

Dear Clients and Colleagues,

I hope that you and your families are being well and healthy during this challenging time.

Due to the official public announcement of **emergency situation** in the **Republic of Bulgaria** and the quarantine regime started from **13th of March 2020**, which caused certain implications to our operations, we would like to inform you as follows.

PENEV LLP takes all preventive measures to keep its team safe. Hence, our daily operations and work on clients' assignments are **not interrupted**. In order to provide effective quality services and keep our offices safe, our team members continue to work with an option of remote work from their home. This option is aimed for efficient work, which will deal with unnecessary delays, but in case of any interruption, notifications would be immediately sent.

In addition, we would like to mention **possible prolongations in matters of administrative procedures and public agencies' involvement**. We will keep you updated regarding probable limitations set by administrative bodies. Having said that, there is a special law – The ***State of Emergency Measures Act (SEMA)*** – finally passed by Bulgarian Parliament on **23rd of March 2020**, which provides extraordinary *ad hoc* rules for both businesses and employees during this time of crisis. Kindly find attached our brief executive summary (**SEMA at-a-GLANCE**) of the key-provisions applicable to businesses in Bulgaria.

We are carefully following all updates of **COVID-19** evolution and will keep you informed in case of any changes. We thank you for your understanding and assure you, that we do everything in our power to ensure a sustainable continuation of our services.

Should you have any additional questions or need any advice, do not hesitate to contact me back.

Please take care of yourself, stay safe and healthy.

Kind regards,

Sergey Penev
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THE SEMA AT-A-GLANCE

On 23.03.2020 the Bulgarian Parliament finally adopted the *State of Emergency Measures Act* providing for various legal and administrative measures to mitigate negative impact of COVID-19 pandemic (the “SEMA”). The SEMA shall be deemed in force as of 13.03.2020, when the state of emergency has been officially declared by the Bulgarian Government and the law shall be in effect till calling off of said emergency state. The measures under the SEMA could be summarized as follows:

Legal Terms/Licenses Suspension	Business/Contract Related	Tax Terms and Financial Filings	Labor and Employment	Social Security	IDs & Residence Permits
All terms under pending legal proceedings at the court or arbitration	No freezing/seizure of personal bank accounts, pensions and salary payments, movable and immovable personal assets	Corporate Tax declaration and payment extended by 30.06.2020	Remote work or home office shall not require consent of respective employees	Suspension of all regulatory terms for insured person on execution of various social security payments	Extension by 6 months of the validity of ID card and Driving Licenses, expiring between 13.03.-31.10.2020
Any legal prescription terms on termination of rights or assuming of liabilities to private parties	Private parties shall not be liable for payment of interest and/or contractual penalties for delayed payments for the time of the state of emergency.	Personal Tax declaration and payment extended till 30.06.2020	Suspension of operations (full or in part) or suspension of work for specific employees, at discretion of the employer	All documents and claims related to social security payments shall be filed via electronic signature, licensed courier, or personal identification code	Extension by 6 months of the validity of Bulgarian IDs for permanent, long-term and continuing residence of foreigners, expiring between 13.03.-31.10.2020
Tax legal prescription terms on establishing taxes and social security payments (no new tax collection proceedings)	The aggrieved party shall not be entitled to terminate a private contract based on failure of the other party to pay.	Corporate Annual Financial Statements filing extended till 30.09.2020	Imposing of use of up to ½ of employees paid annual leave, at the discretion of the employer	Lack of ruling by the National Social Security Institute shall not be deemed silent refusal and shall not enable appeal	
Compliance terms in administrative procedures set by administrative bodies to private parties	Notary Deed transactions (real estates, enterprise, pledges, vehicles) and Notary Certifications (PoA/Declarations) are limited to absolute urgent	No Business Activity Declarations filing extended till 30.06.2020	Reimbursement by the State's budget of 60% of the social security income (as of Jan. 2020) paid to the employees for up to 3 months. Criterion TBD.		
Terms of validity of any expiring license or permit shall be extended by 1 month upon state of emergency termination					