

# BULGARIA

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## 1. CONSUMER POLICY INSTITUTIONS

### 1.1. MINISTRY RESPONSIBLE FOR CONSUMER POLICY:

**The Ministry of Economy** aims to deliver an effective functioning market economy by driving up competitiveness and effective consumer protection. It is responsible for carrying out various policies such as trade policy, economic policy, industrial policy, foreign economic policy, successful enterprise and business, policy in the field of innovation and privatisation.

The Ministry of Economy is the competent authority in charge of promotion and defense of consumers' interests. It has responsibility for consumer affairs and in particular for formulating of consumer policy, including the drafting of legislation, and for overall coordination of consumer policy, including co-ordination of enforcement matters (co-ordination of the activity of cooperation between different administrative authorities having competencies in the field of consumer protection. The Ministry of Economy is working to ensure that consumers:

- are equipped with the skills and knowledge to be effective participants in the economy;
- are well informed about the characteristics of goods and services so that they can take decisions that are in their own best interests;
- are not subject to concealed risks, either from dangerous goods and services or from "rogue" traders;
- have easy access to effect redress when the market fails;
- have their interests represented in the detailed formulation of consumer protection policy.

The Ministry of Economy takes care to ensure that consumer interests are taken into effect in preparing other governmental policies. It ensures ministerial co-ordination of consumer policy and co-ordination and consultation with consumer organizations.

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### 1.2. PUBLIC AUTHORITIES WITH THE MINISTRY OF ECONOMY

#### 1.2.1. Consumer Policy Unit with the ministry of Economy

**The Consumer Policy Unit** plays a central role in the delivery of the objectives of the Ministry of Economy in the field of consumer protection. The Consumer Policy Unit with the ministry is responsible for the formulation of consumer policy, for the protection of economic interests, consumer safety and also for taking initiatives in favor of consumers. It is also responsible for drafting consumer protection legislation and for the alignment with the EU legislation in the field of consumer protection.

In the short term, this requires the Consumer Policy Unit to deliver:

- modernizing the regulatory framework for consumer protection and putting forward proposals for legislation, including harmonizing of the Bulgarian legislation with the European one;
- support to the minister of economy in implementing the consumer policy in Bulgaria;
- analyzing the development of the consumer protection policy on communitarian level and keeps a close watch on the changes in consumer protection legislation in EU;

- contributes to the inclusion of consumer protection issues in the agenda of the society;
- medium-term strategies for the development of consumer policy;
- speaking up for the consumer interests in all area of government;
- ensuring that effective consumer advice and redress systems are put in place;
- helping independent consumer organizations to develop;
- administering the State budget for the support and development of consumer services and non-governmental consumer organizations;
- carrying out dialogue with consumer organizations;
- information activates aiming to raise awareness of consumer on their rights.

The Consumer Policy Unit:

- identifies potential problems areas for investigation by the Commission for Consumer Protection;
- empowers consumers through consumer information;
- promotes high standards of consumer protection;
- raising consumer awareness about their rights and their role in a market economy;
- informs the economic operators for their obligations deriving from the consumer protection legislation.
- organizes of the work of the National Council for Consumer Protection;
- participates in the consultative bodies with the purpose of representing consumers' interests;
- ensures integration of consumer interests into the other policies.

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**1.2.2. The Commission for Consumer Protection** with the Ministry of Economy. This is the main enforcement authority which has a wide range of statutory powers and duties which have been broadened by recent legislation under the Law on Consumer Protection, dated of 2005, last amended and supplemented, State Gazette /SG/ N° 59/29.07.2016, the Law on Consumer Credit promulgated SG N° 18/05.03.2010, effective 12.05.2010, last amended SG N° 13, dated of 14.02.2020.

The Law on Consumer Protection provides that the Commission on Consumer Protection is a body consisting of a Chairman and two other members. The chairman and members of the Commission are appointed by the Council of Minister on the proposal of the minister of Economy. The Commission on Consumer Protection is responsible for the enforcement of consumer legislation, including general product safety and the protection of the economic interests of consumers. It has the following competencies:

- general supervision on the observance of the consumer protection legislation;
- issuing instructions for the elimination of violations of the consumer protection legislation;
- co-coordinating the activities of the other bodies having competencies on enforcement of consumer legislation]
- 

The Commission for Consumer Protection has the following powers:

- to issue acts establishing violation of consumer protection legislation;

- perform test shopping;
- inspect business documents;
- prohibit or impose conditions on the marketing of goods and services;
- to control the observance of the provisions of the law on general product safety
- order the withdrawal from the market of goods posing risks for the consumer's health and safety;
- order the closing of business premises until irregularities are eliminated;
- take the necessary measures in case of infringement of legislation;
- to analyze terms contained in contracts contains general clauses offered to consumers;
- to take actions in courts for declaring void unfair contract terms,
- to control the price indication of products and services;
- to enforce the legislation on unfair commercial practices
- to take actions in court for the protection of collective interests of consumers;
- to examine consumer complaints concerning violations of their rights.

The Chairman of the Commission has the right to issue orders banning or suspending the sale of goods for which there are reasons to believe that they may be dangerous for consumer health. The Chairman of the Commission has the right to order the withdrawal of dangerous products from the market and their destruction.

The Commission for Consumer Protection is a competent authority under the Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004/. It is competent for the enforcement of numerous EU Directives and regulations under the CPC Regulation. The Commission for Consumer Protection is vested with all the **investigation and enforcement powers provided for by the** Regulation (EU) 2017/2394 (CPC Regulation). It is also a single liaison office under Regulation (EU) 2017/2394.

Key area where the Commission for Consumer Protection has responsibility:

- Law on Consumer Protection, dated of 2005, last amended and supplemented, State Gazette /SG/ N° 13, dated of 14.02.2020:
  - control of unfair terms in consumer contract;
  - control of unfair commercial practices;
  - distance selling contracts;
  - sales away from business premises;
  - consumer guarantees;
  - timeshare contracts;
  - injunctions for the protection of collective interests of consumers;
  - consumer guarantees and consumers claims;
  - price indication of products and services;
  - general product safety;
  - labeling of products;
  - alternative dispute resolution of consumer complaints;
  - consumer complaints.
- Law on Tourism, last amended SG 21, dated of 13.03.2020 - package travel contracts.
- Law on Consumer Credit, promulgated State Gazette N° 18/05.03.2010, effective 12.05.2010, last amended and supplemented SG N° 17, dated of 26.02.2019.

- Law on immovable property credits, last amended and supplemented SG N° 17, dated of 26.02.2019.
- Law on Tobacco and Tobacco products last amended and supplemented, SG N°83, dated of 22.10.2019 in force 22.10.2019 - labeling and presentation of tobacco products.
- Law on e-commerce, promulgated SG N° 51/23.06.2006, effective 24.12.2006, last amended SG N° 17, dated of 26.02.2019.
- Law on Distance selling of financial services, promulgated SG N° 105/22.12.2006, last amended SG N° 20, dated of 06.03.2018, effective as of 06.03.2018.

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### **1.2.3. Consumer Protection Units within local authorities:**

Consumer Protection units with local authorities have competence to enforce the Law on Consumer Protection with regard to the indication of prices, labeling of products, settlement of consumer claims. A significant part of the functions of municipal units is to provide information and advice to consumers.

### **1.2.4. Other public enforcement agencies:**

A number of Government agencies are responsible for legislation which protects consumers' interests. The Ministry of Health and the Ministry of Agriculture, Food and Forestry are responsible for the implementation of food legislation.

Several services under the Ministry of Agriculture, Food and Forestry exercise responsibility for food control. These are: The Bulgarian Food Safety Agency, the National Veterinary Service, Executive Agency Fisheries and Aquacultures, Executive Agency Plant Variety Testing, Approbation and Seed Control, Executive Agency for Vines and Wine, the National Animal Selection and Reproduction Agency, National Service for Plant Protection, Quarantine and Agrochemistry.

The Ministry of Health is also responsible for the implementation of food legislation and safety of cosmetic products. The following services of this ministry have responsibilities on the food safety: National Centre for Hygiene, the National Centre for Radiation Protection and the National Centre for Health Protection, the State Hygiene and Epidemiological Service.

Other authorities responsible for implementation of consumer legislation:

- **Executive Agency "Bulgarian Accreditation Service"**

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**Tel:** +359 2 873 5302

**Fax:** +359 2 873 5303 / 873 5302

**E-mail:** [office@nab-bas.bg](mailto:office@nab-bas.bg)

**Website:** <http://www.nab-bas.bg/en>

- **Bulgarian Institute for Standardization**

**Address:** 13 "Lachezar Stanchev" Str., Izgrev Complexes, 1797 Sofia

**Tel:** +359 2 817 4523

**Fax:** +359 2 817 4535

**E-mail:** [info@bds-bg.org](mailto:info@bds-bg.org)

**Website:** <http://www.bds-bg.org/en>

- **State agency for metrological and technical surveillance**

**Address:** 52A, "G.M. Dimitrov" St., Sofia 1797, Bulgaria **Tel:** +359 2 980 63 17

**Fax:** +359 2 986 17 07

**E-mail:** [damtn@damtn.government.bg](mailto:damtn@damtn.government.bg)

**Website:** <http://www.damtn.government.bg/>

The responsibilities of the State agency for metrological and technical surveillance include market surveillance of products falling into the scope of new approach directives.

- **Commission for the Protection of Competition**

**Address:** 18, Vitosha Blvd, BG-1000 Sofia

**Tel:** +359 2 935 6113

**Fax:** +359 2 980 7315

**E-mail:** [cpcadmin@cpc.bg](mailto:cpcadmin@cpc.bg)

**Website:** <http://www.cpc.bg>

- **Executive Agency "Car administration"**

**Address:** 5, Gurko Str., BG-1000 Sofia **Tel:** +359 2 930 8840 / 930 8810

**Fax:** +359 2 988 5495 / 981 8115

**E-mail:** [avto\\_a@rta.government.bg](mailto:avto_a@rta.government.bg)

**Website:** <https://www.rta.government.bg>

- **Energy and Water Regulatory Commission**

**Address:** 8-10, Dondukov Blvd, BG-1000 Sofia

**Fax:** + 359 2 988 8782

**E-mail:** [dker@dker.bg](mailto:dker@dker.bg),

**Website:** <http://www.dker.bg>

**Electricity sector – tel:** + 359 02 9359 646

**Thermal power sector – tel:** + 359 02 9359 726

**Natural gas - tel:** + 359 02 9359 744

**Water supply and sewerage services – tel:** + 359 02 9359 627

- **Commission for the Regulation of Communications**

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**Tel:** +359 2 949 27 23

**E-mail:** [info@crc.bg](mailto:info@crc.bg)

**Website:** <http://www.crc.bg>

- **Custom Agency**

**Address:** 47, G. S. Rakovski Str., BG-1202 Sofia

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**Fax:** +3592/4061

**E-mail:** [pr@customs.bg](mailto:pr@customs.bg)

**Website:** <http://www.customs.bg>

### 1.3. NATIONAL CONSUMER ORGANISATIONS

#### 1.3.1. Representative associations

- **Bulgarian National Association Active Consumers** (till 2010 - Bulgarian National Consumers Association)

Established in 1998, the main goals of the Association are to protect consumers' rights and interests by: providing information that supports consumers' choices in the market, giving assistance about infringing upon consumers' rights and interests – consultation and legal

assistance for claiming in- court and out-of-court procedures and lobbying for the improvement of the legislation – representing consumers’ interests in case of any legislative changes. It has 3 formally registered branches in Plovdiv, Rousse and Kyustendil and 9 information and advice centers in the cities of Sofia, Plovdiv, Varna, Rouse, Razgrad, Sliven, Kyustendil, Lovech, Veliko Tarnovo and Pazardjik.

Main activities:

- Provide information to consumers: through it is own media – weekly web newsletter “Active Consumers”, informative brochures and books, website [www.aktivnipotrebiteli.bg](http://www.aktivnipotrebiteli.bg); through general media – press conferences, press releases, interviews, articles etc.
- Comparative testing and research;
- Running advice bureau providing information and consultations to consumers.
- Campaigning - Active Consumers is actively involved in many national campaigns;
- Lobbying and advocacy: opinions on recent legislative proposals (laws, regulations, and general contracts) at national level; participation in various consultative committees; out-of-court settlement of consumer disputes - participation in the work of conciliation commissions;
- Provide consumer education for journalists, parents, municipality servants etc;
- Collective redress - collective actions in court;
- Provide ADR in the field of financial services and participate in the ADR bodies set up by the Commission for Consumer Protection.

Bulgarian National Association Active Consumers is a member of International organizations, such as Consumers International, BEUC – The European Consumers’ Association, Transatlantique consumer dialogue (TACD), International Consumer Research and Testing, ANEC - The European Voice in Standardisation.

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**Fax:** +359 2 989 0107

**E-mail:** [bnap@bnap.org](mailto:bnap@bnap.org)

**Website:** <http://www.bnap.org>

#### • **Association „Legal aid to consumers”**

Association „Legal aid to consumers” is a non-profit, non-governmental organization, established in 2006 in the city of Plovdiv. The main goals of the Association are to protect the rights and interests of Bulgarian consumers by providing them consumer information, legal advice and lobbying for the improvement of consumer legislation.

Main activities:

- protection of consumers rights in the field of public utilities;
- bringing actions in court for the protection of collective interests of consumers;
- provide trainings for law students in the field of consumer protection;
- public information campaigns;
- provision of services and advice to consumers;
- dealing with individual consumer complaints;

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**Tel:** +359 32 638 614, +359 32 636 025

**E-mail:** [info@zastitanapotrebite-lite.com](mailto:info@zastitanapotrebite-lite.com)

**Website:** <http://www.zastitanapotrebite-lite.com>

### **1.3.2. Other consumer associations acting at national level:**

- **Federation of Consumers in Bulgaria (FCB)**

Federation of Consumers in Bulgaria, is non-profit consumer association, set up in May 1990. From July 1991, the FCB has been a member of Consumer International. The main goals of the Federation are to protect the rights and interests of Bulgarian consumers by providing them consumer information, advice and lobbying for the improvement of consumer legislation.

Main activities:

- protection of consumers rights in the field of public utilities;
- proposals for the elaboration of new legislation in the field of public utilities;
- bringing actions in court for the protection of collective interests of consumers;
- lobbying in favor of consumer interests;
- public information campaigns;
- provision of services and advice to consumers;
- dealing with individual consumer complaints about public utilities, especially central heating and electricity;
- dealing with complaint about poor quality goods;
- cooperating with a wide range of controlling bodies;

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**Fax:** + 359 2 931 9811

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**Website:** <http://www.potrebite-li-bg.org>

### **1.4. NATIONAL COUNCILS/ASSEMBLIES OF CONSUMER ORGANISATIONS AND OTHER STAKEHOLDERS**

- **National Council for Consumer Protection**

The National Council for Consumer Protection was set up in May 2000. This is a consultative body to the minister of economy consisting, on a parity basis, of representatives of Ministry of Health, Ministry of Agriculture and Food, Ministry of Transport, Information Technology and Communications, Ministry of Finance, Commission for Consumer Protection and representatives of consumer associations.

Its objectives are to work to:

- advise the minister on carrying out of an effective consumer policy;
- elaborate legal texts and regulations on consumer protection;
- develop programs for the implementation of consumer policy;
- promote the conclusion of agreements between consumer associations and associations of traders;
- ensure decision makers are consumer aware by strengthening consumer representation;
- achieve the right balance between traders and consumers.



## • **Council for Coordination and Exchange of Information between the Market Surveillance Authorities**

This Council was set up in August 2005. The main objective of the Council is to establish a mechanism for better interaction between different enforcement agencies carrying out market surveillance activities. Another objective of the Council is to enhance the coordination and data exchange between enforcement authorities. The Commission on Consumer Protection is playing a coordinating role.

The implementing agencies that take part in the work of the Council for Coordination and exchange of information between market surveillance authorities are: Commission for Consumer Protection, Bulgarian Food and Safety Agency, Executive Agency of Fisheries and Aquaculture, Executive Agency for variety testing and seed control, Executive agency on Vine and Wine, Bulgarian Drug agency and Directorate National building control.

### **1.5. CONSUMER MEDIA**

Most important media for the distribution of consumer information:

- TV and radio;
- Facebook, other social media, through the Internet, websites;
- Informative brochures;
- Press conferences, press releases, interviews, articles
- Events

Consumer information is provided on Bulgarian language on the web site of the Commission on Consumer Protection: [www.kzp.bg](http://www.kzp.bg)

### **1.6. REDRESS BODIES: COURTS AND ADR`S**

#### **1.6.1 Collective redress**

List of qualified entities having locus standi to bring actions in court for cessation or prohibition of activities or trade practices which violate the collective interests of consumers:

- Commission on Consumer Protection;
- Bulgarian National Consumers Association;
- Consumer Centre for Information and Research;
- Union of Insurant in Bulgaria;
- Regional Union of Consumers - "Vidin 98";
- National League – Consumers of Services;
- Association "Consumer Help";
- Federation of Consumers in Bulgaria;
- Association „Legal aid to Consumers“;
- National association for consumer protection;
- Association "Legal clinic for consumers".

In 2019, 3 collective actions for injunctions in court were brought by the Commission for Consumer Protection in the field of insurance, financial services and off-premises contracts. As of the reporting period, all three cases are pending. There are also 14 collective court actions filed in previous years. Other 11 court cases were issued, 3 of them have been concluded with agreements reached due to a change in unfair terms. Association „Legal aid to consumers“ has brought 3 collective court6 actions for the

protection of collective interests of consumers in 2018, which are still pending.

### **1.6.2 Conciliation commissions for the out of court settlement of consumer disputes - notified ADR bodies under Directive 2013/11/EC on alternative dispute settlement for consumer disputes':**

The Law on Consumer Protection establishes a national system of conciliation commissions for the out of court settlement of consumer disputes. Conciliation commissions advise and support consumers seeking to resolve their disputes with traders and suppliers through an alternative dispute resolution scheme. Conciliation commissions are tripartite commissions consisting of one representative from the administration (Commission on Consumer Protection), one professional and one consumer representative. Conciliation commissions provide assistance to consumers in the voluntary settlement of consumer disputes. The conciliation is not binding to the parties. However, if one of the parties to the dispute does not respect its obligations agreed to under the conciliation procedure, then the other party can turn to the court.

New requirements, provided with last amendments in the Law on Consumer Protection, set up 16 conciliation commissions which has been recognized by the minister for Economy as ADR bodies in suitable lines with requirements of Directive 2013/11/EC on ADR.

Conciliation commissions are being administered by the Commission for Consumer Protection. At present 16 conciliation commissions are functioning on the territory of the country, one of them is general one considering disputes between consumers and traders concerning guarantee liability, the right to complain of goods or services, unfair terms in contracts, commercial practices, pre-contractual information and tourist services. The other 15 conciliation commissions are specialized on different sectors of economy, dealing with issues concerning energy sector, water-supply and system of sewers, electronic communications, post services, transport and financial services.

- **General Conciliation Commission** - disputes between consumers and traders concerning guarantee liability, the right to complain of goods or services, unfair terms in contracts, commercial practices, pre-contractual information, tourist services and other.

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- **Sectorial Conciliation Commission on electric supply**

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**Tel:** + 359 2 933 05 39

**E-mail:** [adr.electricity@kzp.bg](mailto:adr.electricity@kzp.bg)

- **Sectorial Conciliation Commission on natural gas supply**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia

**Tel:** + 359 2 933 05 50

**E-mail:** [adr.gas@kzp.bg](mailto:adr.gas@kzp.bg)

- **Sectorial Conciliation Commission on water-supply and system of sewers**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia

**Tel:** + 359 2 933 05 66

**E-mail:** [adr.vik@kzp.bg](mailto:adr.vik@kzp.bg)

- **Sectorial Conciliation Commission on electronic communications**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 89  
**E-mail:** adr.els@kzp.bg

- **Sectorial Conciliation Commission on postal services**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 22  
**E-mail:** adr.post@kzp.bg

- **Sectorial Conciliation Commission on railway transport**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 87  
**E-mail:** adr.railwaytr@kzp.bg

- **Sectorial Conciliation Commission on automobile transport**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 36  
**E-mail:** adr.autotr@kzp.bg

- **Sectorial Conciliation Commission on air transport**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 51  
**E-mail:** adr.airtr@kzp.bg

- **Sectorial Conciliation Commission on water transport**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 05 81  
**E-mail:** adr.watertr@kzp.bg

- **Sectorial Conciliation Commission on financial services, including distance selling of financial services, related to consumer credits and immovable property credits**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia  
**Tel:** + 359 2 933 06 03  
**E-mail:** adr.credits@kzp.bg

- **Sectorial Conciliation Commission in the field of insurance, insurance intercession including distance selling of financial services in these sectors**

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**Tel:** + 359 2 933 05 88  
**E-mail:** adr.ins@kzp.bg

- **Sectorial Conciliation Commission in the field of additional social insurance, activities connected with insurance intercession including distance selling of financial services in these sectors**

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**Tel:** + 359 2 933 05 90  
**E-mail:** adr.sosec@kzp.bg

- **Sectorial Conciliation Commission in the field of activities and services in accordance with article 5, paragraph 2 and 3 of the Markets in Financial Instruments Act and activities and services in accordance with article 86, paragraph 1 and 2 of Collective investments schemes and other enterprises for collective investments Act, including distance selling of financial services in these sectors**

**Address:** 4A, Slaveykov Sqr., BG-1000 Sofia

**Tel:** + 359 2 933 05 90

**E-mail:** [adr.finmarkets@kzp.bg](mailto:adr.finmarkets@kzp.bg)

- **Conciliation Commission on payment disputes**

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**Tel:** + 359 2 933 05 77

**E-mail:** [adr.payment@kzp.bg](mailto:adr.payment@kzp.bg)

### **1.6.3 Other notified ADR bodies under Directive 2013/11/EC on alternative dispute settlement for consumer disputes:**

#### **The Centre for Alternative Dispute Resolution managed by the National Association for out-of-court settlement.**

This non-governmental body is considering consumer disputes in the following areas: consumer goods, education, energy and water, financial services, general consumer services, health, leisure services, postal services and electronic communications and transport services. National Association for out-of-court settlement is competent for disputes initiated by consumers against traders established in Bulgaria. The procedure is free for consumer and traders. The procedure is in writing and does not require the physical presence of the parties and/or of their representative. The procedure is binding upon agreement by one or both parties.

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### **1.7. EUROPEAN CONSUMER CENTRE (ECC)**

The European Consumer Center (ECC) in Bulgaria is part of the ECC Network across the EU countries, Iceland and Norway. The European Consumer Centre in Bulgaria opened officially in February 2008. Since then, European Consumer Centre has become a recognizable institution in Bulgaria with its own prerogatives and activities. At the very beginning consumers complained mainly about national issues, but after a series of promotional activities, complaints regarding cross-border issues gradually rose. Furthermore, they provide assistance in the amicable resolution of cross-border complaints and out of court procedures.

The ECC-Net informs consumers about the opportunities offered by the Internal Market by providing information on both EU and national rules. It gives advice and support to any individuals with a complaint or a dispute to resolve. In order to do that, the ECC that is contacted by the consumer, works together with the ECC of the country where the case originated. When required, the network provides citizens with access to translation services.

The ECC-Net has the following objectives with a view to assisting consumers:

- to provide information so as to enable consumers to purchase goods and services in the internal market with full knowledge of their rights and duties;
- to respond to direct requests for information from consumers or other parties;
- in the event of a complaint, to help and support consumers in their contacts with the business operator;
- where necessary, to help consumers in the event of a dispute.

This network also cooperates with other European networks, namely FIN-NET (financial), Solvit (internal market), Enterprise Europe Network, Europe Direct, European Judicial Network in civil and commercial matters.

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**Web-page:** <http://www.ecc.bg>

## **1.8. SELF OR CO-REGULATION**

The Bulgarian government supports the self-regulatory approach to consumer protection where this can work effectively. Codes of conduct or codes of ethics can be alternative to legislation which can be difficult to change. A well-administered code can often be more effective in solving consumers' problems than recourse to the law as it can offer a quicker and cheaper response in dealing with redress.

### **Code of Ethics of the Association of Banks in Bulgaria**

With its Code of Ethics, the Association of Banks in Bulgaria agrees to be guided by the principles of fairness and good faith in relationships between commercial banks, in the relationships with their clients and in the relationships with the public.

The Code of Ethics of the Association of Banks in Bulgaria regulates the following behaviors of the banks:

- ethical behavior of communications between commercial banks;
- ethical behavior of the relations of the banks with their clients
- ethical behavior for the settlement of disputes;
- ethical behavior of the relations of the banks with the public in general.

The Association of Banks in Bulgaria was established on 9 April 1992. It was founded by 47 commercial banks. It is a corresponding member of the Banking Federation of the EU. The Association name was changed in 2007, with decision of the board of managers from Association of Commercial Banks to Association of Banks in Bulgaria.

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### **National Ethical Rules for advertising and commercial communications in Bulgaria**

The Code is accepted by the National Council for Self-Regulation in 2009, in accordance with its Articles of Association, the laws and regulations in Bulgaria and is based on the

Consolidated Code of International Chamber of Commerce (ICC), both in spirit and to the letter. The National Council for Self-regulation (NCSR) is a non-commercial association in public benefit. Founders are the Bulgarian Association of Advertisers (BAA), the Association of the Advertising Agencies - Bulgaria (ARA) and the Association of the Bulgarian Radio- and TV operators (ABBRO). Members of NCSR are players in the advertising industry: advertisers, agencies, media, marketing specialists and other legal entities and individuals; trade and other associations and unions that voluntarily accept the aim and statutes of NCSR.

The main objective of NCSR is to unite the advertising industry behind the definition and implementation of standards for professional attitude in the field of advertising and commercial communication. To achieve this, the council works out and ensures implementation of an Ethical Code in benefit of the fair competition, but most of all – the protection of consumers.

The Code applies to all forms of advertising and other commercial communication and sets the standards of ethical conduct.

The Code is applicable to any form of advertising and marketing communication, which is to be taken in a broad sense – activities which directly or indirectly promote any kind of goods and services (corporate and institutional promotion included) , or promote trade marks and names, regardless of the used communication channels (see Definitions), including, but non-exhaustive:

- Audio-visual communications, TV, radio and other broadcast media, cinema, video etc.;
- Print communication in newspapers, magazines, brochures, posters, bulletins, catalogues etc.;
- Communication in other media, exposed in public, including moving objects;
- Commercial communication on packaging, instructions for use and other promotional materials;
- Any advertising communication, published against payment in cash or other reciprocal obligation, when the content is controlled by the advertisers/marketing specialist and not by the editor, should be in conformity with the Code and should be clearly marked and distinguishable from the independent editorial materials;
- Social advertising and advertising connected to charity, sponsorship etc.;
- Commercial communication of local and central governments;
- Communications connected to promotional activities, including point of sale, degustation, games and lotteries, events ;
- Communications in electronic media;

The National Council for Self-regulation, Secretariat's contact details:

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### **Code of Ethics of the Bulgarian Association for e-commerce**

With its Code of Ethics, members of the Bulgarian Association for e-commerce agree to be guided by the principles of fairness and good faith in relationships between providers of goods and services and consumers.

The Code establishes a clear and balanced self-regulation among persons engaged in e-commerce and consumers. Member of the Bulgarian Association for e-commerce agrees to:

- comply with regulations governing their activities in accordance with applicable law;
- show good faith and professionalism in all dealings with clients, customers and competitors.
- contribute to building confidence of customers, consumers and society as a whole and

work with diligence, honesty and respect for privacy in cooperation with other businesses and consumers;

- observe professional ethics and contribute to the establishment of fair dealings in e-commerce in terms of free and fair competition.
- do not undermine the prestige and name of Association;
- be honest in their actions to consumers and to respect their rights under applicable law;
- striving actions to develop and market credibility;
- non-admission actions that would undermine the development of the market.

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## **2. CONSUMER POLICIES**

### **2.1. CONSUMER PROTECTION LEGISLATION**

#### **2.1.1. Consumer protection legislation:**

**1.** Law on Consumer Protection, promulgated SG N° 99/09.12.2005, effective 10.06.2006, amended and supplemented SG N° 51/23.06.2006, effective 24.12.2006, last amended and supplemented SG N° 13, dated of 14.02.2020;

**2.** Law on Consumer Credit, promulgated SG N° 18/05.03.2010, effective 12.05.2010, last amended and supplemented SG N° 17, dated of 26.02.2019;

**3.** Law on immovable property credits, promulgated SG N° 59/29.07.2016, last amended SG 17, dated of 26.02.2019;

**4.** Law on distance marketing of consumer financial services, promulgated State Gazette N° 105/22.12.2006, effective 01.01.2007, last amendment SG 20, dated of 06.03.2018;

**5.** Law on e-commerce, promulgated SG N° 51/23.06.2006, effective 24.12.2006, amended and supplemented SG N° 105/22.12.2006, last amended SG N° 17, dated of 26.02.2019;

**6.** Rules of Procedure for the work of general and sectorial conciliation commissions, promulgated in SG N° 87/10.10.2015, in force since 10.11.2015;

**7.** Rules of Procedure for the work of conciliation commission for payment disputes, promulgated SG N° 101/22.12.2015;

**8.** Rules of Procedure for the work of National Council for consumer protection, promulgated SG N° 13/10.02.2006, effective 10.06.2006, last amended SG 26/07.04.2015;

**9.** Ordinance N°16-1117, issued by the Minister of Economy of 01.10.2010 on the terms and procedure for the provision by the State of financial resources to representative consumer associations, promulgated in State Gazette, issue 82 of 19.10.2010, in force since 01.01.2011, last amendment SG N° 22, dated of 14.03.2017 in force of 01.01.2018;

**10.** Ordinance N°1/24.10.2006, issued by the Ministry of Economy on the requirements to the qualified entities in Bulgaria with locus stand to bring collective actions in the court to protect collective interests of consumers, promulgated SG 89/03.11.2006, last amendment SG 22, dated of 14.03.2017;

**11.** Ordinance, issued by the Minister of Economy on the procedure for the provision of information to consumers and for the price indication of the service repair of electrical

appliances, promulgated in State Gazette, issue 20 of 07.03.2006, in force since 10.06.2006, last amendment SG N° 26, dated of 07.04.2015;

**12.** Ordinance on the procedure for the provision of information on products and services which present risks for consumers and on the procedure for the cooperation between manufacturers, distributors and service providers and controlling authorities, adopted on 25.04.2006 by the Council of Ministers with a Council of Ministers Decree N° 95, promulgated in State Gazette, issue N° 37 of 05.05.2006, last amendment SG N° 40, dated of 02.06.2015;

**13.** Ordinance on products, imitating foodstuffs, adopted on 13.01.2006 by the Council of Ministers with Council of Ministers Decree N° 6, promulgated in State Gazette, issue N° 7 of 24.01.2006, in force since 10.06.2006, last amendment dated of 03.02.2006;

**14.** Ordinance on the Terms and Procedure for withdrawal and recall of dangerous products, the destruction thereof and for compensation of consumers, adopted on 02.06.2006 by the Council of Ministers with Council of Ministers Decree N° 130, promulgated in State Gazette, issue N° 8 of 13.06.2006, in force since 10.06.2006, , last amendment SG 40, dated of 02.06.2015;

### **2.1.2. Other legislation having impact on the protection of consumers:**

**1.** Law on Foods, promulgated in State Gazette, issue 90 of 15.10.1999, last amendment SG 80/12.10.2010, supplemented SG N° 106, dated of 21.12.2018;

**2.** Law on Tourism, promulgated in State Gazette, issue 30 of 26.03.2013, last amendment SG 21dated of 13.03.2020;

**3.** Law on Tobacco and Tobacco Products, promulgated in State Gazette, issue 101 of 30.11.1993, last amended and supplemented on 01.12.2009, State Gazette, issue 95, last amendment SG 83, dated of 22.10.2019;

**4.** Law on Technical Requirements to Products, promulgated in State Gazette, issue 86 of 01.10.1999, last amended on 15.09.2009, State Gazette, issue 74, in force from 15.09.2009, amended SG 80/12.10.2010, amended SG 98/28.11.2014, effective 28.11.2014, last amended SG 1, dated of 03.01.2019;

**5.** Law on Wine and Spirit Drinks /promulgated in State Gazette, issue 46 of 15.06.2012, effective 16.09.2012, last amended SG 98, dated of 27.11.2018;

**6.** Law on Health, promulgated in State Gazette, issue 70 of 10.08.2004, last amended on 10.08.2010, State Gazette, issue 62, in force from 10.08.2010, last amended SG 34, dated of 9.04.2020;

**7.** Law on the Protection of Competition, promulgated in State Gazette, issue 102 of 28.11.2008, last amended SG 28, dated of 05.04.2019;

**8.** Law on National Standardisation, promulgated in State Gazette, issue 88, of 11.11.2005, in force as of 05.05.2006, last amended SG 103, dated of 13.12.2018;

**9.** Law on Bank deposit guarantee, promulgated in State Gazette, issue 62 of 14.08.2015, in force 14.08.2015, last amended SG 37, dated of 07.05.2019;

**10.** Ordinance on labeling and names of textile products, adopted on 17.05.2006 by the Council of Ministers with a Council of Ministers Decree N°114, promulgated in State Gazette, issue 44 of 30.05.2006, in force from 10.06.2006, amended and supplemented SG 31/20.04.2012, effective as of 30.07.2012;



**11.** Ordinance on labeling of the household electrical appliances concerning the power efficiency and other sources, adopted on 28.07.2006 by the Council of Ministers with a Council of Ministers Decree N°186, promulgated in State Gazette, issue 65, in force from 11.08.2006, last amended, SG 40, in force from 2.06.2015;

**12.** Ordinance on labeling of the type of materials used in the main parts of shoes, adopted on 15.05.2006 by the Council of Ministers with a Council of Ministers Decree N°112, promulgated in State Gazette, issue 43 of 26.05.2006, in force from 10.06.2006, last amended and supplemented SG75/27.08.2013, in force as of 01.07.2013;

**13.** Ordinance on labeling of products made from crystal glasses, adopted with Council of Ministers Decree N°15 of 17.05.2006, promulgated in State Gazette, issue 44 of 30.05.2006 in force from 10.06.2006, last amended SG 93/24.11.2009, effective as of 24.11.2009;

**14.** Regulation on the prohibition of placing on the market of product containing DMF, adopted with Council of Ministers Decree 110 of 12.05.2009, promulgated in State Gazette, issue 37 of 19.05.2009 in force as of 19.05.2009., amended SG 41/02.06.2009.

**15.** Ordinance on the release of genetically modified organisms into the environment and their placing on the market, promulgated in State Gazette, issue 81 of 11.10.2005, last amended SG 55, dated of 07.07.2017.

## **2.2. CONSUMER ORGANISATIONS**

The Law on consumer protection in Bulgaria, last amended and supplemented SG N° 59/29.07.2016, regulates the legal status of consumer associations as follows:

Consumers' associations are not-for-profit associations which are:

- acting exclusively on behalf and in the best interest of consumers;
- not associated with any specific political party;
- economically independent from producers, importers, traders and suppliers;
- registered at the Ministry of Justice as non-profit associations called upon to serve the public good.

According to the Law of Consumer protection managerial positions in the governing bodies of consumer associations shall not be held by:

- public servants of the central government and local government bodies and local administration, assigned functions in relation to consumer protection;
- producers, importers, traders and suppliers;
- persons holding managerial or supervisory positions in commercial companies or a cooperative;
- persons holding leadership positions in a political party or organization.

The Law on Consumer protection establishes the criteria for 'representative consumer association'. The representative consumer's associations may participate in the National Council for Consumer Protection, in collective and advisory bodies on consumer protection in Bulgaria.

Consumer's association shall be considered for representative provided they comply with the following requirements:

- to carry out effective public actions to protect consumer interests in the last one year;
- availability of at least one help desk providing advisory services and information to consumers in regional center cities in the country;
- support up dated Web page;
- to carry out at least four of following public actions to protect consumer interests:
  - produce and disseminate publications on consumer protection;
  - conduct information campaigns on consumer rights;
  - organize actions to protect the collective interests of consumers;
  - give consumer`s support to resolve consumer disputes;
  - conduct educational campaigns and activates in the field of consumer protection;
  - make comparative test on consumer products and services;
  - support help desks providing advisory services and information to consumers in at least a third of the regional center cities in the country.

The State may provide funding to representative consumer`s associations commensurate with the scope and public significance of the work performed in the interest of consumers. This funding is disbursed by the Minister of Economy at his own discretion, depending on the activities and in line with the principles of objectivity, transparency and impartiality.

The conditions and the order for funding the consumer`s associations are established by the Minister of Economy in Bulgaria under the Ordinance N°16-1117 of 1 October 2009 on the Terms and Procedure for the provision by the State of financial resources to representative consumer associations, in force as of 01.01.2011.

The State may provide funding to representative consumer`s associations commensurate with the scope and public significance of the work performed in the interest of consumers.

The scope and public significance of the work performed in the interest of consumers depends on:

- the number of institute proceedings for protection of collective interests of consumers;
- organized information campaigns;
- publications for protection of consumers;
- the settlement on consumers` disputes;
- the participation in collective and advisory bodies on consumer protection;
- the availability of Web page which provides current information;
- the number of help desks providing advisory services and information to consumers and others;

### **2.3. ENFORCEMENT/REDRESS**

#### **ENFORCEMENT:**

Powers granted to the Commission on Consumer Protection.

- **in the field of safety-related measures it:**
  - coordinates the activities of various controlling bodies with the ministry of Health and the ministry of Agriculture and Food;
  - issue orders to suspend the marketing of products for which there are serious reasons to believe that they are dangerous;
  - issue orders for the prohibition of marketing of dangerous products;
  - issue orders for the withdrawal or destruction of dangerous products;
  - order or organize the recall of dangerous products from the market.

- **in the field of non-safety related measures:**

- to issue instructions for the elimination of violations of the Law on consumer protection;
- to prohibit unfair market practices;
- to analyze consumer contracts and take actions in court to declare null and void unfair terms in consumer contracts;
- to bring actions in court for the protection of collective interests of consumers;
- to give mandatory prescriptions for the elimination of violation of legislation
- to impose sanctions on economic operators for violations of legislation.

Officers of the Commission on Consumer Protection have free access to premises of the producers and traders. They may require all documents necessary for the purpose of control. They may take samples for laboratory testing. They are entitled to draw up acts establishing violations of legislation.

- **Enforcement of the Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004:**

In 2019 the Commission for Consumer Protection carried out 22684 inspections devoted to the enforcement of legislation for protection of economic interests of consumers. On the basis of results from inspections carried out, the Commission for Consumer Protection established 1195 violations of the existing legislation on the protection of the economic interests of consumers.

9893 out of the total number of inspections intended of observing information placed at consumer's disposal for products and services on the market, as well as their price indication. Priority sectors were crystal glass products, aerosol cans, textiles, footwear, car tires, batteries and accumulators, electrical and electronic equipment and others. Commission for Consumer Protection established 428 violations in that field.

Commission for Consumer Protection examines 222 cases suspicious for use of unfair commercial practices by traders, including in distance and online contracts. As a result of the inspections 126 different unfair practices applied in different market shares were prohibited - tourist services, sale of food and non-food goods, electronic communications services, real estate, distance and off-premises sales, etc.

In 2019 were analyzed 43 contracts with common terms and conditions with 7504 clauses. 72 out of the total number of clauses were announced for unfair contract terms.

In Commission for Consumer Protection have been received 21697 consumer complaints and signals. From them: 12683 of the total number of received complaints are satisfied; 4220 complaints and alerts are forwarded to the competent authority; 2523 complaints on which coordinated action has been taken; 901 of the received complaints are unfounded; 2835 are the prepared answers to signals and inquiries related to intercompany and civil law relations; 94 were the answers prepared to consumers with a focus on assistance through alternative dispute resolution; 1370 of the complaints have not been completed and the work on them continues, as they were received at the end of the reporting period or are subject to cross-checks.

Following the complaints received and on its own initiative, the Commission carried out, 12791 inspections and 757 violations of the consumer legislation were established

- **Enforcement of Directive 2001/95/EC on General Product Safety:**

In 2019 the Commission for Consumer Protection carried out 3652 inspections devoted to the enforcement of legislation on General Product Safety Directive. 182 violations were identified.

The Commission on Consumer Protection carried out inspection checks for compliance with General Product Safety Directive requirements of the following group of products:

- cars;
- goods for children;
- textiles;
- shoes;
- furniture;
- products appearing to be other than they are;
- other (leisure equipment products, candles ...).

The Commission on Consumer Protection in Bulgaria exchanged 7786 information's /notifications and reactions/ through the GRAS- RAPEX system. In 2019 Commission received 7396 notifications and sent back 390 reactions to the notifications for dangerous products found on the Bulgarian market.

In 2019 the Commission for Consumer Protection in Bulgaria took the following administrative decisions with regard to traders, producers and distributors:

- 44 orders for temporary suspension the marketing of products;
- 2 orders for temporary suspension marketing of services;
- 2 orders for prohibition the marketing of services until putting them in compliance with safety requirements;
- 106 orders for withdraw of the market of 108 type of danger products;
- 29 orders for prohibition the marketing of 35 type of products, which do not comply with requirements of the General Product Safety Directive;
- 38 orders prohibiting the import, export, placing on the market of 57 types of goods.

#### • **ECC Bulgaria 2019 - Enforcement:**

In 2019 the European Consumer Centre Bulgaria (ECC BG) received 1226 questions both national and cross border. The Centre handled 624 complaints. Most of the enquiries were solved by consultations – advice was provided to the consumer and the cases were closed. On other occasions cases were shared with the colleagues from other EU countries, Iceland, Norway or the United Kingdom, or intervened directly by contacting the trader and negotiating with him to protect the consumers' interests. Only the complaints were considered with a solution outcome. 57% of them were closed with amicable solution. 57% of the cases which resulted in no solution (both as a consumer ECC and as a trader ECC) were referred to ADR.

During 2019 ECC BG produced one brochure (in paper and digital) - „Traveler's guide“(4000 copies in Bulgarian and 2000 copies in English) and prepared the Annual report for 2018 (in digital format) and other promotional materials.

In 2019 ECC BG organized different events - round table on air passengers` rights, celebrating the Day of Europe, the Centre organized an event in cooperation with other EU networks – they held an information stand in the city center, organized a press conference for the media and provided information materials for the consumers, tour „Your rights“ which was separated in two directions at tourist resorts and big cities near Black sea, ECC BG also organized 5 help desks at the Sofia airport and provided informational leaflets on Air Passengers rights. The Centre maintained the web page on [www.ecc.bg](http://www.ecc.bg) and posted news there. All their activities had high media coverage. Press releases were prepared

concerning important consumer topics like Black Friday, Air passenger rights, geoblocking, etc. ECC BG sent 6 newsletters to subscribers and expanded their social media activity on 5 social channels (Facebook, Twitter, Instagram, LinkedIn and Youtube).

**REDRESS:**

Consumers have at their disposal different methods for settlement of consumer disputes.

They may:

- seize conciliation commissions (ADR);
- submit a complaint to the Commission on Consumer Protection;
- bring an individual court action for compensation;
- submit a complaint to consumer association which may bring a collective action in court.

In 2019, were received 113 applications for general conciliation proceedings and 73 were formed. No proceedings have been instituted under 24 cases of the received applications submitted by the consumers, as they do not contain necessary documents. 8 proposals for agreement were accepted and 8 of the applications have been withdrawn by consumers. The accepted proposals from the traders were 60. In 2019, 237 were submitted applications to the sartorial conciliation commissions, on which 207 were formed. For the period 2017-2018, the other BG ADR body - National Association for Out-of-Court Settlements has received 11 complaints. The subject of the disputes was mainly in the field of trade - small electronics, furniture, appliances, flights, banks, betting.