

Due to proposed legislative changes requiring it to split its single tax warehouse into separate regional units, Lukoil Bulgaria company could suspend its operation, said Bulat Subaev, general Manager of the Bulgarian subsidiary of Russian oil company.

Subaev said that given the deadlines, the amount of work required and the practical impossibility of meeting the deadlines, the operation of the entire company is in jeopardy. Revenues in the budget do not depend on how many tax warehouses the company's infrastructure will be divided into. Since nothing will be added to the Treasury from the division itself. And secondly, this will entail huge investments and administrative costs, he concluded. In an opinion on the proposed legislative changes, Lukoil Bulgaria says it considers them to be directed against its interests and requests their removal from the amendments to the Health Act.

Amendments to the Excise Duties and Tax Warehouses Act, proposed by the Government in early May as part of a bill for changing the Health Act in the context of the coronavirus pandemic, oblige operators of oil pipelines located on the territory of more than one customs office to apply for separate licenses with each one of these offices within a month after the adoption of the act.

At the same time, the Bulgarian Petroleum and Gas Association urged the Government to withdraw the bill, stating that the changes were not discussed with representatives of the sector and would require significant investments by the companies in times when their revenues are rapidly declining.