



## IV. BUDGET

### *CRC budget implementation for 2016*

The Communications Regulation Commission is a primary administrator of budget.

By the Law on State Budget of the Republic of Bulgaria for 2016, the Ministry of Finance has determined for the CRC:

- Revenue in amount of BGN 60 000 thousand
- Expenses in amount of BGN 8 428 thousand

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

In 2016 the revenue earned from fees, penalty notices and interest amounted to BGN 90 735 thousand, which was 151% fulfilment.

Over fulfilment is as a result of one-time revenue earned. The main share of the revenue is formed by the paid one-off fees for an additionally provided individually assigned scarce resource – radio frequency spectrum in the 1800 MHz band by the undertakings: TELENOR BULGARIA EAD, MOBILTEL EAD, BULGARIAN TELECOMMUNICATION COMPANY EAD and MAX TELECOM OOD – BGN 39 million (or 43 % of the total revenue).

The structure of the revenue part of the CRC budget for 2016 was as follows:

*Table 13*

Type of revenue	Value in BGN thousand	Share (%)
<b>1. Own revenue approved with the CRC budget for 2016</b>	<b>60 000</b>	
<b>2. Revenue realised for 2016, incl.:</b>	<b>90 735</b>	<b>100.00</b>
- one-off fees under the LEC	40 371	44.49
- one-off fees under the PSA	10	0.01
- administrative annual charge-control	5 036	5.55
- charges for the use of an individually assigned scarce resource – radio frequency spectrum	34 790	38.34
- 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	114	0.13
- charges for the use of an individually assigned scarce resource following tender calls	2 434	2.68

Type of revenue	Value in BGN thousand	Share (%)
- charges for the use of an individually assigned scarce resource – numbers from the National Numbering Plan (NNP)	7 459	8.22
- fines and property sanctions	328	0.36
- interest	193	0.22

*Distribution of revenue receipts and costs incurred in 2016*

The revenue received at CRC in 2016 was allocated pursuant to Art. 148 of the LEC and Art.64 of the 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 thousand)	SHARE (%)
<b>A.</b>	<b>TOTAL REVENUE ASSIGNED TO THE STATE BUDGED, INCL. BY:</b>	<b>38 502</b>	<b>42.43</b>
1	Annual charges for the use of an individually assigned scarce resource – radio frequency spectrum	8 697	22.59
2	Annual 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	80	0.21
3	One-off fees for additional use of radio frequency spectrum and renewal of authorisation to use radio frequency spectrum	27 757	72.09
4	Charges for the use of an individually assigned scarce resource following tender calls	1 704	4.42
5	Fines and property sanctions	262	0.68
6	One-off fees under the PSA	2	0.01

<b>B.</b>	<b>TOTAL REVENUE ASSIGNED TO MTITC, INCL.:</b>	<b>22 731</b>	<b>25.05</b>
1	Annual charges for the use of an individually assigned scarce resource - radio frequency spectrum	12 177	53.57
2	Annual 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	28	0.12
3	One-off fees for additional use of radio frequency spectrum and renewal of authorisation to use radio frequency spectrum	9 913	43.61
4	Charges for the use of an individually assigned scarce resource following tender calls	608	2.68
5	One-off fees under the PSA	5	0.02
<b>C.</b>	<b>TOTAL REVENUE ASSIGNED TO THE CRC BUDGET, INCL.:</b>	<b>29 502</b>	<b>32.52</b>
1	One-off administrative fees for issue of authorisation and for administrative services	718	2.43
2	One-off fees for additional use of radio frequency spectrum and renewal of authorisation to use radio frequency spectrum	1 983	6.72
3	Administrative annual control fee	5 036	17.07
4	Annual charges for the use of an individually assigned scarce resource - radio frequency spectrum	13 916	47.17
5	Annual 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	6	0.02
6	Charges for the use of an individually assigned scarce resource following tender calls	122	0.41

7	Annual charges for the use of an individually assigned scarce resource – NNP numbers	7 459	25.28
8	Fines and property sanctions	66	0.23
9	Interest	193	0.66
10	One-off fees under the PSA	3	0.01
	<b>TOTAL DEDUCTIONS TO ALLOCATION LINES</b>	<b>90 735</b>	<b>100.0</b>

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 issues 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 2016 were forcibly collected revenue amounting to BGN 4 015 thousand, distributed as follows:

*Table 15*

Revenue from:	Percentage ratio for distribution	Total	Allocation		
	(%)	(BGN thousand)	SB (BGN thousand)	MTITC (BGN thousand)	CRC (BGN thousand)
1.	2.	3.	4.	5.	6.
Penalty notices (PNs)	80-0-20	44	35	0	9
Acts for finding public state receivables (AFPSRs)	25-35-40	8	2	3	3
Acts for finding public state receivables (AFPSRs)	0-0-100	1 262	0	0	1 262
Interest under PNs and AFPSRs	0-0-100	2 701	0	0	2 701
<b>TOTAL:</b>		<b>4 015</b>	<b>37</b>	<b>3</b>	<b>3 975</b>

The funds under the Commission's budget are being spent on financing its activities (including projects, related the regulation and liberalisation of markets), for participation in the work of BEREC, for provision of efficient and effective control.

Structure of expenses for 2016 is as follows:

*Table 16*

<b>Type of expenses</b>	<b>Value (BGN thousand)</b>	<b>Share (%)</b>
1. Salaries	3 812	48.92
2. Social security contributions	938	12.04
3. Other remunerations and payments	171	2.19
4. Operative costs	1 724	22.13
5. Membership fee	70	0.90
6. Capital expenditure	1 077	13.82
<b>Total expenses</b>	<b>7 792</b>	<b>100%</b>

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.

In 2016 the budgetary funds spending was carried in strict compliance with financial discipline. Projects, assigned to the CRC by legislative acts were implemented of priority. Updating of the dedicated radio monitoring software was launched.

The following has been ensured in this way:

- pursuance of the main CRC activity on control of the efficient use of the assigned scarce resource – radio frequency spectrum and numbers.
- pursuance of quality standards for the universal postal service (UPS), thus ensuring more quality services for the users.
- implementation of the statutory mechanisms for compensation of unfair burden from the universal service provision.