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CRC budget implementation for 2015

Commission for Regulation of Communications is a primary administrator of budget.

By the Law on State Budget of the Republic of Bulgaria for 2015 the Ministry of Finance has determined for the CRC:

- Revenue amounting to BGN 81 500 thousand.
- Expenses amounted to BGN 7 596 thousand.

The Commission administers revenue pursuant to Art. 51, para. 1, of the LEC and Art. 62 of the PSA.

In 2015, the receipts to the Commission's budget totalled BGN 64 191 thousand from fees, penalty notices and interest, which represents a 79% fulfilment. The fees with relatively permanent nature concerning the permits issued for use of individually assigned scarce resource were reached BGN 43,000 thousand. The remaining BGN 38 500 thousand are intended as income from one-time fees and are not fulfilled, regardless of taken measures by the Commission. In 2015, CRC on two occasions announced its plans to hold a tender for issuance of permits for use of radio frequency spectrum in 2500-2690 MHz radio frequency band with the Decisions No. 411 of 31.08.2015, and No. 477 from 08.10.2015, as in specified deadlines there were no intentions submitted by the undertakings.

As a good practice in regard to revenue collectability can be mentioned that the commission annually reminds the undertakings for the opportunity to use 5 percentile discount for payment of annual fees for use of individually assigned scarce resource - numbers, radio frequency spectrum and/or positions of geostationary orbit allocated to Republic of Bulgaria under international agreements, until March 31 of the relevant year in accordance with Art. 13, para. 2, of the Tariff of fees collected by the CRC under the LEC, by:

- publishing a communication on the website of the CRC and
- sending of automatically generated individual e-mail messages.

As a result, in 2015 95% of the revenue from that type of fees has been collected as early as in the first quarter of the year, and the trend is durable and ascending and more undertakings take advantage of the opportunity provided.

The structure of the revenue part of the CRC budget for 2015 was as follows:

Table 13

Type of revenue	Value BGN'000	Share (%)
1. Own revenue approved with the CRC budget for 2015	81,500	
2. Revenue realised for 2015, incl.:	64,191	100.00
- one-off fees	15,679	24.43
- administrative annual charge - control	4,450	6.93
- charges for the use of an individually assigned scarce resource - radio frequency spectrum	31,404	48.92
- charges for the use of an individually assigned scarce resource – positions on a geostationary orbit assigned for the Republic of Bulgaria according to international agreements	143	0.22

- charges for the use of an individually assigned scarce resource following tender calls	2,375	3.70
- charges for the use of an individually assigned scarce resource - numbers from the National Numbering Plan (NNP)	7,534	11.74
- fines and property sanctions	2,575	4.01
- interest	31	0.05

Distribution of revenue receipts and costs incurred in 2015

The revenue received at CRC in 2015 was allocated pursuant to Art. 148 of the LEC and Art. 64 of PSA in revenue to the state budget (SB), MTITC and the budget of the CRC as follows:

Table 14

No.	ALLOCATION LINES	DEDUCTIONS ON ITEMS (BGN '000)	SHARE (%)
A.	TOTAL REVENUE ASSIGNED TO THE STATE BUDGET, INCL. by:	22,350	34.82
1	Annual charges for the use of an individually assigned scarce resource - radio frequency spectrum	7,851	35.13
2	Annual fees for the use of an individually assigned scarce resource - positions on a geostationary orbit assigned for the Republic of Bulgaria according to international agreements;	100	0.45
3	One-off fees for additional use of radio frequency spectrum	10,677	47.77
4	Charges for the use of individually assigned scarce resource following tender calls	1,662	7.43
5	Fines and property sanctions	2,060	9.22
B.	TOTAL REVENUE ASSIGNED TO THE MTITC, INCL.:	15,434	24.04
1	Annual charges for the use of an individually assigned scarce resource - RFS	10,991	71.21
2	Annual fees for the use of an individually assigned scarce resource - positions on a geostationary orbit assigned for the Republic of Bulgaria according to international agreements	36	0.23
3	One-off fees for additional use of radio frequency spectrum	3,813	24.71
4	Charges for the use of individually assigned scarce resource following tender calls	594	3.85
C.	TOTAL REVENUE ASSIGNED TO THE CRC BUDGET, INCL.:	26,407	41.14
1	One-off administrative fees for issuance of authorisations and for administrative services	427	1.61
2	One-off fees for additional use of radio frequency spectrum	762	2.89
3	Administrative annual charge - control	4,450	16.85

4	Annual charges for the use of an individually assigned scarce resource - RFS	12,562	47.57
5	Annual fees for the use of an individually assigned scarce resource - positions on a geostationary orbit assigned for the Republic of Bulgaria according to international agreements	7	0.03
6	Charges for the use of individually assigned scarce resource following tender calls	119	0.45
7	Annual charges for the use of individually assigned scarce resource - numbers from the NNP	7,534	28.53
8	Fines and property sanctions	515	1.95
9	Interest	31	0.12
	TOTAL DEDUCTIONS TO ALLOCATION LINES	64,191	100.0

In connection with Art. 163, para. 1 of the Tax-Insurance Procedure Code and Art. 337 of the LEC, in non-payment of public debts and infringement CRC has issued acts for establishing public receivables and penalty notices. On the basis of item 74 of the Instructions of the Ministry of Finance to STD No. 12 of 10.12.2009 by the National Revenue Agency in 2015 were forcibly collected revenue amounting to BGN 1 582 thousand, distributed as follows:

Table 15

Revenue from:	Percentage ratio for distribution	Total	Allocation		
	(%)	(BGN '000)	S.B. (BGN '000)	MTITC (BGN '000)	CRC (BGN '000)
1.	2.	3.	4.	5.	6.
Penalty notices (PNs)	80-0-20	63	50	0	13
Acts for finding public state receivables (AFPSRs)	25-35-40	9	2	3	4
Interest under PNs and AFPSRs	0-0-100	1,510	0	0	1,510
TOTAL:		1,582	52	3	1,527

The funds under the Commission's budget is being spent on financing its activities (including projects related to the regulation of markets), for participation in the work of Body of European Regulators for Electronic Communications and to provide efficient and effective control.

Structure of expenses for 2015 is as follows:

Table 16

Type of expenses	Value (BGN '000)	Share (%)
1. Salaries	3,635	51.55
2. Social security contributions	920	13.05
3. Other remunerations and payments	183	2.60
4. Operative costs	1,804	25.58
5. Membership fee	51	0.72

6. Capital expenditure	458	6.50
Total expenses	7,051	100%

In 2015, the budgetary fund spending has been carried out in strict compliance with financial discipline and implementation of priority projects that are assigned to the CRC by legislative acts.

In the Commission was established organisation for exercising control upon admission, spending and reporting of budgetary funds in compliance with the principles of legality, appropriateness, effectiveness and efficiency.