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Communication from Bulgaria

The following communication, dated 9 July 1991, has been received from the Permanent Representative of Bulgaria in Geneva.

On behalf of my Government, in accordance with the process of accession of the Republic of Bulgaria to the General Agreement on Tariffs and Trade, I enclose the information on Bulgaria's foreign trade régime.[1]

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[1]The annexes referred to in this document are being circulated as document L/6880/Add.1.

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INFORMATION ON BULGARIA'S FOREIGN TRADE REGIME (July, 1991)

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I N F O R M A T I O N
ON THE CURRENT STATUS OF BULGARIA'S FOREIGN TRADE REGIME

PART I. INTRODUCTION

1. THE BULGARIAN ECONOMY AND FOREIGN TRADE

Recent economic and political changes and developments

1. Since the end of 1990 sweeping systemic changes are taking place in Bulgaria towards a democratic society and establishment of a market economy. The country has a multi-party political system and freely elected Parliament, which is to pass a new Constitution by mid-1991.

2. Compared to the other Eastern European countries, Bulgaria's starting position for the transition to market economy was relatively the most difficult, characterized by deep overall imbalances; disruption of the internal market; increasing internal and external debt; severe deterioration in the terms of trade; rapid breakdown of traditional trading relationships; uncertainty about the future of oil supplies; adverse effect of the Gulf crisis.

3. In 1990 the performance of the economy worsened further. GDP declined by 11.8%. Inflation accelerated to an annual average rate of 26%, fuelled by a growing budget deficit. The large monetary overhang increased further.

4. The external situation also worsened in 1990, reflecting a large decline in export earnings, a bunching of debt payments, and the virtual depletion of foreign exchange reserves. Current account deficit exceeded US$ 2 billion. Foreign debt reached US$ 10,3 billion (US$ 3,2 billion in 1985). Total exports and imports declined by 23,2% and 20,6% respectively, reflecting a particularly large decline in CMEA trade. The direct losses from the Gulf crisis alone amounted to 1,4 billion US$.

5. A radical and comprehensive reform programme was initiated in February 1991, by the Bulgarian Government, aimed at: addressing macroeconomic imbalances and implementing systemic and structural changes. The implementation of this programme was made possible by the support it

received from all political forces represented in Parliament and by the trade unions. The success of the reform program will make possible restoration of the international creditworthiness and will encourage the inflow of foreign capital. The reform programme is backed by a stand-by loan of the IMF and by financial assistance of the Group of 24. Bulgaria is negotiating a Structural Adjustment Loan with the World Bank.

6. By end of 1990 Bulgaria became a member of the International Monetary Fund (IMF) and the World Bank (WB), and is among the signatories of the European Bank for Reconstruction and Development (EBRD). Foreign trade

7. The state monopoly on foreign trade was abolished in 1989. All economic operators, including private ones, are free to engage in foreign trade activities.

8. In the context of the current economic reform, a substantial unilateral liberalization of the trade regime has taken place. Starting from a trade which was tightly controlled with foreign exchange restrictions, export bans and quotas, import restrictions and extensive licensing, Bulgaria moved by early 1991 to a trade regime where price based measures (tariffs, exchange rate) became the main trade policy instruments.

9. In February, 1991, all import restrictions (introduced in 1990) were eliminated. Export quotas were replaced by export taxes which themselves were eliminated in stages by June. Licensing procedures were substantially liberalized. Former CMEA trade patterns were abolished.

10. In 1991 market access improved by the inclusion of Bulgaria in the GSP scheme of the EEC and by the suspension of the specific quantitative restrictions of the EEC vis a vis Bulgarian exports. New export possibilities will be opened with the entry into force of the trade agreement with the USA, providing for MFN treatment.

11. Bulgaria is committed to continue its trade liberalisation efforts as a means of promoting efficient use of domestic resources. The accession to the GATT is a trade policy priority and Bulgaria will expect credit for its unilateral liberalisation measures.

2. ECONOMIC REFORM

12. The stabilization component of our reform programme launched in February 1991 has five main elements: reform of the foreign trade and foreign exchange system, price policy, incomes policies, fiscal policy and monetary policy.

13. In brief, the stabilization programme is centered on the following measures:

- liberalisation of prices;
- launching of a market-based exchange rate system, involving the abolition of multiple exchange rates;

- tight credit policy (steep increase in interest rate);
- tight income policy (limits on nominal wages growth);
- adoption of a budget that will restore monetary and macroeconomic stability.

14. At the same time the Bulgarian government has initiated major systemic and structural reforms, especially demonopolisation and restructuring of enterprises and privatization, financial sector reform, restructuring of the banking system, agrarian reforms, reforms in the energy sector, especially in pricing and use of energy, etc.

PART II. ECONOMIC AND TRADE POLICY INSTRUMENTS

1. NEW BASIC LEGISLATION

15. The Bulgarian Parliament has made substantial progress towards establishment of an appropriate legal framework for the systemic changes in the economy. In 1991 a considerable number of new laws and other legislative acts were passed and those not in line with the new market environment, are being repealed.

16. The newly adopted legislative acts include:

- The Law on Ownership and Use of Agricultural Land;
- The Law on Accountancy;
- The Law on Statistics;
- The Law on Turnover Tax and Excise Tax;
- The Law on Protection of Competition;
- The Commercial Law (Code);
- The Law on Foreign Investment;
- Law on the Central Bank.

17. The legislative framework of the reform will be widened by the adoption of the Law on Privatization, the Law on Audit Office and other important pieces of business legislation, covering banking and crediting, cooperatives, social security, intellectual property, environmental protection.

18. The setting up of institutions such as an Agency for Foreign Investment, an Agency for Privatization and a Commission for Protection of Competition creates institutional framework for implementing some of the above mentioned legislative acts.

2. PRICE LIBERALIZATION AND PRICE POLICIES

19. A comprehensive price reform was launched on 1 February 1991 to correct relative price distortions and to deal with the liquidity overhang. A sweeping price liberalization was implemented with the elimination of most restrictions on the setting of producer and consumer prices as follows: (i) the prices of energy products (electricity, heating, coal for home heating, propane-butane gas and petroleum products), which account for an estimated 10 per cent of retail and wholesale turnover, remained with fixed prices.

The fixed prices of these goods were substantially increased and thus subsidies were reduced; (ii) the prices of all other goods were liberalized, eliminating all subsidies; the government will monitor price developments for essential foodstuffs, as well as passenger transport fares; the prices of these products increased on the average more than five-fold from their previous administrative levels as a result of the liberalization.

20. In June 1991 the government eliminated the subsidies for petroleum products and propane-butane gas and introduced ceiling prices for these products, thus reducing further the scope of fixed prices. The ceiling prices are calculated on the basis of the average of their prices on the international market and of the exchange rate of the Lev for the period between the 15th and 25th of the preceding month. It is stipulated that ceiling prices would be determined on a monthly basis, in conformity with changes that occur.

21. In pursuing their pricing policy for exported and imported goods, companies are guided by the usual commercial considerations, such as duties and taxes; production, transportation and insurance costs, etc.

22. As to the export of live animals, meat, diary products and timber wood, the Minister for Foreign Economic Relations publishes their minimal export prices on a regular basis in the State Gazette.

23. Bulgaria will continue its efforts to further increase the scope of the price liberalization.

3. TARIFF POLICY

24. Tariffs have become the main trade policy instrument in an economy in which over 95 percent of the prices are fully liberalized as a result of the price reform. This has become also possible through the removal of the import restrictions and the drastic changes in import licensing.

Customs tariff

25. A new customs tariff (implemented as from 1 June 1991) has been elaborated on the basis of the Harmonized Commodity Description and Coding System. In adjusting the customs tariff of 1981 (described in doc. L/6364) to the Harmonized System the requirements of the Convention for use of all items and sub-items were observed, as well as the order of the respective numerical codes without the need to supplement or modify them. The work has been done in collaboration with the Customs Cooperation Council. The new customs tariff contains 99 chapters, 1241 four-digit headings, 5019 six-digit headings and 812 eight-digit headings.

26. The tariff contains four columns. The first column is for imports from least developed countries which are exempt from import duties. The second one contains the preferential tariff rates in favour of other developing countries. The third column consists of MFN tariff rates and the forth one contains the rates applicable to countries which at present do not grant MFN treatment to Bulgarian exports.

Import duties and taxes

27. Bulgaria's tariffs are generally low and uniform. The average nominal tariff rates are 6,1 percent and 8,7 percent for columns II (GSP) and III (MFN) respectively. The average tariff rates for agricultural products are 4,1 percent and 7,9 respectively.

28. Imported goods in the country are levied with duties according to the customs tariff. In addition to the current duties, a temporary import tax (import surcharge) of 15 percent has been imposed by Bulgaria in order to provide some protection to Bulgarian industries as they adjust to the economic changes and to safeguard its balance of payments.

29. A great number of tariff headings, covering 239 products and groups of products, are exempted from import tax.

30. In 1991 no duties and import taxes will be collected for imports from , Albania, the Chech and Slovak Federative Republic, P.R.of China, Cuba, Hungary, P.D.R. of Korea, Mongolia, Poland, Romania, USSR, Vietnam, - a temporary measure to avoid further disruption of traditional trade channels in the painful period of transition.

31. Imports from Finland, covered by the Agreement between the Republic of Bulgaria and the Republic of Finland on Reciprocal Removal of Obstacles to Trade (a free trade agreement), are not subject to import duties and import taxes.

Export taxes

32. In February 1991 export quotas were eliminated. Instead, in order to relieve critical shortages on the domestic markets of foodstuffs and raw materials an export tax of 30 percent for 6 product groups and an export tax of 20 percent for 27 commodities were introduced on a temporary basis. They were eliminated in May and in June 1991 respectively.

Customs fees

33. Exports and imports are charged with 1 percent customs clearance fee for the services rendered.

Customs valuation

34. Since 1982, the Bulgarian legislation on customs valuation is based on the Agreement on Implementation of Article VII of the GATT, elaborated in the Tokyo Round of MTN.

35. Duties are to be paid ad valorem, and the foreign exchange is converted in Leva at the single exchange rate of the respective currency.

Rules of origin

36. A product is considered originating in the country where it has been wholly obtained or has undergone substantial processing. The criterion for substantial processing is a share over 50 percent in the value of the product. As regards imports from Finland, their origin is determined under the rules of origin annexed to the Agreement on the Reciprocal Removal of Obstacles to Trade.

37. Certificate of origin is required for imports under the GSP scheme and under the Agreement with Finland.

4. LICENSING

38. In the context of the trade liberalization measures in February 1991 the Bulgarian government has drastically changed the system of licensing from the previous comprehensive one to a system whereby imports are free from licensing unless specifically stipulated in the legislation.

39. Under the current legislation the Council of Ministers is the body empowered to determine the range of goods subject to licensing. At present certificates (licences) are required (issued by the Ministry of Foreign Economic Relations) in cases where there is a special regime, provided for by law or other normative act, such as: export of - tobacco and tobacco products; spirits, including wines and beer; rose oil; extinct and rare flora and animals, including hunting ones and trophies of them; archaeological and historical finds and of antique value; exports and imports of - armaments, radioactive elements, rare and precious metals and stones, ready medicinal and psychotropic substances, goods, supplied under governmental credits.

40. Export licensing is used also to administer export restraints imposed by other countries for textiles and clothing, ferrous metals and sheepmeat and goatmeat.

41. At present export licensing is required in cases of export of goods subject to export prohibitions when these goods are intended for outward processing or when the export earnings are used for imports of similar goods, other consumer goods, materials or machinery for the production of such goods. The export prohibitions are a temporary measure to deal with the critical shortage of some foodstaffs and raw materials on the domestic market. The list is being gradually liberalized. At present the list covers 9 goods.

42. For monitoring purposes licensing is used in respect of the goods covered by the indicative lists of the current trade agreement with the USSR (trade under the agreement is effected at world market prices in US dollars on a clearing basis).

43. Licensing is applied in a fair and equitable manner. Licences are granted within 3 working days from the date of application. No fees are charged for issuing of licences.

44. The new application form has been drawn up in conformity with the UN specimen, allowing subsequent EDIFACT data exchange.

5. STANDARDS AND VETERINARY AND PHYTOSANITARY REGULATIONS

45. The national system of standardization develops in line with the internationally accepted principles and practices, while taking into account internationally accepted standards. Bulgaria paricipates in international standardization activities. It is a member of ISO, IEC and takes part in ECE and OIML activities related to standardization.

46. Imported goods have to conform to the minimum requirements of the Bulgarian standards. When no Bulgarian standard for certain products exists, importation is effected according to the terms specified in the specific contract.

47. In relation to test methods and administrative procedures, issuance of certificates or marks of conformity, the imported goods are accorded treatment no less favourable than that accorded to domestic products.

48. Test results, certificates or marks of conformity, issued by the relevant authorities of countries signatories to international and bilateral agreements to which Bulgaria is a party, are accepted in accordance with the provisions of such agreements.

49. All exports and imports of goods of plant or animal origin are subject to veterinary and phytosanitary control. Such goods, when exported or imported, should be accompanied by veterinary or phytosanitary certificates.

50. At present Bulgaria is a party to bilateral agreements and protocols on veterinary and on phytosanitary control with a number of countries. Bulgaria is a signatory to the Codex Alimentarius and a member of the International Office of Epizootics and of the European and Mediterranean Plant Protection Organization.

6. FISCAL POLICY

51. Fiscal policy is to play a crucial part in the stabilization and restructuring effort. Its principal objectives for 1991 are to: reduce the budget deficit in relation to the GDP; decrease government indebtness to the banking system; effect a significant reduction in the redistributive role of the state budget through a sharp decrease of both revenues and expenditures in relation to the GDP. These objectives will help restore macroeconomic balance, release scarce resources to the productive sector of the economy and raise overall efficiency.

Taxes

52. Important steps have been taken in the context of a comprehensive tax reform which will take several years. These steps were guided by the objectives of ending tax differentiations, establishing a broad-based system in line with requirements of a market economy and moving towards the introduction of a value-added tax after the necessary preparatory work.

53. As from the beginning of 1991, the following taxes are applied: (a) turnover tax; (b) excise tax; c) tax on the use of land; (d) profit tax; (e) tax on wage funds' growth for companies with state or municipal participation exceeding 50 percent; (f) municipal tax.

(a) The turnover tax rates, introduced in early 1991 , sharply minimize differentiation thereof. Compared to the 43 rates applied previously, presently only two rates are applied - 10 percent for a small number of foodstuff and commodities and 22 percent for the remaining goods, which is a preparatory step for VAT introduction in the near future. Turnover tax is paid for retail trade consumer goods and services as a fixed percentage of the retail price. The same rates of turnover tax are applied both to domestic and to imported goods. Exemptions from turnover tax exist for exports and when the respective goods are sold for production purposes in the country;

(b) Excise taxes are collected for health reasons on hazardous products and on luxury goods. They are levied both on domestic and on imported goods. Excises are levied on 23 product headings, the rates varying between 10 and 70 percent. Exempted from excises are exports are products sold for domestic production purposes are exempted from excises.

(c) In the beginning of 1991, the profit tax was unified and cut down from 50 to 40 percent. The tax burden has been alleviated and the differentiation in the tax rates, existing until 1989, was abolished. Joint-stock enterprises with foreign participation, exceeding 49 percent, are levied with 30 percent profit tax.

(d) Municipal tax is fixed at 10 percent of the profit.

54. Since the beginning of 1991, almost all tax reliefs have been eliminated. Nevertheless, partial or total tax reliefs may be applied for social or ecological considerations.

55. In general, the changes in the tax system were aimed at increasing the amount of financial resources left at the disposal of enterprises. With the enactment of the Law on accountancy, most interest, insurance and other costs have been included as actual production costs, whilst the previous practice included them in the after-tax profit.

Subsidies

56. Under the economic reform the principles of granting subsidies have undergone fundamental changes. From a permanently functioning system, subsidies have become a specific instrument of a temporary nature for resolving primarily social problems. As a result of the price liberalization subsidies have been drastically curtailed - from 16-17 percent of GDP in 1990 to less than 3 percent of GDP in 1991.

57. In 1991 most retail price subsidies have been eliminated, as have import price subsidies. Production subsidies are of two types (i) for social considerations and (ii) for compensating higher production cost in some sectors (energy) and some regions of the country (mountainous). Subsidies to cover partially losses in unprofitable production were sharply reduced. As a result uncompetitive enterprises will be forced to restructure or close down.

58. At present no export subsidies, including on agricultural exports are being applied.

59. The Bulgarian government will continue its policy of further elimination of subsidies.

7. FOREIGN EXCHANGE AND BANKING POLICY

60. Foreign exchange and banking policies have also undergone changes under the economic reform. The objectives in this area are:

- to sustain a system of a unified exchange rate and to establish a market-based exchange rate system;
- to assist in stabilizing the national currency and achieving realistic exchange rates to foreign currencies;
- to liberalize most current account transactions;
- to enhance competition in the national economy and to ensure balance of payments adjustment;
- to strengthen the banking system and to promote the most efficient use of financial resources.

Foreign exchange policies

61. Following the establishment in February 1991 of a flexible interbank market the rate of the Leva against the US Dollar is quoted daily by the Bulgarian National Bank and reflects the average weighted rate of sales and purchases of foreign currencies on the interbank market. For the remaining 10 basic currencies, the rates are determined on the basis of the cross rate of "Reuters" of the day.

62. The exchange rate of the Lev against foreign currencies, quoted by BNB, is applied for the purposes of statistics, accountancy and customs valuation. It is not obligatory for the authorized (licenced) banks and serves only as reference to them.

63. Sales and purchases of foreign exchange against Bulgarian Leva is effected by the Bulgarian National Bank (BNB), commercial banks and individuals who have obtained license for carrying out such operations. Licence holders freely negotiate with their customers the exchange rates. They have the right to sell or purchase foreign exchange without any restrictions.

64. At the end of March, 1991, twelve banks (including one private bank) have obtained licenses to effect all kinds of currency operations both in the country and abroad. The remaining commercial banks may carry out foreign exchange operations only on the territory of the country.

65. Since January 1st, 1991, the Transferable Rouble (TR) is no more applicable in Bulgarian foreign trade. Hence, there is no need to fix coefficient rate of the Lev against the TR, neither rates for non-commercial payments, nor for settlements under specific bilateral payment agreements.

66. To recalculate outstanding balances from 1990, an exchange rate of 1.05 Leva for 1 TR. was set. Until the final transition to settlements in convertible currencies with the respective countries, for transactions which have not been executed by January 1st, 1991, the exchange rate was set at Leva 3,50 for 1 TR.

67. Companies can freely buy from the interbank market the foreign exchange needed for payments in connection with imports. Companies are free to decide whether to keep their export earnings in foreign currency at their disposal or to sell it to the banks at market rate. They have the right to open their own foreign exchange accounts, as well as to open foreign exchange deposits with commercial banks. The requirement for companies to surrender the earned foreign exchange to the State has been abolished.

68. Effective April 1st, 1991, all payments on the territory of the country are effected in Bulgarian Leva. Sales of goods and services in the country against foreign exchange have been discontinued.

69. Permit for payments to foreign persons is required in the following cases: direct and indirect investments, and free transfers in foreign exchange when they are not connected with importation of goods and services.

70. No restrictions exist for nationals and foreign persons to open accounts in foreign exchange with commercial banks. Nationals may freely dispose with the assets under their accounts. Permit is required in cases referred to in para.69.

71. Local physical and juridical persons are obliged to transfer to Bulgaria the foreign exchange earned by them within a period of 30 (thirty) days.

72. While the new exchange market is already a liberal one, Bulgaria's intentions are to gradually eliminate the existing restrictions on external payments for current transactions, and to eventually reach convertibility consistently with Article VIII of the Articles of Agreement of the IMF.

Banking and financing

73. The first stage of banking system reform, started in 1987, focused on creating a two-tier banking system with clear separation of central and commercial banking functions. By the end of March 1991 the number of commercial banks reached 73, including 6 foreign banks.

74. Commercial banks are established as joint stock companies. Their constitution is being approved by the Managing Board of the Bulgarian National Bank.

75. All companies and enterprises, including those with foreign participation, may operate with commercial banks of their own choice without any restrictions.

76. Interests on credits extended to companies are negotiated between the crediting bank and the respective recipient.

77. The Bulgarian National Bank pursues its general monetary policy and emission activities, carries out operations with securities on the open market, sets forth the overall rules and regulations for the banking activities in the country, monitors the activity of commercial banks, determines the minimum level of reserves that latter are obliged to keep with it up to 15 percent of their own assets.

78. The Bulgarian National Bank pursues independent interest rate policy and fixes the basic interest rate.

PART III - TRADE POLICY AND ORGANIZATION OF THE FOREIGN TRADE SYSTEM

1. TRADE POLICY

79. The trade policy reform is a central component of the systemic reform programme, as it will encourage restructuring of domestic production away from its previous reliance on the highly protected former CMEA market, towards activities where Bulgaria has an actual or potential comparative advantage. Given the small size of the national economy, international trade has always accounted for a large share of the GDP.

80. Primary objectives of the Government in undertaking the trade reform is to ensure that trade reflects the efficient use of domestic resources. The trade reform is expected to encourage an increase in productivity and a higher rate of export growth.

Bilateral trade agreements

81. The bilateral trade agreements of the Republic of Bulgaria with countries from non-convertible area expired on December 1990.

82. As from January 1st, 1991, trade with the former CMEA countries is conducted in convertible currencies and at world prices. The new trade agreements with the former CMEA countries are consistent with the requirements of GATT and contain MFN clause. They have no commodity lists, except the one with the USSR. The agreement with the USSR contains indicative lists for which payments are on a clearing basis. The lists do not entail obligations for the companies and unlike the previously existing practice, have no obligatory but indicative character.

83. However, outstanding balances (until 31.12.1990) under the trade protocols with the former CMEA countries are put on liquidation accounts. The balances may be settled by the country in deficit up to a specified period in 1991 by delivery of goods under the 1990 CMEA terms. If, by the end of the period, there is still a deficit, it will be converted to convertible currencies.

84. With a view to preventing further disruption of the traditional trade relations in the difficult process of transition to a market economy, for the time being imports from former CMEA countries are temporarily exempt from import duties.

85. As of November 1990, a new Agreement on Commerce and Trade and Economic Cooperation between Bulgaria and the European Community has come into force. From January 1st, the EEC suspended all the specific quantitative restrictions to Bulgarian exports. Also from January 1st, 1991, Bulgaria was included in the General System of Preferences of the EEC.

86. An Agreement for Trade Relations between the Republic of Bulgaria and the USA was signed on April 22nd, 1991, by virtue of which the two countries extend to each other MFN treatment.

Conditions for business with foreign companies

87. The foreign investment regime has been set forth in the new Law on Foreign Investments in force as from June 1991, by virtue of which foreign persons in the country are accorded national treatment, unless otherwise provided for by Law or intergovernmental agreement.

88. Foreign persons have the right to carry out economic and foreign trade activities in the country independantly, through a subsidiary or through a joint venture. For this purpose such persons need to register at the District Court and at the Register of the Bulgarian Chamber of Commerce and Industry, the latter being of declarative and not permissive nature.

89. The profit of foreign persons' independent economic activities are taxed at the rate of 40 per cent, which is the uniform tax rate applied to Bulgarian companies since the end of 1990. Profits of subsidiaries and joint ventures with foreign participation exceeding 49 per cent and US Dollars 100 000 or its equivalent in other currency are levied with profit tax at the rate of 30 per cent.

90. A foreign person who has invested in the Republic of Bulgaria can transfer obtained profit, remuneration and liquidation quota in Leva through buying foreign currency from any licensed commercial bank at the market rate of exchange.

91. The free trade zones created on the basis of Decree No. 2242 of 1987, are at an organizational stage of development, except those in Vidin and Rousse. In the country exist 7 (seven) free trade zones in the regions of the cities of Rousse, Vidin, Bourgas, Plovdiv, Dragoman, Haskovo and Svilengrad.

2. ORGANIZATION OF THE FOREIGN TRADE SYSTEM

Governmental institutions

92. The Ministry of Foreign Economic Relations is the main governmental body, responsible for pursuing the state policy in the field of foreign economic relations. The ministry implements the country's trade policy, aimed at creating favourable environment for active participation on the international markets and at establishing a foreign trade regime, based on market criteria and regulations.

93. Other governmental institutions involved with the regulation and implementation of the national foreign economic policy are the Ministry of Finance, the Bulgarian National Bank and the Customs Authorities within the Ministry of Finance.

Companies

94. The company is the basic entity throughout which economic activity is carried out.

95. Economic activity in the country may be carried out on the basis of various forms of ownership including private, municipal, state and mixed with foreign participation.

96. All companies, whether Bulgarian or with foreign participation, registered at the court have the right to carry out economic activity. By March 25th, 1991, a total of 125 304 companies have registered, 14 675 out of which - at the Bulgarian Chamber of Commerce and Industry, including: self-proprietorship - 7 808, collective - 5 296, partnership - 233, municipal - 82, joint stock - 32, limited liability - 263, unlimited liability - 2, joint venture - 82, companies of public organizations - 54, partnership companies of citizens - 767, subsidiaries - 56.

97. As from July 1, 1991, the Commercial Law (Company Act) is in force. It is drawn up along the lines of the respective legislation of West European countries. All companies will have to register under the provisions of the new Law.