

Bulgaria adopts new whistleblowing legislation

The new Act enters into force in 3 months, requiring some companies to implement internal procedures by May 2023

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On 27 January 2023, the Bulgarian Parliament adopted the *Act on the Protection of Persons who Report Breaches* (the "Whistleblowing Act", *Закон за защита на лицата, подаващи сигнали или публично оповестяващи информация за нарушения*). Adopted after more than a year delay and several unsuccessful attempts, this new Act implements the requirements of the EU Whistleblowing Directive (Directive (EU) 2019/1937) in Bulgarian law.

The Whistleblowing Act was published in the State Gazette on 02 February 2023 ([link](#), in Bulgarian), and it will into force in 3 months – on 02 May 2023. By this date, companies with more than 249 employees must have in place their internal whistleblowing channels and procedures. Companies with 50 to 249 employees will have until 17 December 2023 to comply with this obligation.

This is the first dedicated whistleblowing protection instrument in Bulgaria. By implementing the EU rules, it will introduce entirely new concepts and procedures in Bulgarian law and will have a considerable impact on most businesses and the public sector. Companies will only have a few months to prepare and to implement the new requirements. *This means many companies will have to address multiple new challenges* considering the novelty of these new requirements and their potential inexperience with adopting such internal procedures.

On the other hand, the new Act is expected to increase business integrity and transparency. The new requirements may positively contribute to Bulgaria's attractiveness as a location for international businesses.

Generally, in line with the EU Whistleblowing Directive, the Whistleblowing Act provides a number of obligations for companies, such as establishing internal reporting channels and prohibiting retaliation against whistle-blowers. A particularity of the Bulgarian Act is that it has a wider scope of application, providing the benefits under it to signals in relation to, among others, general criminal law breaches and breaches of employment legislation. In this respect, international companies may have to adapt their existing whistleblowing channels and policies to the local requirements in order to achieve compliance.

Experience from other EU member states shows that whistleblowing legislation, although creating additional obligations for businesses in terms of compliance and internal processes, could be an efficient

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and reliable tool to improve business integrity, efficiency and profitability. If carefully designed and implemented, and with appropriate training of personnel and dedicated staff, whistleblowing channels may become a source of added value for businesses.

In the following weeks, we will publish further Client Alerts with additional details on the Bulgarian Whistleblowing Act and practical tips for businesses regarding how to prepare themselves, what to expect and what has to be done in order to comply with this landmark piece of legislation.

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