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Financial Policy - Bulgaria

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4.1.A Nature of public funding and/or tax benefits available for the categories of heritage protection listed in 2.3

Category of heritage protection:
Buildings, Constructions and sites / World Heritage

Activities funded
Conservation
Restoration
Public access
Documentation
Research

Category of heritage protection: Archaeological reserves / National significance

Activities funded	Type of funding	Funding available
Listing only	Mandatory	Full
Maintenance	Mandatory	Full
Conservation	Mandatory	Full
Restoration	Mandatory	Full
Public access	Mandatory	Full
Documentation	Mandatory	Full
Research	Mandatory	Full

Category of heritage protection:
Group immovable archaeological cultural properties / National significance

Activities funded	Type of funding	Funding available
Listing only	Mandatory	Partial
Maintenance	Mandatory	Partial
Conservation	Mandatory	Partial
Restoration	Mandatory	Partial

Activities funded	Type of funding	Funding available
Public access	Mandatory	Partial
Documentation	Mandatory	Partial
Research	Mandatory	Partial

Category of heritage protection:

Single immovable archaeological cultural properties / For information

Category of heritage protection:

Buildings and Constructions, Artistic and Historical immovable cultural properties / National significance

Activities funded	Type of funding	Funding available
Listing only	Mandatory	Full
Maintenance	Mandatory	Full
Conservation	Mandatory	Full
Restoration	Mandatory	Full
Public access	Mandatory	Full
Documentation	Mandatory	Full
Research	Mandatory	Full

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Buildings and Constructions, Artistic and Historical immovable cultural properties / Declared

Activities funded	Type of funding	Funding available	Year
Listing only	Mandatory	Full	2014
Maintenance	Mandatory	Full	2014
Conservation	Mandatory	Full	2014
Restoration	Mandatory	Full	2014
Public access	Optional	Partial	2014
Documentation	Mandatory	Full	2014
Research	Optional	Full	2014

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Single immovable archaeological cultural properties / Local significance

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012

Activities funded	Type of funding	Funding available	Year
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Mandatory	Full	2012
Research	Mandatory	Full	2012
Restoration	Mandatory	Full	2012

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Group immovable cultural properties (Groups of buildings and cultural landscapes) / All levels significances

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Mandatory	Full	2012
Research	Mandatory	Full	2012
Restoration	Mandatory	Full	2012

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Immovable cultural properties - park and garden art / All levels/all significances

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Mandatory	Full	2012
Research	Mandatory	Full	2012
Restoration	Mandatory	Full	2012

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Buildings and Constructions, Artistic and Historical immovable cultural properties / Local Significance

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012

Activities funded	Type of funding	Funding available	Year
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Optional	Partial	2012
Research	Mandatory	Full	2012
Restoration	Mandatory	Full	2012

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Buildings and Constructions, Artistic and Historical immovable cultural properties / Ensemble significance and for information

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Optional	Partial	2012
Research	Mandatory	Full	
Restoration	Mandatory	Full	

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Single immovable archaeological cultural properties / National significance

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Partial	2012
Documentation	Mandatory	Partial	2012
Listing only	Mandatory	Partial	2012
Maintenance	Mandatory	Partial	2012
Public access	Mandatory	Partial	2012
Research	Mandatory	Partial	2012
Restoration	Mandatory	Partial	2012

Is there a tax benefit ? VAT, inheritance or other ?: Yes

Category of heritage protection:

Movable archaeological and cultural valuables / National wealth

Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Partial	2012
Documentation	Mandatory	Full	2012

Activities funded	Type of funding	Funding available	Year
Maintenance	Mandatory	Partial	2012
Public access	Mandatory	Full	2012
Research	Optional	Partial	2012
Restoration	Mandatory	Partial	2012
Is there a tax benefit ? VAT, inheritance or other ?:		Yes	

Category of heritage protection:			
Single immovable archaeological cultural properties / Declared			
Activities funded	Type of funding	Funding available	Year
Conservation	Mandatory	Full	2012
Documentation	Mandatory	Full	2012
Listing only	Mandatory	Full	2012
Maintenance	Mandatory	Full	2012
Public access	Mandatory	Full	2012
Research		Full	2012
Restoration	Mandatory	Full	2012
Is there a tax benefit ? VAT, inheritance or other ?:		Yes	

4.1.B Nature of the public financial support for non-preventative archaeological research activities.

Activity	Mandatory	Full funding	Year
Archaeological surveys and evaluation	Mandatory	Full funding	2014
Excavation	Mandatory	Full funding	2014
Post-excavation analysis	Mandatory	Full funding	2014
Publication and dissemination	Mandatory	Full funding	2014
Site maintenance and restoration objects	Mandatory	Full funding	2014

4.1.C Nature of the public financial support for preventative / development-led archaeological activities in the context

4.1.C**Public Development**

Activity	Mandatory	Full funding	Year
Archaeological surveys and evaluation	Mandatory	No	
Excavation	Mandatory	Full funding	2014
Post-excavation analysis	Mandatory	No	
Publication and dissemination	Mandatory	No	
Site maintenance and restoration objects	Mandatory	No	

Private Development

Activity	Mandatory	Full funding	Year
Archaeological surveys and evaluation	Mandatory	Full funding	2011
Excavation	Mandatory	Full funding	2011
Post-excavation analysis	Mandatory	Full funding	2011
Publication and dissemination	Mandatory	Full funding	2011
Site maintenance and restoration objects	No	Full funding	2011

4.1.D Public funding organisations responsible for the archaeology described in the table under 4.1.C:

Centre of Underwater Archaeology
 Ministry of Culture
 Municipalities
 National Institute of Archaeology with Museum - Bulgarian Academy of Sciences
 National Museum of History
 Ministry of Finance

4.1 Commentary**Commentary (click to collaps)****Integrated Approach**

4.1.A. The Republican Budget, adopted by the Parliament every year, provides funds for the preservation of the immovable cultural properties, and these funds are submitted for this activity.

The state provides annual financing for activities concerning the conservation and restoration of immovable cultural properties through the budget of the Ministry of Culture. The selection of sites follows a set of rules approved by the Minister of Culture.

The following criteria for the selection of sites are defined in the rules:

- a) degree of endangerment of the immovable cultural valuable with a risk assessment, prioritising activities on immovable cultural valuables concerning their urgent securing, strengthening and preventing further damage or destruction;
- (b) Importance of the site according to the classification in Art. 51(1) of the Cultural Heritage Act, prioritising activities on immovable cultural valuables categorized as sites of world and national importance;

- (c) Technological necessity immovable cultural valuables undergoing a process of surveying or conservation and restoration where interrupting the technological process is unsuitable;
- (d) Prospects for using the site as a resource for sustainable development and for the needs of cultural tourism;
- (e) Commitments of the Ministry of Culture concerning projects and programmes;
- (f) Need for external instrument monitoring.

The Department of Ecclesiastical Matters with the Council of Ministers provides funds for the preservation of religious sites. A main criterion for ensuring funds in this aspect is whether the site is a place of worship.

4.1.B. Funds to carry out archaeological field surveys are provided annually with the State Budget Act of the Republic of Bulgaria. Funds to carry out archaeological field surveys may also be provided in the budgets of municipalities and agencies or through foreign cultural, scientific or university institutions through participation in research projects, as well as other sources. The state funds regular/non - preventive archaeological surveys (under scientific programmes) through the budget of the Ministry of Culture or through the budgets of municipalities.

EUR 430 000 were allocated for regular archaeological research activities in 2010, in 2011 the amount was EUR 497 000 and for 2012 the signed contracts for regular/ non-preventive archaeological research activities for over 30 sites amount to EUR 1 313 500. EUR 51 000 /Decree of the Council of Ministers/ are available through the Ministry of Culture to enhance the state of archaeological sites included in the programme during the XII Limes Congress in 2012.

In 2011, 186 permits were issued for regular/non-preventive archaeological research activities, in 2012 - 177 permits, and in 2014 - 166 permits.

4.1.C. Funds for rescue/preventive archaeological research activities until the site is fully surveyed are provided by the contracting authority whose investment initiative is related to the rescue survey. In the past four years most of the funds for rescue archaeological research were provided in relation to the construction of infrastructure projects, for example constructing motorways. In these cases the surveys are funded by the Ministry of Regional Development and Public Works (Road Infrastructure Agency).

In 2011, 130 permits were issued for rescue/preventive archaeological research activities, in 2012 - 153 permits, and in 2014 -190 permits /42 investigations; 107 excavations; 41 surveillances.

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Archaeological Heritage

When funds provided by the national budget the contracts are concluded between the Ministry of Culture and the relevant historical or archaeological museum university. The person authorized to carry out archaeological field research signs the contract with the museum.

4.2.A Direct aid (direct budgetary support) system

Yes

Funding type	Approach
Structural funding	Integrated approach
Ad hoc / project based	Integrated approach

Total budget:	Year	Budget (k€)
	2014	

4.2.B Tax relief system for heritage

Fixed tax relief

Cost type**Approach**

Archaeological heritage

Architectural Heritage

4.2.C Incentives applicable

4.2.C To whom do incentives apply?

Please give the total expenditure:

4.2 Commentary

Commentary (click to collaps)

Integrated Approach

4.2.A. Completed or current projects of the Ministry of Culture, funded under the Regional Development OP and the Financial Mechanism of the European Economic Area: in 2011-2012 13 sites amounting to EUR 9 600 850 were completed; 20 projects amounting to EUR 51 635 000 are being implemented.

Total completed or current projects of the Ministry of Culture under the Regional Development OP and the Financial Mechanism of the European Economic Area: EUR 61 235 500. Iceland, the Principality of Liechtenstein and Norway provide funds amounting to euro 78.6 million, 14 million of which in the conservation of cultural heritage under the Financial Mechanism of the European Economic Area. The program contemplates measures on restoration and conservation of cultural heritage, accessibility of cultural heritage digitization and presentation of contemporary art and culture. In the first programming period 5 million euros was invested for cultural heritage in eleven projects such as the Shumen Fortress and the ancient stadium of Philipopol, the digitization of historical periodicals and manuscripts, archaeological excavations of St. John the Baptist Monastery on St. Ivan Island near Sozopol. The protection of cultural heritage remains a key priority under the programs for the second programming period 2014-2020 and 14 million euros will be expended for this purpose.

The National Focal Point (NFP) for the EEA Financial Mechanism is the Monitoring of EU Funds Directorate in the administration of the Council of Ministers. The Ministry of Culture as the software operator under the Cultural Heritage and Contemporary Art program has developed a software proposal.

Contracts signed for projects under OP Regional Development - Support for the development of natural, cultural and tourist attractions for 2012 amount to 82,715,999 euro. Also projects are implemented under the OP Regional Development - Support for the provision of appropriate and effective cultural infrastructure, contributing to the development of sustainable urban areas, as well as Support for improving the urban environment.

In 2014 conservation and restoration activities and protective covers of archaeological sites from the budget of the Ministry of Culture were granted EUR 460 000.

The National Fund Culture, established in compliance with Article 24 of the Culture Protection and Development Act (CPDA) (The Official Gazette No. 50/01 June 1999), being a legal body financed under an off-budget account, can also be a source of financing for activities for preservation of immovable cultural properties. The Ministry of Culture provides the conditions necessary for the operation of the Fund by raising funds (from fines, fees, revenues from exhibitions abroad, donations, wills, sponsorship, interests, etc.), managing such funds and spending them on the implementation of the national policy in the field of culture. The National Fund Culture finances the following: preparation of projects and programs of national, international and municipal importance; creation, keeping and distribution of works of art and culture; activities for preservation and promotion of the

cultural-historical heritage.

The Municipal Funds Culture, which (pursuant to Article 36 of the CPDA) are established by the Municipal Councils for carrying out activities, projects and programs in the field of culture. The money under such funds is raised from the implementation of targeted programs and projects, fees, donations, wills, sponsorship, etc.

Based on the Law for the National Donations Fund 13 Centuries Bulgaria (State Gazette, No.12/9.02. 2001) The National Donations Fund 13 centuries Bulgaria organizes and assist the donating activity of Bulgarian and foreign physical and judicial persons in support of education, science, culture, rehabilitation of cultural heritage properties, health protection and other social spheres.

4.2.B. Pursuant to the **Local Taxes and Fees Act** (Закон за местните данъци и такси) (SG, issue 117 of 10.12.1997; in force of 01.01.1998) (www.lex.bg/bg/laws/) buildings cultural assets, used for non-profit purpose, are relieved from real estate tax, as well as museums, art galleries and libraries. Properties, acquired by donation or by remunerable manner from the funds, supporting people, afflicted with natural disasters and for protection and rehabilitation of historic and cultural assets shall be exempt from taxation.

4.3.A Heritage funded by private funding organisations and/or sponsors

Yes

Association Bulgaria – for Ever

4.3.B Jointly funded projects

Yes

Sector:

Private sector

4.3.C Amount spent on heritage in your most recent year

Year:

2014

4.3 Commentary

Commentary (click to collaps)

Integrated Approach

4.3. The owners of immovable cultural properties are obliged to maintain them in good condition. The owners should finance all repairs and activities undertaken by them by their own initiative with a view to the improvement of the residential and usage standard.

In cases of private construction works carried out in archaeological reserves or territories rich in archaeological cultural property, the archaeological survey of the area affected by the construction works is financed by the owners or interested parties.

The Patronage Act (Закон за меценатството) (in force since 23.12.2005) (www.lex.bg/bg/laws/) regulates the social relations associated with providing non-refundable aid by individuals and legal entities, called patrons, to create, preserve and promote cultural works. The law seeks to encourage individuals and legal entities to support the development of Bulgarian culture, including activities involving archaeological research, restoration and conservation related to the protection of cultural heritage. The state supports and encourages patrons through tax, credit-interest, customs and other financial and economic benefits specified in the special laws.

Pursuant to the **Corporate Income Taxation Act** (Закон за корпоративното подоходно

облагане) (Promulgated - SG, issue 105 of 22.12.2006; in force of 01.01.2007) the gratuitously granted aid, pursuant to the provisions of the Patronage Act, to the extent of up to 15 per cent of the accounting profit, shall be recognized for taxation purposes.

The Minister of Culture shall organize the control in reference to provision and utilization of free aid from patronage for creation, conservation and popularization of cultural assets.

The total sum of gratuitously donated funds under the Patronage Act during 2011 was BGN 392, 176 and EUR 150, 000. Over 80% of these funds were provided in the second half of 2011. For comparison, the total sum gratuitously donated funds, pursuant to the Patronage Act for 2010 was BGN 103, 140 and BGN 5, 385. The predominant donation by natural persons compared to legal entities makes impression. These are the most important highlights in the annual report, referring to the activity of the Ministry of Culture for 2011.

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