceedings under art. 23 shall be instituted also where:

1. the criminal proceeding for a crime under art. 20, para 2, sub-para. 1 was not instituted or was terminated on the grounds of art. 24, para 1, sub-para 2 – 5 of the Criminal Procedure Code or was suspended on the grounds of art. 25 of the Criminal Procedure Code;
2. there is an act of a foreign court concerning any of the crimes under art. 20, para. 2, sub-para. 1, recognized under the procedure provided for in the Criminal Procedure Act.

(2) Proceedings shall be instituted as well in cases where there have been identified assets acquired through illegal activity carried out abroad which does not fall under the criminal jurisdiction of the Republic of Bulgaria.

(3) In cases referred to in paras. 1 and 2 the pre-trial proceedings authorities and the court shall forthwith notify the Commission.

**Section III**  
**Powers of the Commission's bodies**

**Article 25.** (1) The examination of the sources of acquiring of assets is carried out by the authorities referred to in art. 13, para. 1.

(2) The examination shall last for up to 12 months and may be extended for six (6) months by a decision of the Commission.

(3) Evidences on the correspondence of the assets to the net income of the examined person and of his/her family for a specified period shall be collected during the examination.

**Article 26.** (1) The authorities referred to in art. 13, para 1 herein shall examine:

1. the assets, their value and the legal grounds for the acquisition thereof;
2. the transformation of the assets;
3. the income of the person under examination and of his/her family members;
4. the obligations at public law to the State and the municipalities, paid by the person under examination and his/her family members;
5. the customary and extraordinary expenditures for maintenance of the person under examination and his/her family members;
6. the tax declarations of the examined person and of his/her family members;
7. the transactions with assets of the person under examination and of his/her family members;
8. the travels abroad of the person under examination and of his/her family members;
9. any other circumstances relevant to clarification of the origin of the assets and of the manner of acquisition thereof by the examined person, the members of his/her family and the third parties to which they were transferred.

(2) When conducting the examination under para 1, the authorities referred to in art. 13, para 1 herein shall have the right to:

1. **invite** the examined person, his/her spouse as well as third parties to give explanations;
2. appoint expert witnesses;
3. collect written evidence;
4. **invite natural persons to provide any available documents relevant to the identification of the source and value of the assets;**
5. **invite individuals managing and representing legal persons to provide documents regarding the sources of the assets and the manner of acquisition and disposition of the assets of the legal person;**
6. gather and examine also other evidence relevant to clarification of the origin of the assets;
7. **in cases referred to in art. 20, para. 2, sub-para. 1** to request assistance from the bodies of the Ministry of Interior for performing search or seizure under the procedure of the Penal Procedure Code with the permission of a judge of the respective court of first instance where there are sufficient grounds to assume that in certain premises or in some person



there are assets, objects, papers or computer information systems containing data relevant to the proceedings under this Act.

(3) In cases where there is a requirement that the prove should be made with a written document, the Commission may not draw conclusions in respect of the evidence to the detriment of the person under examination if the document was not preserved due to expiry of the term for storing thereof specified in a law.

**Article 27.** (1) The authorities referred to in art. 13, para 1 herein shall have the right to invite the natural person under examination to submit a declaration in writing regarding:

1. the corporeal immovable and motor vehicles, any ships and aircraft, limited real rights to corporeal immovable, cash deposits, securities, works of art, movable archaeological values, participating interests in commercial companies, receivables, patents, trademarks and industrial designs, owned by the examined person and by the members of his/her family;

2. a list of the bank accounts held by the person under examination and by the members of his/her family in Bulgaria and abroad;

3. the sources of income and the grounds for acquisition of the assets and for the maintenance of his/her family;

4. any transactions with corporeal immovable, movables, shares and interests in commercial companies and with other property effected by the person concerned and by the members of his/her family, as well as the sources of income used to effect the said transactions;

5. any debts to third parties when they have been reflected in the annual tax declarations.

(2) Should the person referred to in para 1 be deceased, the declaration shall be required from the legal and testamentary heirs thereof.

**(3) The person so invited shall submit the declaration within 14 days from the date of receipt of the invitation and within 1 month from the date of receipt of the invitation if the said person is abroad.**

**Article 28.** To submit a declaration under art. 27, para. 1 may furthermore be invited:

1. the third party who has acquired assets from the examined person;

2. the person in respect of which data exists that he/she has acquired assets in his/her name with funds belonging to the examined person.

**Article 29.** (1) In respect of legal entities under examination, a declaration shall be required from the persons who represent, manage or control the said legal person, as well as from all persons who represented, managed or controlled the said legal entity during the period of examination.

(2) The declaration shall state accordingly the circumstances covered under art. 27, para. 1, regarding the legal entity.

**Article 30.** The standard form of the declaration shall be endorsed by the Commission and shall be published in the State Gazette.

**Article 31.** For each action under this Act the authorities referred to in art. 13, para. 1 shall draw up a record of proceedings except in the cases where for the action that was carried out there is another written document.

**Article 32.** (1) In cases where the collected evidences are not sufficient to reasonably assume that the person has acquired assets through illegal activity, The Commission shall terminate the proceedings with a decision.

(2) The Commission shall terminate the proceedings also when it deems insignificant the total value of the lack of correspondence between the acquired assets and the net income of the examined person and of his/her family members for the specified period.

(3) The commission may resume the proceedings where new facts relevant to the case have been substantiated.

**Article 33.** Records of the meetings of the Commission shall be kept. The decisions of the Commission shall be reasoned. The reasoning includes consideration on the factual circumstances, the evidences on the basis of which they have been established and the legal conclusions of the Commission on the subject of examination.

#### **Section IV** **Interaction with other public authorities**

**Article 34.** (1) The authorities under art. 13 para. 1, in exercise of their powers under this Act may seek assistance and information from all state and municipal authorities, merchants, credit institutions and other entities, notaries and public enforcement agents.

(2) Authorities and persons under para. 1 shall be obliged to provide information within one month of the request.

(3) Classified information shall be exchanged in accordance with the Classified Information Protection Act.

(4) Personal data shall be processed in accordance with the Personal Data Protection Law.

**Article 35.** Public authorities and other institutions grant the Commission access to their information data-bases and records, including through the provision of personal data in electronic form or by remote access, following the procedures established by joint instructions.

**Article 36.** (1) For the achievement of the purposes of this Act the authorities referred to in art. 13, para. 1, police authorities, the State Agency for National Security authorities, the National Revenue Agency authorities, the Customs Agency authorities and the Prosecution office take joint actions.

(2) The procedure for forming groups and the control of their activity shall be defined by a joint instruction of the Commission, the Chairperson of State Agency for National Security, the minister of interior and the Prosecutor General.

(3) The interaction under para. 1 shall also take place where illegal activities of persons according to art. 124, para. 5 of the Code of Civil Procedure have been established.

**Article 37.** (1) The authorities under art. 13, para. 1 shall exchange information with the police concerning:

1. Assets of persons which is supposed to be acquired through illegal activity on behalf of the examined persons in the country or abroad;
2. Vehicles belonging to the examined persons;
3. Location of persons and vehicles when necessary for the proceedings under this Act;

4. Other facts and circumstances relevant to the proceedings under this Act.

(2) Information under para. 1 shall be exchanged in compliance with the provisions of the Ministry of Interior Act.

**Article 38.** (1) The authorities under art. 13 para. 1 shall exchange information with the authorities of the State Agency for National Security concerning:

1. Assets of the examined persons and its transformation;
2. Import and export of assets, Bulgarian and foreign currency in cash, precious metals, gemstones and articles made with and of them;
3. Bank accounts of the persons in the country or abroad;
4. Involvement of the persons in business companies or other entities;
5. Other facts and circumstances relevant to proceedings under this Act.

(2) The exchange of information under para. 1 shall comply with the provisions of the State Agency for National Security Act.

(3) The procedure for the interaction between the Commission and the State Agency for National Security shall be defined by a joint instruction of the Chairperson of the Commission and the Chairperson of State Agency for National Security.

**Article 39.** In cases where the person is constituted as an accused party for any of the offences referred to in art. 20, para. 2, sub-para. 1, the investigating authority shall forthwith notify in writing the authority referred to in art. 13, para. 1. A notification shall be sent also for any amendment of the indictment.

**Article 40.** (1) Prosecutors, assigned to supervise pre-trial proceedings or cases with a known perpetrator of a crime under art. 20, para. 2 shall forthwith notify the appropriate authority under art. 13, para. 1:

1. of the institution of pre-trial proceedings against the person when the actions under art. 212, art. 219, paras. 1 and 2, art. 356, para. 4 and art. 362, para. 4 of the Criminal Procedure Code are performed by a prosecutor;
2. of a rejection of initiation, of termination or of suspension of criminal proceedings as well as resumption of the proceedings in cases referred to in art. 24, para. 1, sub-para. 1;
3. of submission to the Court of an indictment.

(2) The Prosecutor shall notify in writing the respective territorial directorate and where the grounds for conducting the proceedings under this Act were eliminated because of the criminal proceedings for crimes under art. 20, para. 2, sub-para 1 against the person being totally or partially terminated for reasons other than those listed in art. 24, para. 1, sub-para.1.

(3) In cases under para. 1, sub-paras 1 and 2, the Prosecutor shall:

1. provide access to the respective authorities referred to in art. 13, para. 1 to all information, collected for the case file or for the proceedings, containing data on the assets of the examined persons;
2. submit copies of all documents, requested by the respective authorities referred to in art. 13 para. 1 relating to the establishment of the fact of illegal activity under art. 97, para. 4 of the Civil Procedure Code.

**Article 41.** Where the indictment is for a crime under art. 20, para. 2, sub-para. 1 the Prosecutor may request from the respective territorial directorate a copy of the collected materials relating to the wealth of the person, constituted as an accused.

**Article 42.** (1) The authorities referred to in art. 13, para. 1 shall notify the respective prosecution office of initiated, terminated or suspended proceedings for the establishment of assets acquired through illegal activity.

(2) The authorities referred to in art. 13, para. 1 shall forthwith notify the respective prosecution office of the evidence of crime, established within the examination pursuant to art. 21, para 4.

**Article 43.** The Prosecution office of the Republic of Bulgaria and the Commission interact also for the implementation of Council Decision 2007/845/JHA concerning cooperation between Asset Recovery Offices of the Member States in the field of tracing and identification of proceeds from, or other property related to, crime.

**Article 44.** The authorities under art. 13, para. 1 exchange information on the examined persons with the National Revenue Agency and the Customs Agency relating to:

1. their assets;
2. sources of income and its value;
3. customary and extraordinary expenditures;
4. paid obligations at public law;
5. filed tax declarations;
6. transformation of the assets;
7. import and export of assets, including Bulgarian levs and foreign currency in cash.

**Article 45.** (1) The Directors of territorial directorates may request the respective revenue authorities to audit pursuant to art. 122 of the Tax and Social Insurance Procedure Code the person under examination, provided that a lack of correspondence between the value of the assets acquired and the net income of the examined person and his/her family members is established.

(2) The revenue authorities assign an audit where:

1. the person has not been audited in the period specified in the request;
2. new facts that are relevant to the audit but were not known by the revenue authorities have been established in the course of the audit.

(3) The request referred to in para. 1 shall be addressed in writing and shall contain particularities about the person for whom the audit has been requested.

(4) Upon termination of the audit the revenue authorities shall submit to the authorities referred to in art. 13, para. 1 the audit report and the audit act.

(5) In cases where the audit establishes that the lack of correspondence is due to undeclared gains and income the Commission's examination may be terminated upon the entry into force of the audit act establishing public obligation.

(6) In case of rejection to assign an audit, the Director of the respective territorial directorate of the National Revenue Agency shall notify in writing the respective territorial director of the Commission of the reasons for the rejection.

**Article 46.** Upon written request from the Executive Director of the National Revenue Agency, the authorities referred to in art. 13, para 1. provide information of the assets, forfeited in favor of the state and its location.

### **Section III**

#### **Subject to forfeiture**

**Article 47.** (1) Assets, for which it could be reasonably assumed to have been acquired through illegal activity **shall be forfeited under the procedure of this Act.**

(2) A reasonable assumption is present where sufficient data has been collected to reasonably conclude that the assets have been acquired through illegal activity.

(3) Assets at a value equivalent to the lack of correspondence established between the acquired assets and the net income of the examined person and of his/her family members shall be subject to forfeiture. Where it is not possible to forfeit assets equivalent in value to the established lack of correspondence, the monetary equivalent shall be forfeited up to the full amount of the lack of correspondence.

(4) The lack of correspondence shall be established by correlation of the value of the assets and the net income of the examined person and of his/her family members for each year within the period under examination. The established lack of correspondence for the respective years can't be justified with revenue, income or sources of financing from the following years.

(5) The value of the assets acquired or alienated from the examined person shall be defined as of the time of acquisition or alienation of:

1. corporeal immovable and limited real rights thereon – at the market value and where it cannot be identified – at tax assessment;
2. foreign currency and noble metals - **according to the central exchange rate** of the Bulgarian National Bank;
3. securities – at the market price and where the market price cannot be identified they shall be evaluated at their nominal value;
4. vehicles – at their market value and where it cannot be identified - according to their insurance value;
5. the remaining movables and rights – at market value.
6. enterprises or participating interests in commercial companies or cooperatives – at market prices, and where it cannot be identified - according to the accounting data.

**Article 48.** Under the procedure of this Act cannot be forfeited assets:

1. which are not subject to seizure;
2. where the lack of correspondence is insignificant.

**Article 49.** Until the reverse is established by evidence, considered to be acquired through illegal activity of the examined person shall be the assets acquired by the underage children or his/her spouse regardless of the property regime chosen by the spouses where the value of the assets exceeds the family net income.

**Article 50.** Until the reverse is established by evidence, considered to be acquired through illegal activity shall be the assets transferred in the period of examination by the person under examination to the spouse, a person who is the de facto cohabitee with the examined person, to a former spouse, to lineal relatives up to any degree of consanguinity and to collateral relatives up to the fourth degree of consanguinity and affines up to the second degree inclusive.

**Article 51.** Until the reverse is established by evidence, considered to be acquired through illegal activity of the examined person shall be the assets which he/she has gratuitously transferred to third parties during the period of examination.

**Article 52.** Assets acquired through illegal activity shall be further forfeited from the legal and testamentary heirs thereof up to the amount received by the said heirs.

**Article 53.** (1) Subject to forfeiture shall also be the assets onerously transferred in the period of examination by the examined person to a third party provided he/she knew or from the circumstances could have supposed that the assets had been acquired through illegal activity.

(2) In cases where the examined person transferred the assets under para. 1 to a bona fide purchaser for value, the real cost being fully paid, subject to forfeiture should be the received from the examined person.

(3) Subject to forfeiture shall also be the assets acquired through simulated transaction by a third party on the account of the examined person provided that the third party knew or from the circumstances could have supposed that the assets are transferred in order to avoid the forfeiture thereof, or to conceal the origin or the real rights on them.

**Article 54.** (1) Subject to forfeiture shall be any assets acquired through illegal activity, which are incorporated into the assets or acquired by a legal entity which is controlled by the person under examination, whether independently or jointly with another person. The assets shall be forfeited also in cases of succession of the legal entity concerned.

(2) Subject to forfeiture shall be any assets acquired through illegal activity which are incorporated into the assets or acquired by a legal entity which is not controlled by the examined person but the persons who manage or control the legal entity knew or could have supposed from the circumstances that the assets had been acquired through illegal activity.

**Article 55.** In cases where the assets acquired through illegal activity has been partially or entirely transformed to another property subject to forfeiture are the transformed assets.

**Article 56.** Until the reverse is established by evidence, for movables and cash belonging to the person under examination are considered also those found with him/her, in his/her home or in other owned or rented by him/her premises, motor vehicles, offices, cases or safes.

**Article 57.** Transactions with assets acquired through illegal activity, including those under which obligations were taken, or encumbrances created, or abandonment of rights was made, shall have no effect in respect of the State.

**Article 58.** (1) The rights of the State under this Act shall be extinguished upon the lapse of a 20-year period of prescription.

(2) Prescription shall start running from the date of acquisition of the assets and shall cease with the institution of proceedings under this Act.

## Chapter Four

### TERMS AND PROCEDURE FOR IMPOSITION OF INJUNCTIONS AND FORFEITURE IN FAVOUR OF THE STATE OF ASSETS ACQUIRED THROUGH ILLEGAL ACTIVITY

#### Section I

#### Injunctions

**Article 59.** (1) The Commission shall make decision on presenting to the court a request for imposition of injunctions on assets for which it is assumed that they have been acquired through illegal activity on the basis of a report provided by the director of the respective territorial directorate.

(2) The Commission shall file the request referred to in para 1 before the regional court exercising jurisdiction over the permanent address of the individual or over the registered office of the legal entity respectively.

(3) In cases where movables and corporeal immovable are incorporated into the assets, the request shall be filed at the regional court over the location of the property and where more than one corporeal immovable are incorporated into the assets - over the location of the property with the highest assessed value.

(4) The request for imposition of injunctions shall be reasoned and evidence gathered under the procedure of this Act shall be attached thereto.

(5) The Commission may not require imposition of injunction on assets which are not subject to coercive enforcement under article 444 of the Civil Procedure Code.

**Article 60.** (1) The court shall pronounce within 48 hours of receipt of the request, rendering a ruling whereby it shall grant or refuse the imposition of the injunction.

(2) The imposition of injunction shall be granted where it will be impossible or difficult to exercise the rights under the court's decision and where the request of the Commission is backed with persuasive documentary evidences establishing the lack of correspondence between the assets and the net income of the person and proving his illegal activity.

(3) The ruling granting an injunction shall be subject to immediate enforcement.

(4) The court ruling referred to in para 1 shall be appealable with an interlocutory appeal within seven days, which period shall start running for the appellant from the date of serving of the ruling, and for the respondent – from the date where a communication for the injunction imposed was served by the public enforcement agent, by the registry service or by the court.

(5) Upon request of the Commission and on the basis of the court ruling different injunction orders shall be issued for movables and immovable property with respect to the territorial jurisdiction of the public enforcement agent.

**Article 61.** (1) Injunctions are:

1. preventive attachment of a corporeal immovable;
2. by means of a garnishment of movables, receivables or participation in legal entities;
3. garnishment of the bank accounts;
5. other appropriate measures defined by the court upon request of the Commission.

(2) The injunction comprises further the interest on and the acquisition of other civil fruits from the assets on which it has been imposed.

(3) The court may admit several kinds of injunctions up to the amount of the claim.

(4) Should there be a risk of the assets, acquired through illegal activity, being squandered, destroyed, concealed or disposed of, upon request of the authorities referred to in art. 13, para 1, the court may order the sealing of premises, equipment and means of transport where such assets are stored without taking into consideration their owner.

**Article 62.** (1) After coming into force of the ruling for imposition of injunction the court, acting on a reasoned application by an interested person, may permit the effecting of a payment or other acts of disposition of the assets, where this is required for the purpose of:

1. medical treatment or other urgent humanitarian needs of the person on the assets whereof injunctions are imposed, or of a member of the family of the said person;
2. payment of support;
3. payment of obligations at public law to the State;
4. payment of remunerations for work performed;
5. compulsory social and health insurance;
6. payment of expenses needed to preserve and maintain the assets whereon injunctions are imposed;
7. payment of expenses in connection with the proceedings under this Act;

(2) The court shall pronounce within 48 hours after filing of any such application or request.

(3) The annulment of preventive attachment, the lifting of the garnishment as well as annulment of any other injunction shall be made on the basis of the effective court ruling.

**Article 63.** (1) The imposition of preventive attachment of a corporeal immovable upon request of the authorities referred to in art. 13, para. 1 is made through registration of the injunction order of the court by the order of the respective recordation judge.

(2) The recordation judge shall send a notification to:

1. the owner of the property on which preventive attachment has been imposed – for the registration;
2. the Central Pledge Register – for the preventive attachment imposed where the assets belong to a commercial company;

(3) A special pledge of a commercial company, in which the immovable is incorporated under para.1, recorded after such preventive attachment shall be inopposable to the public receivable of the State.

**Article 64.** (1) Garnishment of a corporeal movable shall be forthwith imposed by the public enforcement agent upon request of the authorities referred to in art. 13, para. 1 by notifying the defendant of the injunction.

(2) The garnishment shall be considered to have been imposed upon receipt of the notice of garnishment by the defendant of the injunction, and from this moment he cannot dispose, transform, damage or destroy it.

(3) Upon request of the authorities referred to in art. 13, para. 1, the public enforcement agent shall draw up an inventory, shall value and shall deliver the movables for safe-keeping to the examined person or to a third party, or shall seize and store the movables to the authorities referred to in art. 13, para. 1, and a garnishment mark (sticker) may be placed thereon.



(4) The public enforcement agent shall also notify the Central Pledge Register for preventive attachment imposed where the assets belong to a commercial company.

**Article 65.** (1) Upon a preventive attachment imposed on a ship or other water-craft the public enforcement agent shall notify the Maritime Administration Executive Agency for recording in the relevant ship registers.

(2) In cases where a motor vehicle is garnished, a notice of the garnishment imposed shall be forwarded to the authorities of the Ministry of Interior.

(3) In cases where a civil aircraft is garnished, a notice of the garnishment imposed shall be transmitted to the Directorate General of Civil Aviation Administration for entry into the civil aircraft register.

(4) In cases where the garnishment is imposed on agricultural or forestry machinery subject to registration according to the procedure established by Article 11 of the Agricultural and Forestry Machinery Registration and Control Act, the public enforcement agent shall notice the Technical Control Inspection of the Ministry of Agriculture and Food.

**Article 66.** (1) Garnishment of the listed in art. 65 transport vehicles shall be considered to have been imposed from the date of the receipt of the notice of garnishment by the authorities of the respective registers.

(2) The defendant in injunction is notified of the imposed garnishment after receipt of the garnishment notice by the public officer of the respective register.

(3) Changes in the register of the vehicles under para. 1 and machinery shall not be admitted before the lifting of the garnishment.

(4) The public enforcement agent may request from the authorities of the Ministry of Interior the immobilization of the motor vehicle with imposed garnishment on it for a period of three months.

**Article 67.** (1) Garnishment of receivables which the defendant in injunction has in respect of natural persons or legal entities shall be imposed by the public enforcement agent by means of despatch of garnishment notice to the third garnishee and the bank wherewith the third garnishee holds account.

(2) Garnishment shall be considered to have been imposed as from the date and hour of receipt of the garnishment notice by the third garnishee and the bank wherewith the third garnishee holds account.

(3) The defendant in injunction shall be notified of the imposed garnishment after the receipt of the garnishment notice by the third garnishee.

(4) Where the garnished receivable is secured by a pledge, the pledgee shall be ordered to surrender the said movable to the public enforcement agent who delivers it for safe-keeping to a person, appointed by the authority referred to in art. 13, para. 1.

(5) Where the garnished receivable is secured by a mortgage, the garnishment shall be noted in the relevant book at the Registry Service.

(6) Where there is a writ for the receivables the public enforcement officer shall withdraw it from the person holding it and deliver it for safe-keeping to a person, appointed by the authority referred to in art. 13, para. 1. with a record of proceedings.

(7) The extinctive prescription cease running from the receipt of the garnishment notice from the third garnishee.

**Article 68.** (1) In cases under in art. 67, para. 6 the authorities referred to in art. 13, para. 1 have the right to request the power for the collection of receivables and the initiation of a separate enforcement proceedings against the person – debtor on the writ.

(2) The collected amounts of the enforcement proceedings shall be transferred from the public enforcement agent to a special account of the Commission.

**Article 69.** (1) Cash in national or foreign currency shall be garnished by means of drawing up an inventory, seizing and depositing the cash on the account of the Commission. When translating the exchange rate of the foreign currency the exchange rate of the Bulgarian National Bank for the day for the respective currency shall be applied.

(2) Garnishment of all types of bank accounts of the defendant in injunction in national or foreign currency shall be imposed by sending the garnishment notice to the bank.

(3) Garnishment may be also imposed on all kinds of movables deposited in safe-deposit vaults, including the content of safe-deposit boxes and amounts delivered for trust management by the defendant in injunction.

(4) Garnishment under paras. 2 and 3 shall be considered to have been imposed from the date of the service of notice of garnishment to the bank and then a garnishment notice is served to the defendant in injunction.

(5) The person serving the garnishment notice shall record the date and time of the receipt. Where the notice is delivered by mail the respective officer shall record the date and time of receipt.

**Article 70.** (1) Available securities shall be garnished in their nominal value by means of drawing up an inventory and seizure of the securities by the public enforcement agent.

(2) Upon garnishment of physical registered shares or bonds, the public enforcement agent shall notify the company of this. The garnishment shall have effect in respect of the company as from the moment of receipt of the garnishment notice.

(3) The public enforcement agent shall deliver the physical securities for safe-keeping at a bank and draw up a record of proceedings.

**Article 71.** (1) Garnishment of dematerialized securities shall be imposed by means of dispatch of a garnishment notice to the Central Depository, simultaneously notifying the company.

(2) Garnishment shall have effect as from the moment of service of the garnishment notice to the Central Depository.

(3) The Central Depository shall forthwith notify the relevant regulated market of the garnishment imposed.

(4) Within three days after receipt of the garnishment notice, the Central Depository shall inform the public enforcement agent as to the securities owned by the defendant in injunction and whether other garnishments have been imposed on other receivables.

(5) The public enforcement agent shall notify the authorities referred to in art. 13, para. 1 of the information received under para. 4.

**Article 72.** (1) Garnishment of government securities shall be imposed by means of despatch of a garnishment notice to the person keeping a register of government securities.

(2) Garnishment shall be considered to have been imposed as from the date of receipt of the garnishment notice by the person keeping a register of government securities.

(3) The person keeping a register of government securities is obliged within 3 days of the receipt of the garnishment notice to inform the public enforcement agent as to the securities owned by the defendant in injunction and whether other garnishments have been imposed on other receivables.

(4) The public enforcement agent shall notify the authorities referred to in art. 13, para. 1 of the information received under para. 3.

**Article 73.** (1) Garnishment of securities shall cover all property rights attaching to the securities.

(2) Any transfer of shares, including registered shares, occurring after the garnishment notice shall have no effect in respect of the State.

(3) The management bodies of joint-stock companies shall refuse to record transfers of registered shares by the defendant in injunction after garnishment.

**Article 74.** (1) Garnishment of an equity interest of a commercial company shall be imposed by means of despatch of a garnishment notice to the Registry Agency by the public enforcement agent.

(2) The garnishment shall be recorded according to the procedure applicable to the recording of a registered pledge of interests in commercial companies and shall take effect from date of its record in the Commercial Register. The Registry Agency shall notify the commercial company of the garnishment recorded.

**Article 75.** The transfer of the right of ownership, the creation and transfer of rights in rem and the creation of encumbrances in respect of garnished corporeal immovable, as well as disposal of garnished movables, securities, equity interests and receivables made after receipt of the notice of the garnishment imposed, shall have no effect in respect of the State.

**Article 76.** Assets in respect of which injunctions have been imposed according to the procedure established by this Act shall be excluded from the insolvency estate, from the property subject to liquidation respectively, in cases where insolvency proceedings or proceedings for dissolution with liquidation, have commenced after the imposition of injunctions.

**Article 77.** The Commission may bring an action against the third garnishee for the amounts or movables which he/she refuses to surrender voluntarily.

**Article 78.** Coercive enforcement under the Civil Procedure Code and the Law on Pledge is not allowed for assets and receivables in respect of which injunctions have been imposed according to the procedure established by this Act.

**Article 79.** (1) The injunction under this section is imposed upon request of the Commission by the order of the respective recordation judge and the public enforcement agents with respect to the territorial jurisdiction under art. 427, para. 1 of the Civil Procedure Code.

(2) Records for preventive attachment and garnishments imposed shall be made immediately.

**Article 80.** Injunctions may be imposed according to the procedure established by this Act also on assets acquired through illegal activity on the territory of the Republic of Bulgaria if the competent authorities of another State have so requested and where so provided for in an international treaty whereto the Republic of Bulgaria is a party.

**Article 81.** For all other cases not regulated by this Act the general rules of the Civil Procedure Code shall apply.

## **Section II**

### **Actions upon imposition of injunctions**

**Article 82.** (1) The Commission shall give possibility to the examined person to participate in the proceedings after enactment of the injunctions imposed upon the assets.

(2) The authorities referred to in art. 13, para. 1 shall notify the examined person, provide the materials relevant to him/her and grant him/her a 2 months period for appeal and for producing evidences.

(3) In the proceeding before the Commission the examined person may be represented by a lawyer or any other representative by proxy under the procedure established in the Civil Procedure Code possessing a written authorization with a signature certified by a notary.

(4) The statements of the examined person shall not be brought in evidence in the criminal proceedings against him/her.

**Article 83.** (1) The director of respective territorial directorate after considering the objections of the examined person and the evidences brought by him/her, shall prepare a special reasoned report for the Commission. The report shall contain:

1. description of the type and amount of the assets acquired through illegal activity;
2. evidences on the basis of which the lack of correspondence between the assets and the net income of the person and of his/her family members have been established;
3. evidences on the existence or lack of encumbrances or other injunctions imposed on the assets.
4. other evidence whereon the request is based.
5. final conclusion

(2) With the conclusion the director of the respective territorial directorate shall propose to the Commission to:

1. terminate the proceedings if the evidences collected are not sufficient to establish with a high-scale of probability that the assets have been acquired through illegal activity or if the assets are encumbered which make unreasonable its forfeiture in favour of the state; or
2. claim forfeiture in favour of the state of the assets acquired through illegal activity or the monetary value to the extent of the lack of correspondence where it is proved with a high-scale of probability that the assets of the examined person could have been acquired through illegal activity.

## **Section III**

### **Procedure before the court for forfeiture in favour of the State of assets acquired through illegal activity**

**Article 84.** (1) In cases where the Commission decides for the forfeiture the action against the examined person shall be brought before the regional court at his/her domicile address within three months from the imposition of injunctions. Where the assets include immovable property as well, the application shall be brought before the regional court at the location of

the corporeal immovable, but where the property includes more than one immovable property – at the location of the property with the highest assessed value.

(2) The statement of claim and the relating effective decision shall be subject to recording in the Property Register held by the Registry Agency.

(3) In cases where the Commission has not brought evidences of the institution of an action within the time period prescribed by law the court shall revoke *ex officio* the injunction imposed.

**Article 85.** The commission may consolidate the claim for forfeiture with a claim for voidance of contract under art. 48 in respect of the State, a claim under art. 135 of the Law on obligations and contract, a claim under art. 124, para. 5 of the Civil Procedure Code as well as with other claims against the examined person or other persons in respect of their declared interests.

**Article 86.** (1) The regional court shall institute proceedings and shall publish in the State Gazette a notice containing: the number of the case, data for the received request, an inventory of the property and the date for which the first hearing is scheduled.

(2) The person under examination and the persons referred to in articles 49-54 shall be constituted as respondent in the proceedings.

(3) Respondents are obliged to exhaust all their objections within these proceedings.

**Article 87.** Within three months from the publication of the notice third parties claiming individual rights to separate objects of the property concerned, may bring claims within the framework of the initiated proceedings.

**Article 88.** (1) The Court shall sit in an open session.

(2) The Commission shall be represented by the Chairperson or legally capable officer authorized by him/her.

(3) Any evidence admissible under the Civil Procedure Code shall be submitted in the proceedings.

(4) The Commission shall provide evidences for:

1. the type and value of the assets acquired by the examined person and his/her family members during the examination period;

2. the lack of correspondence between the assets acquired by the examined person and his/her family members for the period of examination and the value of such property;

3. the illegal activity through which economic benefit could have been received;

4. that the third persons under art. 53 and 54, para 2 knew or from the circumstances could have supposed that the assets had been acquired through illegal activity.

**(5) With respect to the evidences under para. 4 the Commission shall establish the high-scale probability referring to the presumption of art. 47, para. 1 that the assets could be considered benefit from crime.**

(6) In the judicial proceedings the burden of proof that the property has a legitimate origin falls on the person under examination. He/she shall establish with the same scale of probability as applies to the weighting of evidences brought by the Commission that the assets have not been

acquired through illegal activity by presenting evidences that he/she disposes with other possible legal source of income.

**Article 89.** When deciding the court may not apply the provisions above where it can conclude from the circumstances of the case that there's a serious risk of breach of justice.

**Article 90.** In consideration of the case the court establishes examination of the obligations of the examined person, the encumbrances or writs subject to claim. In cases where the property is encumbered and as such can make difficult the enforcement against the property and its disposal the court may forfeiture the monetary equivalent.

**Article 91.** (1) Until conclusion of the oral arguments in first instance the parties to the proceedings may sign an agreement whereby it is provided for forfeiture of 80% of the amount of the established lack of correspondence between the acquired assets and the net income of the examined person and of his/her family members. In cases where the forfeiture of 80% of the lack of correspondence is not possible, subject to forfeiture shall be 80% of the monetary equivalent of such lack of correspondence.

(2) Agreement may be concluded if the value of the lack of correspondence between the property and the net income established by the Commission for the relevant period does not exceeds BGN 300 000 and provided the examined person deposits the amount specified in para 1 to the special account of the Commission within the term fixed by the Commission.

(3) The agreement shall be approved by the court if not contradictory to the law and good morals.

(4) The agreement shall have the effects of an enforced judgment from the day of the approval thereof.

(5) The costs for the proceedings shall be born by the parties as they have been incurred.

**Article 92.** (1) Upon termination of the proceedings the Court shall deliver its decision which is subject to appeal by the general procedure.

(2) When rejecting the request for forfeiture of assets, the court shall overrule the injunctions imposed thereon.

## Chapter Five

### MANAGEMENT OF PROPERTY WHEREUPON INJUNCTIONS HAVE BEEN IMPOSED AND OF FORFEITED PROPERTY

#### Section I

##### Management of the property under injunction

**Article 93.** With respect to the circumstances of the case the property whereupon injunction has been imposed shall be left for safe-keeping to the examined person, the person holding the property as at the moment of imposing injunction or other person, appointed by a decision of the Commission.

**Article 94.** (1) The person referred to in art. 93 shall have obligations, other than the obligations under art. 469-471 of the Civil Procedure Code, to:

1. inform the Commission about any damages of the property;

2. inform the Commission about any proceedings affecting the property;
3. inform the Commission in writing about any steps relating to the transfer or rise of third persons' rights to the property or to a change in the identity of the property and shall provide copies of the documents establishing the transfer or creation of the rights;
4. inform the Commission in case of a risk of destroying or damaging of the property;

(2) The person referred to in art. 93 shall be obliged to grant the authorities referred to in art. 13, para 1 access in order to check the state of the property.

(3) If the examined person or the person holding the property as at the moment of imposing injunction fails to fulfill his/her obligations, the Commission may request from the public enforcement agent to transfer the property under injunction to another person for safe-keeping.

(4) Where the property has been left for safe-keeping to a third person – the creditor, the expenses related to the use and maintenance of the property shall be covered by the persons referred to in para. 3.

**Article 95.** (1) Movable of historical value shall be given for safe-keeping to the National Historic Museum or another museum.

(2) Movable of scientific value shall be given for safe-keeping to the National Library, the relevant institute of the Bulgarian Academy of Sciences or to a university.

(3) Movable of noble metals, precious stones or art crafts made thereof shall be given for safe-keeping to the Bulgarian National Bank.

(4) Movable things of artistic, antiquarian or numismatic value shall be given for safe-keeping to the Ministry of Culture.

(5) Exotic animals and herbals shall be given to zoological gardens or other relative institutes.

(6) In cases referred to in paras. 1-5 the expenses related to the use and maintenance of the property shall be covered by the Commission.

**Article 96.** (1) The Commission may decide exceptionally on the sale of movables which:

1. can be subject to substantial devaluation during the period of safe-keeping or the preservation thereof is related to great expenses;

2. are perishable.

(2) Movable shall be sold by the public enforcement agent on a public auction conducted within a month from the date of receipt of the request or shall be given to a salesperson in a store, commodity mart or board of trade, defined by the Commission upon written consent of the acceptance of the movable by the salesperson.

(3) Delivery of the movable shall be proved by a record of proceedings signed by the public enforcement agent and the salesperson. The salesperson shall receive a commission for the sale, which shall be retained upon deposition of the received amount.

(4) In cases where there's a lack of documentary for conducted sanitary control or lack of information about the origin, ingredients or the best before date, the sale shall be exercised upon decision of the respective authorities under art. 28 of the Law on Food.

(5) Animals from the national genetic fond, seeds and seedlings with certified origin shall be sold by the public enforcement agent only to other agriculture manufacturers upon authorization of the minister of agriculture and food or officer authorized by him/her.

(6) The competent authority referred to in paras. 4 and 5 shall consider the request in three days.

**Article 97.** The transfer of proceeds from the sale of property received according to the provisions of art. 96 shall be made by the public enforcement agent to a bank account of the Commission, opened on special conditions and procedure.

**Article 98.** (1) The Commission shall keep a public register where the following shall be recorded:

1. the person against who the proceedings are initiated;
2. the property whereupon injunction has been imposed;
3. data for the owner and the person holding the property as at the moment of imposing injunction;
4. other data required for the identification of property whereupon injunction has been imposed;

(2) The standard form of the register shall be endorsed by the Chairperson of the Commission.

(3) The disposal of property or its encumbrance or undertaking of any obligations by the examined person that may make it difficult to exercise the rights under the court's decision for forfeiture of assets acquired through illegal activity shall have no effect in respect of the State.

(4) The Commission shall issue an official document stating the existence of injunction on the property under this Act within a month from the date of the request from the court, public enforcement agents, National Revenue Agency authorities and other public authorities.

**Article 99.** For the cases not regulated under this section the provisions of the Code of Civil Procedure shall apply.

## **Section II**

### **Management of the forfeited assets**

**Article 100.**(1) Interdepartmental Board for management of the forfeited assets, hereinafter referred as "the Board" shall be set up.

(2) Members of the Board shall be deputy ministers of the Ministry of Justice, Ministry of Finance, the Ministry of Regional Development and Public Works, the Ministry of Labour and Social Policy, the Ministry of Economy, Energy and Tourism, appointed by the respective Ministers.

(3) A Deputy Minister of Finance shall act as Chairperson.

(4) The administration of the Ministry of Finance shall ensure the technical support of the activity of the Fund.

**Article 101.** (1) The Commission shall inform monthly the Board about the enforced judicial acts concerning forfeiture of assets acquired through illegal activity.

(2) The court decisions for forfeiture entered into force, the writs of execution issued on the basis thereof as well as any other documents required for the enforcement of the decision for forfeiture shall be forwarded by the Commission to the Minister of Finance within 3 days from the completion of the file.



(3) For the meetings of the Board the Commission shall prepare a separate report on each particular case.

**Article 102.** (1) The Board shall take decisions by simple majority and shall propose to the Council of Minister to leave for management the assets forfeited under the procedure established by this Act, to grant them for humanitarian purposes or to entrust the sale thereof.

(2) The Board shall sit at least once in two months.

(3) The Board shall endorse rules for the organization of its work.

(4) Representatives of the National Association of Municipalities *in the Republic of Bulgaria, of NGOs*, branch and professional organizations may be invited at the Board meeting.

**Article 103.** (1) The property for which authorization for sale has been obtained shall be turned into cash by a public enforcement agent appointed by the Minister of Finance.

(2) The public enforcement agent shall be obliged to immediately proceed with the turning into cash under the procedure of Section IV of the Tax and Social Insurance Procedure Code.

(3) Immovable property and movables cannot be sold at a price lower than the initial sale price. If the sale is not made in the course of two proceedings, the sale may be made through direct negotiations or the assets could be granted for humanitarian purposes.

**Article 104.** (1) Management of the proceeds from forfeited assets acquired through illegal activity fund, hereinafter referred to as "the Fund" shall be set up.

(2) The Fund is a legal entity with head office in Sofia, a second-level spending unit under the Minister of Finance.

(3) The organization of the activity of the Fund shall be regulated with rules adopted by the Managing Board.

(4) The administration of the Ministry of Finance shall ensure the technical support of the activity of the Fund.

**Article 105.** (1) The managing body of the Fund shall be the Managing Board, which shall consist of a Director, a Deputy Director and three members. The Director and the Deputy Director shall be appointed by the Minister of Finance, who shall also determine by order the rest of the Board members.

(2) A member of the Board may be dismissed before the expiry of the term of office, which is five years under the following circumstances:

1. at his own request;
2. in case of long-term inability to perform *de facto* the duties for more than one month;
3. waiver of the ground for his appointment;
4. after a verdict for intentional crime becomes final;
5. in case of death.

**Article 106.** (1) The Managing Board of the Fund shall:

1. adopt rules for the organization of the activity of the Fund;
2. propose the budget of the Fund for endorsement by the Minister of Finance;
3. decide on the necessary costs for managing the forfeited assets and other costs in connection with law enforcement, their amount and procedure of disbursement;
4. approve the annual financial statements in accordance with the Accountancy Act;

(2) The Board holds meetings in the presence of two thirds of its members. Decisions shall be taken by a majority of more than a half of the total number of its members.

(3) The Managing Board shall draw up the annual report on the activities of the Fund by March 1 of the following year, which shall be submitted for consideration to the Council of Ministers.

**Article 107.** (1) The Director of the Fund shall:

1. organize the activity and chair the sessions of the Managing Board;
2. represent the Fund;
3. be entitled, pursuant to a decision of the Board, to dispose of amounts of up to BGN 3,000 per month within the operating expenses, approved with the annual budget of the Fund.

**Article 108.** The revenues of the Fund shall be collected from:

1. revenues obtained from sale of corporeal immovable forfeited;
2. revenues obtained from sale of movables forfeited;
3. resources raised to the special accounts under Art. 97;
4. income from the sale of the forfeited noble metals – raw or processed ingots and precious stones or the art crafts thereof;
5. receivables from third persons;
6. resources from bank accounts and money deposited and the revenues from the sold movables from safe-deposit vaults;
7. money and securities (shares, bonds, coupons thereof, etc.)
8. revenues from cheques, bills of exchange, promissory notes, credit letters and others
9. revenues from the sale of shares in commercial companies, cooperatives and others;
10. grants from the national budget;
11. fines and property sanctions collected under this Act;
12. revenues from interests;
13. other.

**Article 109.** (1) The assets of the Fund shall be disbursed to cover the costs for the management of forfeited assets and other costs related to the enforcement of the Act.

(2) The excess of revenues over expenses shall be transferred to the Fund for Social Assistance under the Minister of Labour and Social Policy or for financial assistance of small and medium enterprises for the implementation of the projects and measures included in the national strategy for encouragement of small and medium enterprises and the annual programs for its implementation.

**Article 110.** (1) The Agency for Public Financial Inspection and the National Audit Office will exercise control over the revenues and the expenditures of the Fund.

(2) The Agency for Public Financial Inspection and the National Audit Office shall submit annually by March 31 of the following year reports on the activities under para. 1 to the Council of Ministers and the National Assembly.

## Chapter six

### OTHER PROVISIONS

**Article 111.** Each person who has sustained damages from illegal acts or omissions of the authorities and officials referred to in this Act committed in the course of or on occasion of exercising their powers or duty may bring an action under the terms and according to the procedure established by the Liability of the State and the Municipalities for Damages Act.

**Article 112.** The Commission for Establishing Property Acquired through Illegal Activity shall exchange, for the purposes of this Act, information with the competent authorities of other States and international organizations based on international instruments and international treaties in force for the Republic of Bulgaria.

## Chapter Seven

### ADMINISTRATIVE PENAL PROVISIONS

**Article 113.** (1) For the violation of the obligation under Article 34, para 1 the officials found guilty shall be fined with BGN 1000 up to BGN 5000, if the act does not constitute a criminal offence.

(2) Where a breach of Article 34, para 1 was committed by a company, bank or other credit institution, the property sanction amounting from BGN 2000 to BGN 20000 shall be imposed.

**Article 114.** (1) Acts establishing violation shall be drawn up by officials appointed by the Chairperson of the Commission, and the penal decrees shall be issued by the Chairperson of the Commission.

(2) The drawing up of the acts, the issuance, appeal and enforcement of the penal decrees shall be made under the procedure established by the Administrative Violations and Sanctions Act.

### SUPPLEMENTARY PROVISIONS

§ 1. Under this Act:

1. "Assets" shall mean money, assets of any kind, tangible or intangible, movable or immovable, documents or instruments evidencing title to such assets or other rights associated with them.

2. "Controlling of a legal person" shall be present where:

- a) a natural person possesses, directly or indirectly, more than 25 percent of the shares or of the capital of the legal entity and controls it, directly or indirectly;
- b) a natural person exercises controlling functions in terms of § 1c of the Additional provisions of the Commercial Act;
- c) 25 percent or more of the assets of a non-profit organization are managed and allocated in favour of a natural person;
- d) a non-profit organization has been set up and is functioning in favour of a group of natural persons.

3. "Family members" shall mean a spouse and the children under age.

4. "Market value" shall be the value of the immovable or movable without any taxes and fees calculated which would be paid on the same conditions for a similar immovable property or movable.

5. "Income" shall be remuneration obtained: by a person under employment, income from services performed in person, income from practicing of liberal professions, the net income from entrepreneurial activity, dividends and other income from movable and immovable property, income from agricultural activity and retail sale, other income from lottery and sport bet, interests, license and commission remunerations, income from sale of property, bank credits and loans from individual persons, as well as any other revenue, income and sources of financing.

6. "Net Income" shall be revenues, income and sources of financing after deduction of customary and extraordinary expenditures made by the examined person and his/her family members.

7. "Customary expenditure" shall be the expenses for maintenance of the person and his/her family members according to data provided by the National Statistical Institute.

8. "Significant lack of correspondence" shall be a lack of correspondence between the assets and the net income of the person and his/her family members exceeding BGN 60 000.

9. "Defendant in injunction" shall be the examined person, the members of his/her family, legal entities under control of the examined person, third parties who have acquired assets from the examined person.

## **TRANSITIONAL AND FINAL PROVISIONS**

**§ 2.** (1) Proceedings before the Commission for Establishing Property Acquired through Illegal Activity instituted before the coming into force of this Act for which no claim for forfeiture has been submitted to the court shall be completed under the procedure of this Act.

(2) Within three months from the coming into force of this Act the Commission for establishing of assets acquired through illegal activity shall bring claims for forfeiture of assets of persons against who criminal proceedings were conducted with no final decision.

**§ 3.** The Commission for establishing of assets acquired through illegal activity shall continue its activity until expiry of the term of office.

**§ 4.** Within three months from the coming into force of this Act, the Chairperson of the Commission shall ensure the implementation of Article .

**§ 5.** The Commission shall adopt the Regulation under Article within two months from the enactment of this Act.

**§ 6.** Instructions under Article shall be issued within six months from the enactment of this Act.

§ 7. The Forfeiture in Favour of the State of Assets Acquired through Illegal Activity Act (published, SG No 19 of 2005, amend., No. 86 and 105 of 2005, SG 33 and 75 in 2006 , No. 52, 59 and 109 of 20.12.2007, SG No 16 of 2008, SG No. 12, 32 and 42 of 5.06.2009) shall be repealed.

§ 8. In the Civil Procedure Code (published, SG № 59 of 2007, amended and complemented № 50 of 2008, Decision № 3 of the Constitutional court of the Republic of Bulgaria of 2008 - № 63 of 15.07.2008 r.; amend., № 69 of 2008, № 12, 32, 19 and 42 of 2009; Decision № 4 of the Constitutional court of the Republic of Bulgaria of 2009 r. - № 47 of 23.06.2009 r.; amend. № 82 of 2009, №13 of 2010 r.) Article 84 shall be amended and complemented as follows:

1. New para. 2 is created:

„2. The Commission for the establishment of assets acquired through illegal activity – on claims for forfeiture in favour of the State of assets, acquired through illegal activity; ”.

2. Paras. 2 and 3 become respectively paras. 3 and 4.

§ 9. In the Public Disclosure of Senior Public Official's Financial Interests Act (published SG No. 38 of 2000 r., amended, No. 28 of 19.03.2002 r., No. 74 of 30.07.2002 r., amended and complemented, No. 8 of 28.01.2003 r., in force from 1.03.2003 r., No. 38 of 11.05.2004 r., amended, No. 105 of 29.12.2005 r., in force from 1.01.2006 r., No. 38 of 9.05.2006 r., amended and complemented, No. 73 of 5.09.2006 r., in force from 1.01.2007 r., complemented, No. 109 of 20.12.2007 r., in force from 1.01.2008 r., amended, No. 33 of 28.03.2008 r., No. 69 of 5.08.2008 r., amended and complemented, No. 94 of 31.10.2008 r., in force from 1.01.2009 r., amended, No. 93 of 24.11.2009 r., in force from 25.12.2009 r.) para 9 shall be added to art. 7:

„(9) In cases where the persons under art. 2, para 1 fail to submit declaration, as well as where a conclusion for lack of correspondence has been drawn, the Chairperson of the Audit Office shall notify the Commission for the Establishment of Assets Acquired through Illegal Activity to carry out examination of the assets of the persons concerned.”

## EXECUTIVE SUMMARY

### THE GROUNDS OF THE FORFEITURE IN FAVOUR OF THE STATE OF ASSETS ACQUIRED THROUGH ILLEGAL ACTIVITY ACT

#### International legal regulation and legal framework

The Republic of Bulgaria is a party to several conventions covering confiscation of assets, acquired through illegal activity. The main, in order of accession, are:

- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (prom. SG № 60/1992);
- Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of 1990 (prom. SG № 31/1993);
- United Nations Convention against Transnational Organized Crime of 2000 (prom. SG № 42/2001);
- United Nations Convention against Corruption of 2003 (prom. SG № 66/2006) and etc.

Each one of the Conventions listed above by criminalizing certain acts provides the possibility of confiscation of assets acquired through these crimes.

The question of confiscation of assets acquired through criminal activity is also regulated in the secondary acts of the European Union. The main are as follows:

- Framework decision 2001/500/JHA on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds of crime;
- Framework decision 2003/577/JHA on the execution in the European Union of orders freezing property or evidence;
- Framework decision 2005/212/JHA on confiscation of crime-related proceeds, instrumentalities and property;
- Framework decision 2006/783/JHA on the application of the principle of mutual recognition to confiscation orders.

The analysis of the efficiency of the implementation of these framework decisions in the European Commission's Communication of November 20, 2008 addressed to the European Parliament and the Council, underlines the necessity of changes in the legal framework. The Communication summarizes the current problems related to mutual recognition of injunction orders and confiscation decisions, based on proceedings for civil confiscation, by stressing the importance of the final objective – the implementation of fast and efficient mechanisms for freezing and confiscating assets outside the country.

#### Purpose of the draft law

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he necessity for the creation of a new concept that, on the one hand, will close the established gaps and weaknesses of the act in force and, on the other hand, will establish sufficient warranties to achieve effective results in the fight against organized crime and corruption rely on the requirements of the acts listed above as well as on the conclusions drawn from the analysis of the application of the Criminal assets forfeiture Act now in force. The purpose of this new concept, stated also as the purpose of the Act (art. 2 of the draft law), is to create a supplementary mechanism for the protection of the interests of the society by preventing and limiting the possibilities for deriving benefits and disposing of assets acquired through illegal activity. To keep the balance between the achievement of the purpose of the Act and the protection of the examined person's rights, the State shall be the one to bear the burden of proof in the course of both stages of the proceedings before the Commission. The reversal of burden of proof onto the examined person will be only in the course of the judicial proceedings and provided that the evidences that shall be brought to court by the Commission are expressly stated.

### **Civil nature of the confiscation under the draft law**

It is obvious that forfeiture in favour of the State of assets acquired through illegal activity is a civil matter. The existence of the following cumulative prerequisites (art. 23, para 1 of the draft law) is necessary for the enforcement of forfeiture – significant lack of correspondence between the net income of the examined person and of his/her family members and the acquired assets and that from the evidences in the criminal proceedings for any of the crimes referred to in art. 20, para. 2, sub-para. 1., under which the person is constituted as an accused, it may be reasonably assumed that the origin of the sources of income – subject to examination – is illegal. The prerequisite “significant lack of correspondence” shall be estimated by the time of the acquisition of assets. The criteria of “Significance” is defined in § 1, p. 8 of the Supplementary provisions – the lack of correspondence shall exceed BGN 60 000, and the criteria “net income” is defined in § 1, p. 6 of the Supplementary provisions. For the purpose of this Act the criteria of “significant lack of correspondence” was implemented to avoid engagement of the Commission with minor cases. The second prerequisite requires that from the evidences for a crime referred to in art. 20, para. 2, sub-para 1 for which the person under examination is construed as an accused, it can be reasonably assumed that the sources of the assets – subject to examination – are illegal. The display of any of the alternative prerequisites referred to in art. 20, para 2 is *ipso jure* a formal ground for the Commission to initiate examination under Chapter III, section I of the draft law. The State has the possibility to investigate and establish when in time the attributes of a unconformable to the law way of living of the examined person took place and to apply against him procedures for the forfeiture of assets illegally acquired from this person, from his/her family members or from third parties provided they knew or from the circumstances could have supposed that the assets had been acquired through illegal activity. It is the intervention during the period before the display of the formal ground that differ civil confiscation under the procedure of this Act from the confiscation as a penalty under the Bulgarian Criminal Code. Both acts do not compete with each other and their application towards one person do not contravene with the principle “*nemo bis puniri pro uno delicto*”. Confiscation as a penalty under the criminal Code and forfeiture in favour of the State of the target and the instrument of crime shall apply in cases provided in the Special part of the Criminal Code and upon entry into force of a guilty verdict for a crime. Civil confiscation under this Act shall apply when any of the legal grounds referred to in art. 20 is present and after termination of the examination of the Commission establishing significant lack of correspondence between the income and the assets in case there are sufficient evidences for the illegal origin of the sources of acquisition. The balance between the present Act and the Criminal Code is provided in art. 1, para 2 of the draft law expressly stating that “Only assets acquired through illegal activity which are not subject to restoration for victims of crime or have not been forfeited in favour of the State or confiscated under other laws shall be subject to forfeiture under the procedure established by this Act”.

### **Scope of application of the Act**

The proceedings before the Commission shall start with the examination of the sources of acquisition of assets and on the grounds specified in the law. The legal grounds are divided, for our purpose, in two groups. The first group includes cases where alternatively:

- the person is construed as an accused for a crime referred to in art. 20, para 2, sub-para 1. The list of crimes includes crimes the committing of which usually lead to obtaining revenue and property;
- there is an effective administrative act against the person for customs offence under art. 233, paras 1-3 and art. 234-235 of the Customs Act (art. 20, para 2, sub-para 2) or an effective administrative act against the person for conflict of interest in accordance with the Law on the prevention and disclosure of conflicts of interest (art. 20, para 3, sub-para 3);
- the person hasn't filed a declaration or a statement of inconsistency is drawn against him under the Public Disclosure of Senior Public Official's Financial Interests Act (art. 20, para 2, sub-para 4).

The second group of legal grounds envisages the cases where the Commission estimates on its own whether the received information contains sufficient and clear data that the assets have been acquired through illegal activity. The express prohibition for anonymous signals to serve as legal grounds for the initiation of examination is a warranty for the protection of person's rights. In all cases where the Commission makes a decision for the initiation of examination it shall notify the respective public authorities – Ministry of Interior, State Agency for National Security, Prosecution office, National Revenue Agency – which on their part with regard to their competencies shall initiate a simultaneous procedure for the examination of the same person. The aim of this mechanism is to create statutory conditions for the public authorities, having powers in different aspects of this activity, to join efforts and to guarantee efficacy of the final objective – the identification of assets acquired through illegal activity and its forfeiture in favour of the State.

The draft law proposes to expand the range of persons that can be subject to examination under this Act. The examination shall cover, along with the person for whom grounds under art. 20 are present, his/her spouse, children, former spouse or a person who is the de facto cohabitee with the examined person (art. 49 and 50 of the draft project). The examination covers also third parties holding the assets, provided they knew or from the circumstances could have supposed that the assets had been acquired through illegal activity (art. 53).

## **Procedures**

The draft law provides two stages of the proceedings for civil confiscation:

- proceedings before the Commission for the establishment of assets acquired through illegal activity - it covers the examination of the sources of income and proceedings for identification of assets;
- proceedings before the court – it covers the imposition of injunctions and proceedings for the forfeiture of assets.

A substantial step forward in the development of the provisions related to forfeiture of assets acquired through illegal activity is the proposed solution that the request for the imposition of injunction may take place before the entry into force of a verdict for crimes referred to in art.20, para 2, sub-para. 1. This solution fully corresponds to the civil nature of the proceedings under this law. Along with this, the time for finalizing the proceedings will be substantially reduced. The specific of the proceedings under this Act imposes the elaboration of a more detailed regulation of the procedure for admission and imposition of injunction while keeping the subsidiary application of the general procedures under the Civil Procedure Code. These rules ensure fastness and warrants against delay in disposition of property and receivables from the defendant in injunction (the term is defined in § 1, p. 9 of the Supplementary provisions). Shorter terms are provided for the pronouncement of the court on requests for injunction and the imposition of injunctions by the recordation judges and the public enforcement agents (art. 63, para 1, art. 65, para 2, art. 82, para 2). It is proposed that the public enforcement agents impose the injunctions according to the procedures of this Act as the proceedings will not be subject to state duties and as impartiality is requested which can be reached by applying the principle of random selection of the public enforcement agents and the lack of material interest of the public enforcement agent from the enforcement. (Art. 82, para. 1) The rules of the proceedings for forfeiture of assets are also specified, including by determining at law the evidences which shall be brought by the Commission before the Court – art. 88, para 4. As a supplementary warranty for forfeiture is the envisaged possibility of concluding an agreement (art. 91) between the Commission and the examined person. It is admissible only in cases where the lack of correspondence do not exceed BGN 300 000 and is subject to court's approval.



### **Subject of forfeiture (Chapter III, section III of the draft law)**

The draft law provides that subject to forfeiture shall be assets at a value equivalent to the lack of correspondence between the acquired assets and the net income of the examined person and of his/her family members. Where it is not possible to forfeit assets equivalent in value to the established lack of correspondence, the monetary equivalent shall be forfeited up to the full amount of the lack of correspondence. By this the judicial conflict under the law in force relating to the definition of the subject of forfeiture will be terminated.

### **Warranty for keeping the balance between the rights of persons under examination and the aim pursued by the State with the creating of this Act**

- One of the notes in the experts' opinions of the Venice Commission is the draft law to be elaborated by keeping the balance between the rights of persons under examination and the aim pursued by the State with the creation of this Act. For the implementation of this recommendation the draft law specifies the powers of the Commission's bodies – Chapter III, section III.
- Chapter IV, section II "Actions upon imposition of injunctions" regulates when it is admissible and how the participation of the examined person in the proceedings before the Commission is effectuated. The possibility of the examined person to be represented by a lawyer or any other representative by proxy is in accordance with the notes in the interim reports of the Venice Commission on the draft law and is expressly prescribed.
- The evidences which shall be brought by the Commission before the court are expressly established – art. 88, para 4 of the draft law.
- It is expressly stated that forfeiture cannot be imposed on assets which are not subject to enforcement under the civil procedure. (art. 48, para 2 of the draft law)
- In accordance with the notes in the interim opinions of the Venice Commission the draft law states that subject to forfeiture shall only be the assets transferred to a third party provided he/she knew or from the circumstances could have supposed that the assets had been acquired through illegal activity. (art. 53, para 1 of the draft law)
- A special provision is included regulating cases where the assets have been acquire by a bona fide purchaser for value (art. 53, para. 2 of the draft law)
- In conformity with the proportionality principle the draft states that forfeited shall be only the size of disproportion between the net income of the examined person and his/her family members and the obtained assets (art.47 of the draft).
- There is a possibility of concluding an agreement (art. 91) between the Commission and the examined person. It is admissible only in cases where the lack of correspondence does not exceed BGN 300 000 and is subject to court's approval.
- When deciding the court may not apply the provisions referred to in art. 88 where it can conclude from the circumstances of the case that there's a serious risk of breach of justice. (art. 89 of the draft law)
- A significant warranty for the protection of the interests of society and the achievement of the purpose of the Act is that civil confiscation may be imposed before the entry into force of a guilt verdict.
- To guarantee the transparency of the election of the Commission and of its activity the draft law provides special rules for the election of its members from the quota of the National Assembly (art. 4, para 3 of the draft law) and rules for supervision of its activity by a standing commission of the National Assembly. (art. 10 and 11 of the draft)

### **Value added to the draft law**

A substantial contribution to the regulation are the detailed rules for interaction between different public authorities (Chapter III, section IV of the draft law) related to different aspects of the activity for the identification of assets acquired through illegal activity and the mechanisms for the management of forfeited assets or assets under injunction (Chapter V of the draft law). The project provides in details the character and the type of information subject to exchange between the Prosecution office, police authorities, State Agency for National Security and the

National Revenue Agency authorities and the Commission for Establishing Property Acquired through Illegal Activity. The possibility of the Commission's bodies to gain access to the information data-bases and registers of all public authorities is expressly prescribed which will facilitate the Commission's bodies when exercising their powers under this Act. The rules for the interaction between the institutions are an essential warranty for the effective application of the Act and for the achievement of the stated purpose.

Regarding the management of assets under injunction, special rules have been elaborated for different types of assets with imposed injunction to guarantee to the maximum scale possible the prevention of the assets being squandered, destroyed or disposed. The Act obliges the Commission to keep a public register with the content prescribed by the Act which for its part guarantees the transparency of the management. As to the management of forfeited assets the creation of an Interdepartmental Board is provided, and as to the management of revenues from sale of forfeited assets – the establishment of a special Fund.

Note: The present summary contains the essential issues in the concept of the draft law. An extended version shall be elaborated upon receipt of a final opinion from the Venice Commission on the draft law.