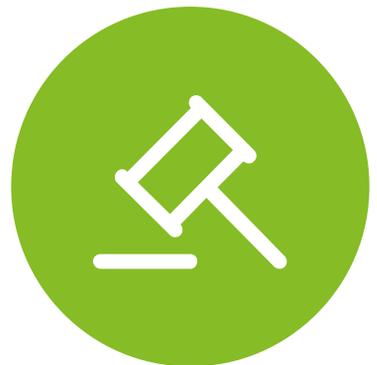




The State will be held liable for damages from violations of EU law

The newly promulgated amendments in the State and Municipal Liability for Damages Act ("the Act") provide for a procedure for seeking compensation for damages caused by a breach of EU law. The Act also specifies that damages may be caused by both acts of the administration, as well as by decisions of the judicial authorities.

The Act will also cover damages caused during the effect of unlawful or void regulations.



The possibility of holding the State liable for breaches of EU law has existed since Bulgaria joined the EU. However, until now there has been no procedural order for reviewing these types of claims for damages, which led to uncertainty regarding how State liability can be enforced.

The possibility of seeking damages from court decisions

The amendments in the Act provide that claims for breaches of EU law will be reviewed by the administrative courts when damage is caused by:

- unlawful acts, actions or omissions of the administration;
- unlawful or void regulations;
- judicial activity of the administrative courts and the Supreme Administrative Court.

The amendments raise a number of practical questions, e.g., regarding the interpretation of the term “sufficiently serious breach” of EU law and the manner of proving the breach in front of the court.

The amendments make it possible to hold the State liable for damages caused by administrative acts and court decisions, especially in the area of taxation, where there is a high degree of regulation at the European level and abundant case law of the Court of Justice of the EU.



Violations of EU law in the area of taxation?

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