

## New procedure for application of the Double Tax Treaties

A Law on Amendment and Supplementation of the Tax Proceedings Code (LASTPC) has been published in State Gazette issue 42 of 9 May 2003. One of the most significant amendments in the Code is the creation of a new procedure for application of the Double Tax Treaties (DTT). In 1998 this procedure was regulated by Ordinance No 5 of 18 March 1998 of the Minister of Finance on the rules and procedures for application of the Double Tax Treaties in respect with tax non-residents and unincorporated partnerships tax non-residents (hereinafter referred to as the Ordinance), which was announced null and void by the Supreme Administrative Court (SAC) by virtue of a decision No 2071 of 6 April 2000 (published in State Gazette issue 32 of 18 April 2000). After the announcement of the Ordinance null and void, the practice of the tax administration authorities regarding the application of DTT was rather based on the CITA provisions and of the DTT, themselves, without express regulations being available.

The present amendment of the TPC is aiming at filling in the legislative gap by establishing unified rules and procedures on DTT application by simultaneously complying with the motives and considerations stated in decision No 2071/2000 of SAC.

The new procedure envisages the application of DTT to be performed only **after verifying** before the tax authorities the grounds for that, as well as after **obtaining their statement** on the possibility for application of the respective tax treaty.

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