

1 Is "statutory interest" provided for in the Member State? If so, how is "statutory interest" defined in this Member State?

Statutory interest is regulated in the Republic of Bulgaria, but the term is not currently defined in law.

According to legal theory, 'statutory interest' is interest that is not agreed but provided for by law. Statutory interest for late payment (default, late-payment interest) is due for late payment of a monetary obligation. In the event of default on a monetary debt, the creditor is always entitled to compensation at the statutory interest rate from the date of delay (see first sentence of Article 86(1) of the Obligations and Contracts Act (*ZZD*)).

2 If yes, what is the amount/rate and legal basis for it? If different rates of statutory interest are provided for, what circumstances and conditions apply?

Under Article 86(1) of the Obligations and Contracts Act, a debtor defaulting on a monetary obligation is liable for compensation at the statutory interest rate from the date of delay. The rate of statutory interest is established by the Council of Ministers.

Article 294(1) of the Commerce Act (*TZ*) provides that interest is due between traders, unless otherwise agreed.

Under Article 86(2) of the Obligations and Contracts Act and for the purposes of transposing Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions (OJ, L 48 of 23 February 2011, p. 1), the Council of Ministers adopted Decree No 426 of 18 December 2014 (which took effect on 1 January 2015) establishing the statutory rate of interest on overdue payments. The annual rate of statutory interest on overdue payments is the Bulgarian National Bank base rate applicable from 1 January or 1 July of the current year plus 10 percentage points. The daily rate of statutory interest on overdue payments is 1/360 of the annual rate. The interest rate in force from 1 January of the current year applies for the first half of the year and that in force from 1 July for the second half.

3 If necessary, is there further information available on how to calculate statutory interest?

The Bulgarian National Bank publishes the base rate for the relevant period using a methodology established by the Management Board and publishes it in the State Gazette. The base rate and changes thereto are published on the website of the Bulgarian National Bank: <http://www.bnb.bg/>. That website also contains the methodology for establishing the base rate.

Article 10(3) of the Obligations and Contracts Act provides that interest on overdue interest (compound interest) is payable under Bulgarian National Bank rules. However, no such rules have been published.

Article 294(2) of the Commerce Act provides that interest on interest is due only when agreed.

4 Is there free online access available to the legal basis mentioned above?

Information about the base rate and changes thereto is available in English and Bulgarian on the Bulgarian National Bank website: <http://www.bnb.bg/>.

The Obligations and Contracts Act, the Commerce Act and other legal acts mentioned above are available in Bulgarian on the website: <http://www.lex.bg>.

The Obligations and Contracts Act, the Commerce Act and Council of Ministers Decree No 426 of 18 December 2014 establishing the statutory rate of interest on overdue payments are also available in Bulgarian on the website: <http://www.tita.bg>.

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