

Debt Collection



CONTACT

Feel free to contact us if you wish to be updated on any recent developments in the area.

Separately, NBLO is happy to receive instructions on debt collection matters and operates a clear, transparent and accessible instructions policy.

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Dispute Resolution and Civil Procedure Services

Debt Collection in Bulgaria

New Balkans Law Office ('NBLO') is a Bulgarian legal business which aims to provide legal services at exceedingly high standards. A number of NBLO's lawyers are specialists in dispute resolution and civil procedure, although NBLO covers a range of other practice areas.

The Process

Pre-litigation phase

We will review the documents in relation to the debt and we will send a formal notice to the debtor for repayment of the debt.

Simultaneously, we will investigate the registered assets (such as real estate properties, shares in companies) of the debtor and collect information about them.

If the default continues, we will file an application in court for an order to freeze the debtor's identified assets to secure a future claim.

Usually at this point a debtor would take steps to pay or at least to settle a payment schedule for the debt.

Litigation phase

If no settlement is reached then, we will commence litigation. We will draft and submit a claim to court. Typically, a commercial case takes approx. 2 years (with 1-3 hearings at each instance). There is a state court fee of 4% on the amount claimed. This fee is paid upfront

but is then repaid to the claimant by an unsuccessful defendant. To minimize the costs we can file the so-called 'partial claim' (widely used in Bulgaria). Under this procedure, a partial claim only is made initially. As this claim makes its way through the system and receives preliminary approval in court, the size of the claim is increased, and a top-up fee paid.

When the judgment enters into force and the debtor persists in default, a specific procedure for an enforced sale of the debtor's assets may be commenced. An official entitled to enforce judgments is appointed. Following sale, the proceeds are paid directly to the judgment creditor. The funds received should cover not only the debt but also the expenses in relation to collection. Any excess is transferred to the judgment debtor. In the event of a shortfall, further action will lie over the personal assets of the debtor and the debt and collection costs are paid out pro-rata.

Time estimate

It takes us in the region of 9.5 to 11 hours to investigate assets, send formal notice and submit an application to freeze assets. Time in litigation will vary but will generally be around 20 billable hours.