

8 Kaloyan str.  
2-nd floor (Corecom Building)  
1000 Sofia, Bulgaria

Tel.: + 359 888 40 82 16  
Fax: + 359 2 988 00 18

www.delchev-lawfirm.com  
www.legaladvice-bg.com

## INTER-COMMUNITY COMMODITIES TRADE STATISTICS ACT (IN FORCE AS OF 01 SEPTEMBER 2006)

In State Gazette No 51/23.06.2006 an Inter-Community Commodities Trade Statistics Act was published. The Act enters into force on 01.09.2006.

The Act was adopted in view of Bulgaria's obligation as a future EU Member State to submit statistical data regarding the Inter-Community trade through the Intrastat system.

Some of the most important regulations set forth in the Act are summarized below.

### 1. Subject of Declaration under Intrastat system

Intrastat is a system designed to pool data only regarding the movement of Community goods<sup>1</sup> between EU Member-States. Services are not subject to declaring.

The movement of goods is determined as "dispatches"<sup>2</sup> or "arrivals"<sup>3</sup> depending on the direction of the movement of the goods within the Community.

### 2. Persons Obligated to Submit Intrastat Returns

The obligation to submit Intrastat returns arises for all operators registered for VAT purposes who carry out Intra-Community commodities trade exceeding the legally set forth dispatches and arrivals thresholds.

### 3. Declaration and Statistical Value Thresholds

#### (i) Declaration Thresholds

The obligation to submit Intrastat returns arises only when the declaration thresholds (exclusive thresholds) have been exceeded. When the annual Intra-Community trade amounts do not reach the thresholds the operators are not bound to declare the transactions carried out.

Depending on whether the operator's annual Intra-Community trade amounts exceed only the arrivals threshold or only the dispatches threshold solely an Arrivals Return, or respectively, a

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<sup>1</sup> Under the Inter-Community Commodities Trade Statistics Act "commodities" shall be all movables, including electricity. "Community commodities" shall be goods:

1. entirely obtained in the customs territory of the Community,
2. from countries outside the customs territory of the Community which have been put into free circulation,
3. which have been obtained from 2 above or from a combination of 1 and 2.

<sup>2</sup> As "dispatches" are deemed all deliveries of goods from the territory of Bulgaria to EU Member-States.

<sup>3</sup> As "arrivals" are deemed all deliveries of goods to the territory of Bulgaria from EU Member-States.

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Dispatches Return needs to be submitted. In case both dispatches and arrivals go beyond the thresholds the operator needs to file both Dispatches and Arrivals Returns.

The thresholds for 2006 are as follows:

- for dispatches – BGN 150 000 ;
- for arrivals – BGN 75 000.

#### **(ii) Statistical Value<sup>4</sup> Thresholds**

When those thresholds have been exceeded the operators are obliged to fill in in the Intrastat returns the statistical value of the goods subject to dispatches or arrivals. When the trade amounts do not exceed the thresholds no data regarding the goods' statistical value is provided in the Intrastat returns.

The thresholds for 2006 are as follows:

- for dispatches – BGN 6 000 000;
- for arrivals – BGN 2 000 000.

The declaration and statistical value thresholds are determined by the National Statistical Institute once a year and are promulgated in State Gazette until the month of October of the current year. They are valid for the entire following year. The thresholds for 2006 are valid from September until December 2006.

#### **4. Reference Period**

The reference period is the calendar month during which the dispatches or arrivals are carried out. The starting date of the first reference period is 1 September 2006.

#### **5. Intrastat Returns**

##### **(i) submission period<sup>5</sup>**

Intrastat returns submission can be yearly or current.

##### **▪ yearly submission**

In case the dispatches or arrivals cumulative amounts for a certain year exceed the threshold for that year the operator is obliged to submit returns throughout the entire following year for the months from January until December inclusive. The first return should be submitted in February containing data for the month of January.

##### **▪ current submission**

The obligation for current submission arises when the dispatches or arrivals cumulative amounts for a certain month during the current year exceed the thresholds for that year. In this case the operator is obliged to submit returns as of the month following the month when

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<sup>4</sup> "Statistical value" is the value of the goods calculated up to Bulgaria's state border which includes the additional transport and insurance expenses on the territory of Bulgaria – in case of dispatch, or from the territory of Bulgaria – in case of arrival.

<sup>5</sup> The submission of returns under Intrastat system is possible after the entry in the Intrastat operators registry. The entry is performed ex officio:

1. At the receipt of an Intrastat return;
2. Based on information provided by the National Statistical Institute when the operator has not submitted a return until the 20-th day of the month following the first reference period.

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the threshold has been exceeded. The first return is filed until the 20-th day of the following month.<sup>6</sup>

**(ii) submission term**

The returns are submitted monthly until the 10-th day of the month following the reference period.

**(iii) submission method**

Operators can submit Intrastat returns to the National Revenue Agency personally or through an authorized representative. The returns and the other documents or data subject to declaration should be submitted electronically and signed with an electronic signature. As an exception, in the absence of technical means, the returns can be filed on paper accompanied with a copy recorded on a magnetic, optic or other device.

**(iv) types of returns**

Two basic kinds of Intrastat returns have been elaborated for Intrastat purposes – Arrivals Return and Dispatches return. The returns can be used as main, correction or Nil return.

The main return is filed monthly regarding the transactions carried out during the respective reference period. The correction returns can be filed only after the submission of the main monthly return. A Nil return is filed when the operator has not carried out any transactions during a reference period. In this case only the identification part of the return is filled in.

**(v) content**

Intrastat returns contain two parts – identification part and commercial data.

The identification part contains information identifying the operator and the person authorized by him (third declaring party).<sup>7</sup>

The commercial data includes information regarding the state of dispatch or arrival, the goods' type, quantity and value, the type of the transaction, the delivery terms, etc.

## **6. Electronic Ledgers**

Under the Intrastat system operators are required to keep electronic ledgers regarding the transactions carried out. The ledgers contain current records with all data under the respective Intrastat return for every transaction which the operator performs. Those ledgers are not submitted monthly and the data contained in them is provided only upon NRA request.

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<sup>6</sup> Such extended term is provided only one-time – for the first time when the return submission obligation arises during the current year. During the following months the general term is applicable.

<sup>7</sup> The information provided includes: operator's name, BULSTAT; reference period, total value of the dispatches/arrivals carried out and total statistical value of the dispatches/arrivals carried out.

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