

REVIEW

of a dissertation for the award of the educational and scientific degree "Doctor" in Economics under the doctoral program "Finance, Money Circulation, Credit and Insurance" (Finance)

On the topic:

"Improvement of Fiscal Techniques in VAT Taxation in Bulgaria and Romania"

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Form of PhD studies: *full-time*

Reviewer Prof. Dr. Stefan Simeonov

appointed as a member of the scientific jury by Order No. 307 of 9.04.2026 of the Rector of the Academy of Economics Assoc. prof. Dr. M. Marinov

1. Topicality and importance of the topic

The topicality of the topic is clearly expressed and well justified. It is conditioned by several complementary circumstances, including: the importance of VAT in modern tax and fiscal systems, the presence of some differences between the application of VAT in Bulgaria and Romania; of the need to improve collection, etc. The comparative study of the organization and application of VAT between the two Balkan countries is of great practical importance.

2. Fulfillment of the formal requirements for dissertation work and main components of the dissertation research

The dissertation submitted for review contains all components of a completed dissertation.

The introduction presents the mandatory elements that characterize the problematic area of research, as follows: relevance, object, subject, thesis, purpose, tasks and methodology. In this regard, the development fully meets the standards and requirements for a dissertation.

The subject of the study *"has been identified as the systems for taxation with value added tax in Bulgaria and Romania"*.

The subject covers the specific fiscal techniques, procedures and control mechanisms, the improvement of which leads to a reduction in VAT fraud and increases the revenues from the Improvement of Fiscal Techniques in VAT Taxation in Bulgaria and Romania 10 taxes in the central budgets of Bulgaria and Romania. Special attention should be paid to electronic systems and modern technological solutions, and the problems with fraud and the ways to overcome them are also considered.

The study defends **the thesis** of the presence of *"potential for improvement of fiscal techniques in VAT taxation in Bulgaria and Romania, based on European harmonization, national trends and mutual exchange of goods, capital and good practices for prevention against tax fraud"*.

"The main objective of this dissertation is to analyze the fiscal VAT techniques in the two neighbors and EU member states: Bulgaria and Romania. To look for opportunities to improve the Bulgarian system based on the successful Romanian experience. The study aims to propose concrete measures to increase the efficiency of administration. An important aspect is the reduction of the administrative burden for bona fide taxpayers."

To achieve the main goal, several more specific tasks have been set:

- 1) *To study the theoretical foundations of the tax and the European legal framework.*
- 2) *An in-depth analysis of the Bulgarian system of taxation and collection of VAT.*
- 3) *A detailed study of the Romanian model and the innovations introduced there.*
- 4) *Comparative analysis and formulated recommendations for improvements, incl. with regard to ICA (Intra-Community Supplies) and ICA (Intra-Community Acquisitions).*

3. Volume and structuring

The dissertation has a total volume of 192 pages, with the main text being 170 pages. 13 figures and 3 tables are included.

The dissertation is structured in 5 chapters. It is logical, balanced and contributes to the realization of the set goals.

The first chapter examines *the theoretical and methodological foundations of value added tax*.

The second chapter *analyses the VAT system in Bulgaria*.

Chapter Three examines *the regulation and analysis of the VAT system in Romania*.

The fourth presents *a comparative analysis and recommendations for improvement in VAT taxation in Bulgaria and Romania*.

Chapter Five is devoted to *the risks to the state budget in the application of a zero rate for intra-community supplies between Bulgarian and Romanian companies*.

4. Methodology and analytical

The methodology of the construction includes a combination of qualitative and quantitative approaches – *the comparative method for comparing the two national systems. The statistical method for analyzing the data on revenues and collection is applied. The normative method serves to study legislation and legal acts. The systematic approach allows to consider the tax system as a complete structure of interrelated elements*.

5. Empirical

The dissertation research has a pronounced practical character, four of the five chapters are filled with up-to-date empirical observations and critical analyses.

6. Citation and references

The citation is correct in the accepted APA-standard.

The list of references includes 91 sources, nearly half of which are in English. A positive impression is made by the knowledge of the departmental publications related to the topic.

7. Style

The style is very good and corresponds to the scientific level of the dissertation. Professional knowledge of tax issues and scientific maturity in expressing judgments are distinguished.

8. Layout

The layout, both from a technical and content point of view, is very good. All components and references are available for the convenience of reviewers.

9. Results achieved

The tasks set have been successfully completed and the following significant results are distinguished:

- 1) *"European harmonization has created a common framework, but it also leaves room for national variations. The directives establish minimum standards that Member States must comply with. This balance between unity and flexibility allows adaptation to local conditions."*
- 2) Common problems have been identified for all European countries in the administration of VAT. The key importance of international cooperation in detecting cross-border fraud is highlighted.
- 3) On the basis of an in-depth analysis of the Bulgarian system of VAT taxation and collection, it has been established that:
 - *Bulgaria has built a relatively efficient tax system;*
 - *It has been proven that the conscious choice of the single tax rate of twenty percent simplifies administration and reduces the possibilities for abuse;*
 - *The registration procedure is too liberal and allows for the creation of fictitious structures;*
 - *The lack of mandatory initial verification facilitates the organization of fraud;*
 - *On the other hand, due to in-depth checks, tax refunds are often delayed, which worsens the liquidity of bona fide exporters and investors;*
 - *Technological development is in progress, but it is still lagging behind the most advanced systems.*
 - *Tax revenues show steady growth and form about thirty percent of tax revenues;*

- *The geographical concentration in large cities reflects the economic differences between regions.*
- 4) An in-depth analysis of the Romanian model (in Chapter Three) and the innovations introduced there reveals the radical reforms undertaken in recent years, among which are:
 - a. *Mandatory electronic invoicing and central state system with immediate validation; Split payment is another significant .. etc.*
- 5) A comparative analysis between the Bulgarian and Romanian VAT practices reveals significant differences in the approaches of the two countries: Bulgaria relies on simplicity, while Romania opts for a more complex system with stricter controls; Uniform vs. differentiated rates reflect different philosophies; The liberal versus strict registration shows a different balancing of priorities. The advantages and disadvantages of both approaches are highlighted.
- 6) Recommendations for improving the organization of VAT taxation in Bulgaria are outlined, which highlights: introduction of mandatory electronic invoicing; The introduction of split payment; Improving risk analysis through artificial intelligence; The intensification of the fight against fictitious companies, etc.

10. Contributions

The more significant results allow four contributions of a scientific and applied nature to be highlighted:

- 1) A comprehensive comparative characteristics of the VAT systems in Bulgaria and Romania have been developed, which systematizes the similarities, differences and specific national approaches to tax administration. The analysis reveals specific structural and technological asymmetries between the two systems and offers an analytical framework for their interpretation.
- 2) A contribution to the knowledge of the effectiveness of digital fiscal instruments is the in-depth critical analysis of Romanian technological innovations – mandatory electronic invoicing, split payment and integrated monitoring systems, and the assessment of their measurable effect on reducing tax revenues from 36% in 2015 to about 23%.

- 3) A system of specific, practically applicable recommendations for improving the Bulgarian VAT system has been formulated, which includes the phased introduction of electronic invoicing, a split payment mechanism and risk analysis with artificial intelligence, based on proven practices, and not on theoretical assumptions.
- 4) A co-evolutionary model of Bulgarian-Romanian administrative cooperation in the field of fiscal control is substantiated, including joint inspections, sharing of technological solutions and regional initiatives at Balkan level, aimed at more effective counteraction to cross-border tax fraud and carousel schemes.

11. Positive aspects

The present study is distinguished by expert knowledge of the specialized tax matter and in-depth and detailed interpretation. At the same time, there is scientific maturity in the organization of the dissertation research and the presentation of the results. There is a critical analysis, on the basis of which author's recommendations for optimizing the organization of VAT with Bulgaria have been derived.

12. Notes and recommendations

Significant weaknesses are not distinguished.

The research application in the introduction could be strengthened by supplementing the research thesis with more specific and/or problematic statements or by formulating 3 to 4 working hypotheses. A good opportunity for this is provided by the many specific results identified in the study and summarized in the conclusion.

13. Publications

PhD student Diman Karanfilov has three author's publications – one study, an article and a report on the topic of the dissertation, thus exceeding the minimum requirements by 5 points.

14. Abstract

The abstract is 44 pages long and presents an objective synthesis of the dissertation.

15. Questions

VAT is the main form of revenue in modern fiscal systems and this also applies to Bulgarian and Romanian tax practices. To what extent can VAT revenues in Bulgaria be increased as a result of the complex application of the recommendations for improving the organization of VAT taxation in Bulgaria and good examples from the Romanian VAT practice?

16. Conclusion

The presented dissertation has the required statutory quantitative and qualitative characteristics for acquiring the educational and scientific degree "Doctor". The dissertation contains original scientific and applied scientific results. All this gives me grounds to vote positively for awarding the Doctor of Economics degree to Diman Karamfilov.

22.05.2026 г.

Reviewer:

Prof. Dr. Stefan Simeonov