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Additional information to the Negotiations position on Chapter 6 “Competition policy”

With reference to the EU Common Position (CONF-BG 9/03), and further to the Additional Information CONF-BG 2/04 of 12 March 2004, Bulgaria hereby provides an Additional information on its Negotiations position on “Competition policy”.

Approximation of Legislation

Following the EC recommendation to revisit the 2003 Implementing Rules to the State Aid Act, and in close cooperation with the DTI twinning partners (PHARE project BG 0201.08 “BG 02/IB-IF 03”), the new structure of the legal act and the relevant texts that will constitute the reviewed 2004 Implementing Rules are now ready.

The new legislative act on the 2004 Implementing Rules is scheduled for adoption by the Government by 31 May 2004. The 2004 Implementing Rules are fully harmonized with the *acquis communautaire*.

Enforcement Record

The Commission for protection of competition (CPC) is focused on making further progress in improving the enforcement of the State aid act (SAA) provisions in line with the *acquis*.

For the first four months of the year 2004 the CPC has opened 65 legal proceedings for assessment of state aids. The Commission has passed 25 decisions, including 1 negative where it refuses to authorize the aid to be granted, 1 negative which requires recovery of illegally granted state aid including the interest due, 1 – where it authorizes the aid conditionally and 1 which opens a second phase for additional investigation.

The CPC took a positive decision on the “National steel restructuring programme” thus concluding its work on assessing state aids extended in compliance with Protocol 2 to the Europe Agreement.

Fiscal measures, deferrals and cumulation

The CPC initiated 16 proceedings for the assessment of the notified by the Ministry of Finance existing in the current legislation fiscal measures.

The CPC produced its final assessment (within the time-limits stipulated by the law) on compatibility of all notified fiscal measures with the *acquis communautaire*. These assessments were consulted with the DTI twinning experts as well.

Based on the CPC assessments, the draft amendments to the relevant laws are presented to the Government for consideration.

The Bulgarian Government commits to propose the abolition of all incompatible fiscal measures as of 1 January, 2005 (that is 2 years before accession). The adoption of the said draft laws by Parliament is scheduled to take place by 15 June 2004, with entry into force as of 1 January 2005.

Transparency Directive

A new Ordinance No.3 was introduced on 29 March 2004. The new Ordinance No. 3 revisits the 2002 Ordinance No. 6 on the “*Procedure for Monitoring and Ensuring Transparency of State Aids*” and ensures full harmonization with the EU Transparency Directive.