

# **D.A. TSENOV ACADEMY OF ECONOMICS**

**Faculty of Finance  
Finance and Credit Department**

**Bilyana Diyanova Damyanova, PhD student**

**Doctoral № d020218173**

## ***ASSET FINANCING THROUGH LEASING – CURRENT ISSUES AND CHALLENGES***

### **AUTHOR'S ABSTRACT**

of dissertation for awarding educational and scientific degree  
"Doctor"(in Economics) in the doctoral programme "Finance, Money  
Circulation, Credit and Insurance (Finance)"

***Scientific Advisor:***  
***Prof. Teodora Dimitrova, PhD***

**Svishtov**

**2022**

The dissertation was discussed and proposed for defense at a meeting of the Department Council of the Department of Finance and Credit at the Faculty of Finance of Dimitar A. Tsenov Academy of Economics – Svishtov.

Data about the dissertation:

Number of pages – 180

Number of figures – 62

Number of tables – 3

Number of references – 100

Number of doctoral publications – 4

The defense of the dissertation will take place on 10 February, 2023 at 10:30 a.m. in the Rectorate Conference Hall of Dimitar A. Tsenov Academy of Economics, Svishtov.

The materials on the defense are in the Department of Doctoral Studies and Academic Development of the Dimitar A. Tsenov Academy of Economics - Svishtov

## CONTENTS OF THE ABSTRACT

- I. General characteristics of the dissertation
  1. Relevance of the topic
  2. Object and subject of the research
  3. Research thesis
  4. Purpose of the dissertation
  5. Research tasks and methodology
  6. Scope of the research
  7. Structure of the research
  8. Applicability of the research results
  
- II. Main contents of the dissertation
  - Chapter one. Theoretical aspects of leasing
  - Chapter two. Current issues in asset financing through leasing
  - Chapter three. Challenges in asset financing through leasing
  - Conclusion
  
- III. Guidelines for future research on the dissertation topic
- IV. List of the scientific and applied contributions of the dissertation paper
- V. A list of the publications on the dissertation topic
- VI. A reference for the compliance with the requirements for NACID indexing pursuant to the Regulations on the Implementation of the Development of Academic Staff in the Republic of Bulgaria Act
- VII. Statement of originality

## **I. General characteristics of the dissertation paper**

### **1. Relevance of the topic**

The financial system of the Republic of Bulgaria is a combination of two aspects - economic (financial relations) and institutional (institutions). Economic management is a key factor in the gradual improvement of the technological world. In this world, the economic agents - government, companies and households, determine their attitudes, which reflect on demand and supply in the conditions of a market economy. The institutional aspect of the financial system is formed by specialized institutions - the Ministry of Finance, the Bulgarian National Bank, the Audit Chamber, supreme authorities and others which manage financial relations for the prosperity of our country.

One of the main areas for which, in parallel with the development of financial and economic relations, the effective service of economic agents is a main task, is banking. In its essence, “the bank (Bozhinov, B., 2013) is a legal entity that carries out public attraction of deposits or other recoverable funds and provides loans or other financing at its own expense and at its own risk.” In recent years, the variety of products and services that banks provide to their clients - legal entities and individuals - has been increasing. Some of the more important ones are as follows: bank accounts, cash and contactless payment services, lending to individuals and legal entities, bank savings products, bank payment cards, remote banking, documentary operations, specific forms of bank lending, custody and investment services.

The dissertation is focused on the group of specific forms of bank lending and more specifically, on leasing as a form of asset financing. The actuality of the topic is based on the fact that in modern market conditions, more and more economic agents are resorting to leasing as a specific, but at the same time

highly effective and flexible method of financing due to the presence of significant advantages which it possesses. The leasing market in the Republic of Bulgaria is increasingly expanding its scope and gaining popularity for the improvement of economic activity in the country. The tracking of key leasing indicators provides an opportunity for management and optimization regarding the state and trends in one of the elements of the financial system that supports the country's economic growth.

## **2. Object and subject of the research**

**The object** of the dissertation is leasing as a source of asset financing.

**The subject** covers current problems and challenges in the management of the leasing process.

## **3. Research thesis statement**

**The thesis** that the author defends in the course of the research is: highlighting the problem-oriented challenges facing the leasing market is a prerequisite for optimizing the leasing process and for improving the management of leasing companies.

## **4. Research purpose**

The aim of this dissertation is to present and analyze the process of asset financing through leasing for the period 2010-2020, identifying the current problems and challenges facing the industry.

## 5. Research tasks and methodology

The aim defined predetermines the following more important **tasks**:

- Carrying out a retrospective analysis regarding the origin and evolution of leasing - the theoretical foundations for the essence of leasing and its forms offered on the leasing market;
- Analysis of the dynamics and trends facing the state of the leasing market in the Republic of Bulgaria for the period 2010-2020;
- Structuring the parametric profile of the leasing transaction;
- Studies of factors affecting the leasing process;
- Development of a toolkit for optimization of the leasing process.

In the present study, in methodological aspect, the dissertation paper refers to the use and application of the following types of analysis: "ex post", structural, comparative, practical, survey method. The obtained results are presented through a graphical method which gives a picture of the leasing market in the Republic of Bulgaria.

The dissertation was developed on the basis of a researched bibliography, publicly available statistics, and primary data. A questionnaire survey was also compiled to achieve the main aim of the study.

## 6. Scope of the study

The dissertation **covers** the state of the leasing market in the Republic of Bulgaria after the financial and economic crisis in 2008. The author chooses a period of consideration from 2010 to 2020 due to an interest related to the stabilization of the leasing market niche after the severe upheaval in the economic world. **Beyond the scope** of the thesis is a detailed statistical analysis of the state of the leasing market in the Republic of Bulgaria during and after the

impact of the COVID-19 crisis and the military actions in Ukraine, as well as the problems and challenges of the leasing process when introducing digitalization reforms.

## **7. Structure of the dissertation**

The dissertation paper is of total volume of 180 standard pages, structured in three chapters as follows:

# **CONTENTS**

## **INTRODUCTION**

### **CHAPTER ONE. THEORETICAL ASPECTS OF LEASING**

1. Origin and evolution of leasing
2. Essential characteristics and forms of leasing
3. Comparative advantages and disadvantages of leasing in asset financing

### **CHAPTER ONE CONCLUSIONS**

### **CHAPTER TWO. CURRENT ISSUES IN THE ASSET FINANCING THROUGH LEASING**

1. Analysis of the state of the leasing market in the Republic of Bulgaria
2. Parametric profile of the leasing transaction
3. Management of the leasing process

### **CHAPTER TWO CONCLUSIONS**

### **CHAPTER THREE. CHALLENGES IN ASSET FINANCING THROUGH LEASING**

1. Analysis of factors affecting the leasing process
2. Risk management of the leasing activity
3. Opportunities to optimize the leasing process

### **CHAPTER THREE CONCLUSIONS**

## **CONCLUSION**

## **APPENDICES**

## **BIBLIOGRAPHY**

**A list of the publications on the dissertation topic**

**A reference for the compliance with the requirements for NACID indexing pursuant to the Regulations on the Implementation of the Development of Academic Staff in the Republic of Bulgaria Act**

**Statement of originality**

## **Applicability of the results from the conducted research**

The reasoning from a theoretical aspect and the conclusions and findings reached in the dissertation focus mostly on the empirical results of the research and aim to support the claim that highlighting the problem-oriented challenges facing the leasing market is a prerequisite for optimizing the leasing process and improving management of the leasing companies.

The optimization of the leasing process is possible by creating a web-based platform "**Leasing experience**", which can be individual for each leasing company or common for all leasing institutions. The capital allocated by the leasing companies to the development of a platform will not be small in absolute value, but it will contribute many times to fast, quality and profitable customer satisfaction in a world of technology.

The literary and informational sources studied and used in the dissertation, applied models and developed research approaches are extremely useful and effective for the author in her professional activity and improve her competences and work ability, while at the same time they could help any party interested in the subject.

## II. Main content of the dissertation

### CHAPTER ONE. THEORETICAL ASPECTS OF LEASING

In the current chapter of the dissertation, emphasis is placed on the search for answers to the questions: - When and where did leasing originate and how did it evolve in modern economic conditions? What are the main forms and their essential characteristics offered on the market? What are the comparative advantages and disadvantages of leasing in asset financing?

**First.** Origin and evolution of leasing

**Second.** Essential characteristics and forms of leasing

**Third.** Comparative advantages and disadvantages of leasing in asset financing

By tracing leasing chronologically, using ex post analysis, it is found to be a relatively old way of financing assets with a rich history and many transformations to acquire its modern purpose. Today, in the 21st century, leasing is one of the most effective ways to purchase expensive assets that are vital for the development and upgrading of existing capital markets.

Based on the main characteristics of the leasing and its types encountered in theory and practice, the following definition of leasing can be derived. “Leasing” is a comprehensive and modernized method of assets financing. In recent decades, it can be considered a springboard for newly created and underdeveloped enterprises to improve and take a competitive place in the market. *In theory, it could be defined as a specific type of written agreement by which the lessor transfers to the lessee the right to use a certain asset for a fixed period of time in return for the corresponding agreed payment.*

Based on the advantages and disadvantages of leasing financing, developing enterprises are supplied with new and modernized assets and technologies, allowing more volume of production, which brings profit to the

company. As a result, they become more competitive in the market. Leasing is a relatively cheap way to asset financing, using a set of variable parameters - deductible, term, interest, assets, which depend on the desire and capabilities of the lessees - legal entities or individuals. Lessees save a very important resource, namely "time", which can be used for other purposes. Leasing companies take on much of the administrative work involved in the leasing process. Each lessor protects the interests of its clients, so that they are maximally satisfied with the asset provided for their use and the accompanying services. Leasing financially obligates the lessee, who must plan and implement their business plans well in order to be solvent and creditworthy for the entire term of the lease contract.

## **CHAPTER ONE CONCLUSIONS**

From the presentation made in chapter one: Theoretical aspects of leasing, the following more important conclusions have been formed:

**First:** Leasing is a historically rich form of financing that has undergone many transformations. It can be defined as the "root" of newly created and underdeveloped enterprises. With its help, they become competitive in the market.

**Second:** The variety of types of leasing offered on the leasing market contributes to the maximum satisfaction of the needs of legal entities and individuals.

**Third:** The advantages and disadvantages that leasing possesses rank it in the first positions among the sources of asset financing.

## **CHAPTER TWO. CURRENT ISSUES IN THE ASSET FINANCING THROUGH LEASING**

There are many obstacles to a country's economic prosperity. Timely detection of problems and the use of various methods for their elimination is the basis of fast and high-quality adaptation to force majeure situations. Chapter Two is structured as follows:

**First.** Analysis of the state of the leasing market in the Republic of Bulgaria

**Second.** Parametric profile of the leasing transaction

**Third.** Management of the leasing process

The leasing market in the Republic of Bulgaria has an increased interest in financial leasing with its varieties, compared to operational leasing, which is less developed in our country. The leasing contracts concluded are medium-term and long-term, and their term varies from 1 to 5 years, which is 80% of the total contracts. In relation to the interest rate, the leasing transactions with the largest volume have a floating interest rate, which is lower than the fixed rate and is therefore preferred by economic entities. The property that lessees choose for financing is movable. It is highly developed in the field of vehicles, which occupy more than half of the total receivables and new business in financial and operational leasing. Next are the machinery, plant and industrial equipment that are needed to increase productivity and expand the market. A poorly developed sector of the leasing market is real estate financing, followed by computers and other electronic equipment, which accounts for less than 1% of total receivables and new business under the two main types of leasing – financial and operational.

Regarding the leasing penetration indicator, which shows the investment activity in the country and the interest in the development of the scientific and technological process, the leasing market in the Republic of Bulgaria is

approximately in the middle of the ranking in Europe. The analyzed result is due to the relatively proportional levels of the leasing portfolio and new business towards GDP. It follows that the leasing industry provides the necessary support to the home economy.

In the event of mild shocks in the economy, the leasing market is susceptible because it is related to the investment activity of economic entities, but a relevant and consistent market research could prevent possible economic shocks.

A leasing transaction is a combination of mutually complementary processes. The parametric profile of a leasing transaction goes through twelve stages, and each stage is extremely important for the correctness and legality of the entire leasing process. The author points out the main problems that may arise in the course of each separate stage and the cause-and-effect relationships between them. The first problem is a misunderstanding of the subject matter of the leasing process, as a result of which the leasing transaction may not take place. The second problem is related to an incorrectly completed leasing request, but to avoid this situation, the lessor assists in filling out the form. A longer identification of the lessee in the case of negative reviews is ranked third. This process can lead to customer impatience, which is a negative signal for the leasing company itself and can also lead to the loss of a leasing transaction, which in turn leads to a deficit in the revenue part and a loss of market share. A major problem that would occur during the processing of the deposited documents is the approval of the leasing transaction, but with additional conditions that would lead to more complicated administration of the transaction and customer dissatisfaction. The problematic aspect at the stage of signing lease documents comes from a legal point of view, therefore leasing companies must be flexible and react to changes in some articles of the leasing agreement.

The process of purchasing the leased object can be summarized as the most essential of all, because in its course, the most challenges arise that can be

considered problem-oriented. The first problem is related to the possibility of the seller refusing to sell the object of the contract. The second problem that can arise is the method of payment for the asset. The third problem, which is quickly solvable, is from a legal point of view. Delays in some of the above issues test the lessee's patience, where the "exam" may fail, resulting in a change in the terms of an approved leasing or outright legal termination of the leasing and a loss for the parties.

During the "life" of the lease, the lessee may not be satisfied with the service or terms from the original insurer, triggering a process of switching the insurance company. This stage is related to the return of issued policies and their termination, and issuance of new ones under different conditions and insurance premiums.

In practice, there are rarely situations where it is impossible to register the asset. This case has two outcomes: termination of the leasing agreement and purchase-sale agreement and reimbursement of the parties' costs or registration of the asset in the Central Register of Special Pledges, if the registration of the asset is not vital for the operation of the leased object.

The main problem that arises is if, after handing over an asset to the lessee and after its exploitation, the leased object is found to not correspond to their preferences due to the technical parameters it possesses. The resolution of this issue is between the supplier of the asset and the lessee, because the leasing company is a financing institution, not the producer of the asset. In this situation in the practice, the supplier offers to repair the asset free of charge or replace it with a new one, in which the lease goes through a transformation, because what follows is a procedure to early repayment, termination under a condition, and entry into debt.

The transfer of ownership generates additional costs – a certificate of insurance assessment of the asset to be transferred, notary costs, cost of

acquisition tax, re-registration in the name of the new owner, which may lead to disruption of the welfare of economic entities.

The management of the leasing process begins after the activation of the leasing contract in the lessor's system, which is a consequence of the acceptance and handover of the leased object for a fixed period specified in the contract.

In the practice in the course of managing the leasing process, there are various variables that lead to problems, where finding solutions quickly generates positive effects for the interested parties. In this connection, there are restructurings - termination of a contract under a condition, rescheduling of residual value, early purchase of one leased object under a leasing agreement with several leased objects, and entry into debt. All changes are reflected with the help of additional annexes or agreements to the concluded leasing contract.

## CHAPTER TWO CONCLUSIONS

From the presentation made in chapter two: Current issues in assets financing through leasing, the following more important conclusions have been formulated:

**First:** The leasing market in Bulgaria is highly developed in the field of movable property. A poorly developed niche is real estate due to the complex process developing in a long-term time aspect. The strict monitoring of the leasing market in Bulgaria is an essential tool that would lead to the disclosure of current problems and opportunities for their optimization.

**Second:** The leasing process, regardless of the term of the leasing agreement, is lengthy and goes through interconnected and complementary processes and issues, without which the lease will not be legally enforceable and ownership will not be validly transferred.

**Third:** The management of the leasing process is complex and is a set of many factors that must be strictly monitored and managed in order to be

correctly reflected in the financial statements of lessees and lessors and avoid tax penalties.

## **CHAPTER THREE. CHALLENGES IN ASSET FINANCING THROUGH LEASING**

Leasing is a lengthy process that faces many challenges. Upheavals in economic life have a strong impact on the management of the leasing transaction, where the need to carry out strict monitoring of the tools to maintain optimal leasing levels is essential.

Chapter three is divided into the following three paragraphs:

**First.** Analysis of factors affecting the leasing process

**Second.** Risk management of the leasing activity

**Third.** Opportunities to optimize the leasing process

The leasing process is a set of interconnected stages that directly and indirectly affect lease financing. With the help of a survey, the factors determining consumer interest in leasing products and services will be systematized. Its results will help to analyze the reasons that affect the leasing process and the identification of challenges that can be considered problem-oriented. The questionnaire survey is structured into four logically linked sets of questions. **The first section** focuses on general information about the respondents who participated in the study. Two subjects of law are included in the survey - legal entities and natural persons. Legal entities participating in the survey have different legal forms and spheres of activity - transport and logistics (32.8%), production and trade activity (23%) and agricultural activity (19.7%). Companies with an annual turnover of BGN 1,000,001 to BGN 3,000,000 predominate, from which it follows that wealthy legal entities use leasing financing to support their business goals. The natural persons participating in the

study fall into a different age range - 26 to 35 years old, with an educational status of higher and above. Marital status suggests an increase in the birth rate. Part of the respondents (37.6%) are families with two or more persons. Monthly income is essential to a client's risk profile, so the higher it is, the lower the risk. The surveyed persons with the largest relative share have a monthly income within the limits - over 5,001BGN and 1,001-3,000 BGN. **The second section** is related to the factors determining consumer interest in leasing products and services. Lease financing is gaining popularity as a method of asset financing, thanks to the flexibility, transparency of terms and benefits it offers. The majority of respondents (63.4%), participants in the study, in the last year - 2021, purchased an asset through leasing. The factors that have an impact on the leasing process are numerous, but the most important are as follows: the consumer interest of economic agents, the economic condition of our country, the type of lease, the asset being financed and its delivery value, the term, interest, and the insurance conditions. Based on the survey, servicing the customer portfolio is essential for its preservation and increase. Almost 50% of the respondents expressed the opinion that good communication, quality and speed of service and assistance in case of worsened payment behaviour and financial situation are decisive when choosing a leasing company. **The third section** focuses on the impact of the COVID-19 pandemic on the leasing process. COVID-19 is a major challenge to the financial and economic life of the whole world. Under its conditions, consumer attitudes change rapidly, which leads to the shrinking of market niches and strongly influences the leasing market. The moratorium offered by the BNB for the temporary postponement of principal and/or interest payments on bank loans acts as a stimulus for the severely affected companies and individuals and gives strength to deal with the emergency situation. **Section Four:** Challenges to the leasing process that may be considered problem-oriented. The political-economic environment directly and indirectly affects the leasing business environment. Due to the uncertainty

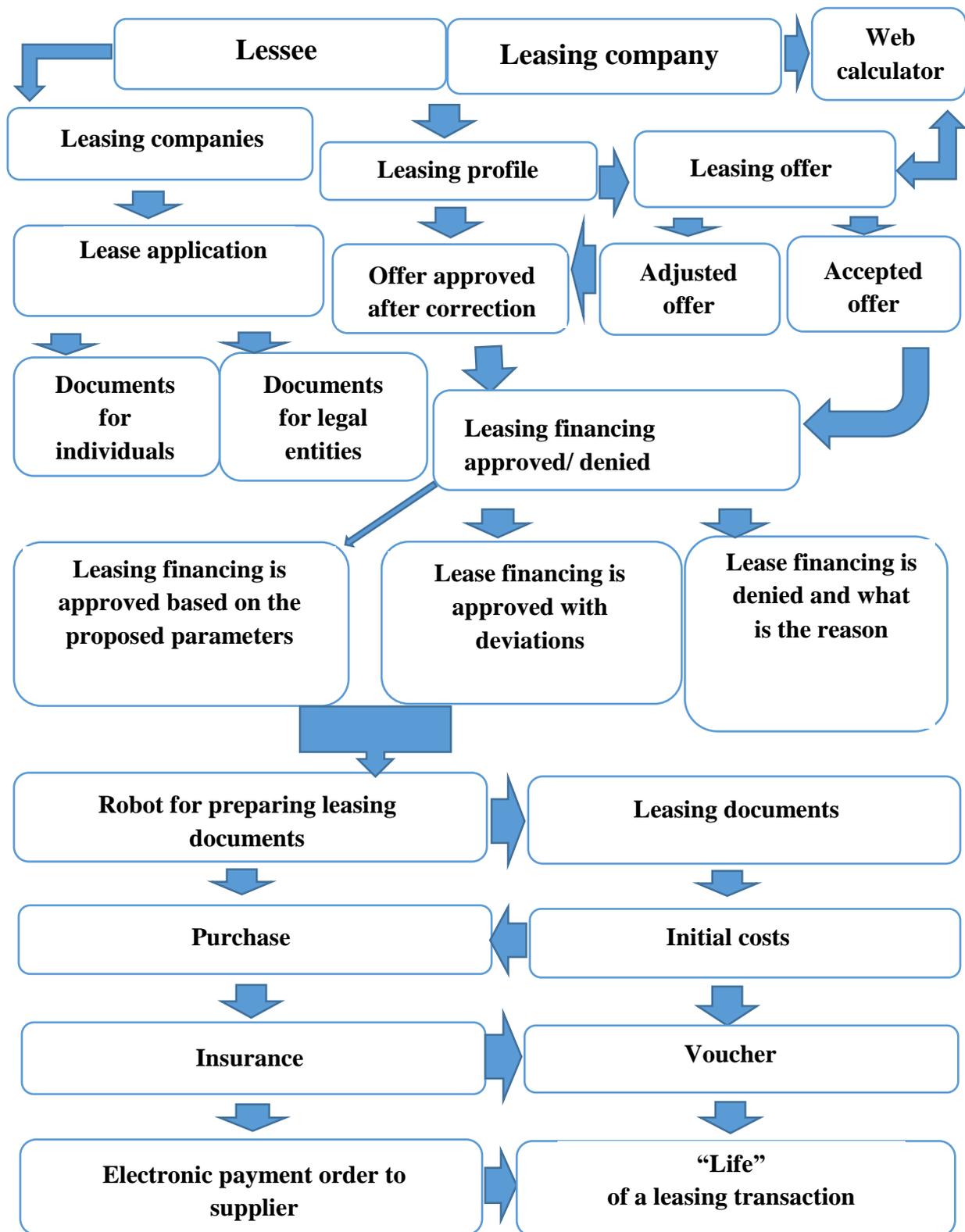
facing the entire world, 57% of survey respondents said they were afraid to invest in a new product. The leasing process is faced with many challenges, some of which can be considered problem-oriented: the document flow, which is signed at the beginning of a leasing relationship with a leasing company, the mandatory insurances - motor insurance or property for the entire term of the leasing contract; the additional costs associated with the transfer of ownership of the leased object, and the age of the asset that can be financed through leasing. Risk is a significant factor in determining the challenges because it is an inevitable part of leasing financing and the life of the leasing. The most significant risk facing both parties is the risk of the lessee's financial deterioration. With the right methods and monitoring, a matrix can be created to minimize problems and turn them into benefits for the parties in a leasing experience.

Risk management is a complex process, which is based on a diverse methodology, with the help of which possible losses for the leasing company are minimized. The risk management of the leasing transaction is a set of internal and external indicators that, through regular monitoring, are managed in order to increase the benefits and reduce the risks for the interested parties. The stable financial condition of legal entities and the good welfare of individuals are factors for low-risk leasing portfolios.

Optimization of the leasing process is complex due to the specificity of leasing financing and its set of interconnected stages. Leasing, as a complex socio-economic phenomenon, performs the most important functions for ensuring the efficiency of production of business entities and strengthening their innovation and production activity. Despite the nature of leasing, leasing companies are seeking to digitize some stages of the leasing process. By building a web-based platform of the type "**Leasing experience**", which can be individual for each leasing company or common for all leasing institutions, it is possible to optimize the leasing process. The capital allocated by the leasing

companies to the development of a platform will not be small in absolute value, but it will contribute many times to fast, quality and profitable customer satisfaction. **Figure 1** presents the lease optimization process as follows:

## *Leasing experience*



*Figure 1. Web-based platform "Leasing experience"*

*Source: Author's adaptation*

## CONCLUSIONS ON CHAPTER THREE

The conclusions on the third chapter, which is devoted to the analysis of the factors affecting the leasing process, its management and the possibilities for its optimization, are related to the following findings:

**First.** With the help of the survey, the factors affecting consumer interest in leasing products and services have been systematized - the type of lease, the asset being financed and its delivery value, the term, interest and insurance conditions. The segment that stands out from the others is movable property and more specifically, vehicles. The concluded leasing contracts have a lifetime of 4 to 5 years, with floating interest and an interest rate of 2% to 3%, with a one-time administrative fee. The insurance process is inseparable from leasing financing which protects the owner of the asset and indemnifies its user.

**Second.** The risk management of the leasing activity, refracted through the prism of business, is a complex process, combined with a diverse methodology, which is aimed at minimizing internal and external indicators, reflecting on the entire leasing process. Easier management and capture of risks is achieved through regular monitoring, which is fundamental for increasing the benefits and reducing the negative consequences of shocks in the financial and economic life of a given country.

**Third.** Digital transformation is the future of a competitive country that embraces innovation and is not afraid of changing trends. With the help of technology, the human factor capital will be directed to the improvement of electronic platforms with the aim of efficient and quality customer experience.

**Fourth:** By changing the regulations related to the transfer of ownership, more and more economic agents will proceed to leasing financing of agricultural machinery, which will lead to higher productivity, stimulation of Bulgarian producers and a higher percentage of areas under cultivation, which is favorable for the development of the economy of our country.

## CONCLUSION

The dissertation is aimed at highlighting the problem-oriented challenges facing the leasing market, which are a prerequisite for optimizing the leasing process and for improving the management of leasing companies. In the exposition, the main results and conclusions of the research have been consistently formed in a theoretical, methodological and practical aspect, as follows:

**First.** Historically, leasing is a method of asset financing that has undergone many transformations over the years to acquire its modern significance. Leasing is the attracted capital of newly created and underdeveloped enterprises which with little support become competitive on the market. The variety of types of leasing offered on the leasing market contributes to the maximum satisfaction of the needs of legal entities and individuals. The highlighted main advantages and disadvantages of leasing define it as a highly efficient and flexible method of asset financing.

**Second.** The theoretical propositions studied and the diversity of research in the field of leasing finance provides us with a summary of the impact of shocks in the economy on the leasing market. The author of the dissertation comes to the conclusion that in the event of slight shocks in the economy, the leasing market is susceptible, because it is related to the investment activity of economic entities, but the relevant and consistent research of the market could prevent possible economic upheavals.

**Third.** Leasing users have an increased interest in financial leasing with its rich assortment. On the leasing market in the Republic of Bulgaria, the market niche of movable property is increasingly developing. The interest resource is floating, and its price has a margin of 2% to 3%. The term of the lease contracts is from 4 to 5 years, which suggests a tendency for long-term financing with the aim of optimal leasing installments. The insurance and

leasing markets are interconnected, which is a factor in the development or contraction of segments of our country's economy. The evidence of the presented findings refers to a detailed statistical analysis of the leasing situation for the period 2010 – 2020 and the practical method that the author of the dissertation has used in the present scientific research.

**Fourth.** The parametric profile of the leasing transaction is a set of interconnected and complementary processes. Their monitoring is a key factor in the management of the leasing activity to achieve high consumer interest, prevent tax penalties and develop market niches that support the country's economic prosperity.

**Fifth.** The survey method used to achieve the set goal and objectives gives us the opportunity to determine the factors affecting leasing financing - the type of leasing, the asset being financed and its delivery value, the term, interest, and insurance conditions. With the help of the respondents, participants in the survey, the opinion of the author has been confirmed that the most developed niche of the Bulgarian leasing market is financial leasing with the subject of movable property and more specifically, means of transport. This fact once again suggests that the real estate is financed through bank lending.

**Sixth.** Risk management of a leasing company is an integral part of the leasing process. It is a factor for increasing market share and minimizing internal and external indicators that reflect on the leasing business environment. In the event of force majeure, risk managers adhere to a methodology aimed at preserving a regular leasing portfolio and reducing non-performing exposures.

**Seventh.** Successful management of the leasing market is achievable by adapting it to modern digitalization reforms. The developed "Leasing experience" electronic platform offer is a time saver and an initial step towards the optimization of the leasing process in a world with rapidly changing technologies. With its help, problems and challenges causing losses for a given leasing company will be more easily detected, which would prevent a negative

impact on the established company's reputation and a decrease in its market share.

Based on the above, as a summary, the following conclusion can be drawn: Investment activity in the country and interest in the development of the scientific and technological process are factors that determine the leasing market in the Republic of Bulgaria approximately in the middle of the ranking in Europe. This statement is due to the relatively proportional levels of the leasing portfolio and new business towards GDP, from which it follows that the leasing industry provides the necessary support to the home economy.

### **III. DIRECTIONS FOR FUTURE RESEARCH ON THE DISSERTATION TOPIC**

The problems with the present dissertation on the topic "Asset financing through leasing - current issues and challenges" are not exhausted and its relevance continues, thus the following directions for future research work on the problem can be determined:

1. In-depth analysis of the state of the leasing market in the Republic of Bulgaria during and after the COVID-19 crisis and the military actions in Ukraine.
2. Researching the problems and challenges of the leasing process when introducing the digitalization reforms.

#### **IV. REFERENCE ON THE SCIENTIFIC AND SCIENTIFIC-APPLIED CONTRIBUTIONS IN THE DISSERTATION**

**First.** On the basis of ex post analysis, the historical line of leasing has been traced in terms of its origin and evolution, and an author's definition of the term "leasing" has been derived, as a specific type of written agreement through which the lessor transfers to the lessee the right to use a certain asset for a fixed period of time in exchange for the corresponding agreed payment. Through the tools of the comparative analysis, the main advantages of leasing have been identified, defining it as a highly efficient and flexible method of asset financing.

**Second.** Based on the author's statistical analysis of the state of the leasing market in the Republic of Bulgaria for the period 2010 – 2020, the problems and challenges facing the industry are highlighted (the document flow, which is signed upon entering into a leasing relationship with a leasing company; the mandatory insurances - motor insurance or property throughout the lease term; the additional costs associated with the transfer of ownership of the leased object; the age of the asset that can be financed through leasing). In this regard, through the method of induction and deduction, specifics in the parametric profile of the leasing transaction have been deduced and an algorithm for its effective management has been proposed.

**Third.** Through an author's survey, consumer interest in leasing products and services has been empirically investigated. Based on a detailed causal analysis, the factors determining the tendency to use leasing as a method of financing assets, as well as the main risks for the participants in the leasing process have been systematized and tools for minimizing the risks in the leasing activity have been proposed.

**Fourth.** Based on the author's methodological analysis of the leasing process, possibilities for its optimization have been proposed, including a

modeled web-based platform of the "Leasing experience" type. The digitization of the leasing activity has been outlined as an economic necessity and a prospect for flexibility, efficiency and prosperity.

## LIST OF PhD STUDENT'S PUBLICATIONS ON THE DISSERTATION TOPIC

### Articles:

1. Damyanova, B. (2020). "The leasing market in Bulgaria – state and trends". "Godishen almanakh Nauchni izsledvaniya na doktoranti – D. A. Tsenov" Academy of Economics - Svishtov, Volume XIII - 2020, Book 16 - Studies and articles, ISSN: 1313-6542 - book edition, 14.12.2020.

### Papers:

1. Damyanova, B. (2020). "General profile and dynamics of lease receivables in the Republic of Bulgaria for the period 2017 – 2019". Publication on page 118 in the compendium: „Облік аналіз і контроль в стратегії розвитку економіки України“ Тези доповідей VI Міжнародної науково-практичної конференції молодих науковців, аспірантів, здобувачів і студентів; УДК 657: 657.1 („Oblik analiz i kontrol' v strategii rozvitku yekonomiki Ukraïni“; Tezi dopovidey VI Mizhnarodnoï naukovo-praktichnoï konferentsii molodikh naukovtsiv, aspirantiv, zdobuvachiv i studentiv; UDK 657: 657.1)
2. Damyanova, B. (2021). "Predimstva i nedostatatsi na lizinga prez prizmata na biznesa". Publication on page 53 in electronic compendium: "Globalni i regionalni izmereniya na mezhdunarodnite ikonomicheski otnosheniya"; ISSN 2738-8573. Address of the electronic edition: DLib of D. A. Tsenov Academy of Economics – Svishtov - <https://dlib.uni-svishtov.bg/handle/10610/4478>

3. Zarkova, S., & Damyanova, B. (2022). Izsledvane sklonnostta kam potreblenie na lizingovi usluzi v usloviyata na COVID-19. Anniversary of Finance and Accounting Faculty (p. (in the press)). Sofia: UNWE. doi:10.13140/RG.2.2.11150.64323

**V. REFERENCE FOR THE COMPLIANCE WITH THE REQUIREMENTS FOR NACID INDEXING PURSUANT TO THE REGULATIONS ON THE IMPLEMENTATION OF THE DEVELOPMENT OF ACADEMIC STAFF IN THE REPUBLIC OF BULGARIA ACT**

National number of points requirement: 30

Number of studies, published in non-refereed peer-reviewed journals, or published in edited collective volumes: 0

Number of points for the author: 0

Number of articles, published in non-refereed peer-reviewed journals, or published in edited collective volumes: 1

Number of points for the author: 10

Number of papers, published in non-refereed peer-reviewed journals, or published in edited collective volumes: 3

Number of points for the author: 25

Total points: 35,00 > 30,00

## VI. STATEMENT OF ORIGINALITY OF THE DISSERTATION

The dissertation paper in the volume of 180 p., titled: Asset financing through leasing – current issues and challenges is authentic and is the author's own scientific production. It uses copyrighted ideas, texts and visualizations through graphics, diagrams, tables and formulas, complying with all requirements of the Copyright and Related Rights Act by properly quoting from and referring to foreign copyright, as well as data, including:

1. The results achieved in the dissertation and the contributions derived are original and are not borrowed from research and publications in which the author does not participate.
2. The information presented by the author in the form of copies of documents and publications, personal papers, etc. corresponds to the objective truth.
3. The scientific results obtained, described and/or published by other authors are duly and in detail cited in the bibliography.

**PhD student:**



/Bilyana Damyanova/

Svishtov

10 November 2022