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### **Is it Time for Basel IV and What Are the Effects on Banks in Bulgaria?**

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The article discusses the main objectives of the revised Reform Program – Basel IV. Emphasis is placed on the elements of Basel IV – a revised standardized approach to credit risk, a new approach to credit risk based on internal ratings, revisions to the credit valuation adjustment (CVA) framework, revisions to the measurement of the leverage ratio and a leverage ratio buffer for global systemically important banks (G-SIBs), a revised standardized approach to operational risk, revised capital from first pillar. There is also a program for improving capital management with two basis points: a capital management strategy and structural factors to ensure a sustainable strategy. It also discusses the strategic challenges faced by banks as a result of the introduction of IFRS 9 “Financial Instruments” as a medium-term objective for their management.

**Key words:** Basel IV, credit risk, operational risk, leverage ratio, CVA risk, revised capital from first pillar, IFRS 9 “Financial Instruments”.

**JEL:** G210, M480.

## **Razprostranenie na televizionni produkti v digitalna sreda**

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### **Distribution of Television Products in a Digital Environment**

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This article studies the models for disseminating television products that are possible due to the development of the digital environment. The technological capabilities provided by the digital environment make it possible to better meet mass needs associated with the consumption of creative products, which television products certainly are. Modern consumers of creative products want to use them in a certain way at a time and place that they have chosen. In practice, the digital environment makes these wishes possible. This article studies interactive television as a business model for disseminating television products in a digital environment. Due to the fact that technology advancement gets ahead of legislation in the field of intellectual property, there are a number of unsettled matters, the recent resolution of which is defining for the protection of the economic interests of the participants in the television industry who are intellectual property rights holders.

**Key words:** television industry, intellectual property, digital environment, interactive television.

**JEL:** O33, O34.

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The subject matter of this article is company business identifiers in the conditions of today's competitive and digital environment. The purpose of this article is to identify and clarify which the digital business identifiers of the company are and to present ways to protect and manage them through intellectual property, focusing on design protection.

**Key words:** business identifiers, web site, industrial property protection, industrial design, digital environment.

**JEL:** K49.

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The current article explores the new business models for distribution of the product of the radio industry – the radio programme – via digital means. The development of the Internet and technology in this field have and are still having a huge influence on all other media, including the radio itself. The advent of mobile technology and the ability of mobile telephones/smartphones, which enable the user to gain access to unlimited content, also influences electronic media and the services they offer.

In general, we can say that while the radio is broadcasted, either by cable or a satellite, it can also be available on the Internet and/or on any mobile phone. However, the main priority of all this accessibility is to increase the outcomes of

the radio operators and to give them competitive advantages in comparison to other conventional and digital media.

**Key words:** radio industry, intellectual property, digital environment, distribution of a radio programme.

**JEL:** O33, O34.

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Higher education and science in Bulgaria within the context of EU and the development of knowledge economy are characterized by a number of difficulties and underused opportunities. They are further aggravated by the significant socio-economic hardships of the country and, to no lesser extent by the consequences and the impact of the global economic crisis on Bulgarian economy, which, in turn, mainly due to shortage of funding, reflects on the state of academia. Defining problem areas and designing strategies for the development of higher education and science are of particular importance under the adverse economic conditions nowadays. Equally important, building the knowledge economy requires the creation of appropriate environment for the development of these two areas, as their successful inclusion in the European and global educational and research space in compliance with the "Europe 2020" strategy is essential for the future of the country.

Higher education and science are areas where knowledge and valuable human capital are being created and spread. In the setting of fierce international competition their current state and further development become key factors for the socio-economic development and the competitiveness of any economy.

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**Key words:** higher education, science, competitiveness.

**JEL:** I25, I23, O47.

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Budget payments as a subject of cybersecurity is a topical issue. Their theoretical and applied aspects are presented in the article. The current security measures of the information created for them are clarified. The emphasis is put on the correspondence between cybersecurity and the required accounting information for establishing the result of the cash execution of the state budget. The System for Electronic Budget Payments with its two inherent functions – informational and controlling is interpreted in the article. On the basis of this, the relations and dependencies between the public and bank sector of the economy are grounded to determine the cash execution of the state budget. By improving the cybersecurity measures of the budget payments, prevention against the risks of fraud in the cash flow statement is achieved and a solid platform for the credibility of the accounting information required for establishing important indicators of the state budget is built.

**Key words:** budget payments, budget, SEBRA (electronic budgetary payment system), accounting information.

**JEL:** M410.

#### **Sistemi na korporativno podohodno oblagane**

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## Systems of Corporate Income Taxation

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Within the context of growing capital mobility, taxation of corporate profits is becoming a daunting challenge to most governments. The predominating in the world classical system considers the corporation as an independent legal entity, whose property and liabilities are separate from those of the owners. The double taxation, however, increases the tax burden on entrepreneurs and distorts the choices of financing methods of companies. In addition, the differential tax treatment of dividends and interests paid distorts firms' investment decisions. With a view of overcoming the problems inherent in the classical system, a number of countries have adopted alternative tax regimes based on the integration of corporate and individual income taxes. The present article provides a concise review of the existing systems of corporate income tax and a comparison of their advantages and shortcomings. The main conclusion is that the classical system remains most widely used, albeit in a modified version, and it is the most appropriate regime in terms of achieving neutrality between resident and non-resident investors.

**Key words:** corporate income tax, classical system, integration of corporate and individual income tax.

**JEL:** H25, H26.

#### **Prostranstven analiz na prirodosaobraznite formi na zemedelie v oblast Plovdiv**

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#### **Spatial Analysis of Environmentally Friendly Forms of Farming in the Plovdiv District**

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The importance of environmentally friendly forms of farming grows constantly in the support provided by the Common Agricultural Policy (CAP) of the European Union (EU). EU member-states are obliged to implement agri-environment

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and climate measures, and can choose to develop the compensatory measures in Natura 2000 zones or Organic farming. Member-states define the geographical scope of each measure and sub-measure during programming. However, the achievement of the measures' objectives depends on the uptake and participation by farmers, which is voluntary for all measures. The paper aims to investigate the spatial relations in the territorial distribution of environmentally friendly forms of farming in the Plovdiv district, and the main factors determining it. The method of spatial regression analysis is used, including exploratory spatial regression and geographically weighted regression. Two models are developed to separate the influence of the socio-economic and territorial characteristics from the support provided by the different CAP measures and schemes. The first model – the SETm.model – comprises the socio-economic and territorial characteristics at municipal level. It explains 97% of the phenomenon of environmentally friendly forms of farming in the Plovdiv district. The factors with the highest influence are the population above working age, arable land and permanent pastures. The second model – SETm+Policy.model, adds CAP policy support variables to the socio-economic and territorial characteristics. It explains 99.3% of the studied phenomenon. The factors with highest influence are the total sum of support for nature-friendly forms of farming, permanent pastures and price of the agriculture land.

**Key words:** spatial regression, agri-environment, Natura 2000, organic farming, CAP support.

**JEL:** C31, Q57, Q58, R12.

### Ikonomika i pravo Economics and Law

#### **Novata pravna ramka i rolyata na registriranite oditori sreshtu izmamata “prane na pari”**

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#### **The New Legal Framework and the Role of Registered Auditors Against “Money Laundering” Fraud**

**Atanaska Filipova-Slancheva**

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This paper has assessed anti-money laundering requirements in light of the new EU Directive – the Fourth Anti-Money Laundering Directive, and the expected impact on registered Bulgarian auditors. The Directive was approved on 20/05/2015, and tightens the rules for EU Member States in terms of anti-money laundering and aligned them with the international framework. With the new framework, money laundering and terrorist financing countering is reaching new heights. Hence, the involvement and role of certain professional groups, including registered auditors expands and challenges their routine activities and professional practice.

The analyses lead to the conclusion that, in terms of the legal framework, Bulgaria has transposed most of the EU-wide regulatory requirements in its national legal framework. Registered auditors apply strictly the Law on Measures against Money Laundering (LMML) and Law on Measures Against Financing of Terrorism (LMMF). Certain ethic codes applicable to all registered auditors, members of Institute of Public Accountants, are in place – The Code of Ethics for Professional Accountants. Crucial role in the compliance process of the registered auditors and LMML and LMMF rules following play the Uniform Internal Rules for the Control and Prevention of Money Laundering and Terrorist Financing, developed by IPA.

In regards to the new Fourth Directive, it has been transposed into the draft of LMML, which is expected to be in force by early 2018. The new legislative requirements (customer due diligence, risk assessment of money laundering, disclosure of suspicious transactions, and customers, etc.) will pose serious challenges for the sector. The general conclusion is that not all of the new proposed measures are easily applicable, objective and the expectations are for en-

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hanced administrative burden. It is necessary for texts to be more precise, additionally analyzed, in order to be even more effective and efficient and to take into consideration the specifics of external audit.

**Key words:** money laundering, EU Directive – Fourth Anti-Money Laundering Directive, registered auditor.

**JEL:** M42, M48, K220.

### **Sistemite na intelektualnata sobstvenost i na targovskata tayna zashtitavat ot izmami**

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### **Intellectual Property Systems and Trade Secret Systems Protect Against Fraud**

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Cruel competition leads to growing interest towards any unprotected business information. The goal is its acquisition and its use on the market. Well-established business companies with excellent reputation seek and invest in new and creative business solutions. Ordinary fraudsters use any means to collect profits on the basis of unprotected business achievements of different entities. This reality requires knowledge on key business information types as well as knowledge and skills in the field of information protection: through legal protection, as well as through protection with internal regulations, rules and procedures.

**Key words:** intellectual property, интелектуална, собственост, information, информация, trade secret, търговска, тайна.

**JEL:** A20, C8, D23, D83, F52, L51, L86, M14.

### **Modeli za vaznikvane i predotvratyavane na izmami**

**Yavor Bashev 101**

### **Models for the Emergence and Prevention of Fraud**

**Yavor Bashev 101**

Fraud is one of the major issues in organizations. In today's globally integrated world

the aftermath of fraud is not only limited to financial loss – the damage to reputation and confidence in the market place have much broader impact on the market place. This article discusses the different definitions of the term “fraud” and analyses the major models that give us explanation on why fraud occurs and how it can be prevented in organizations. The author discusses different opinions and stances on the essence, elements and factors for fraud.

**Key words:** fraud, fraud factors, models for fraud exposure.

**JEL:** M42, M49.

## **Ikonomicheski teorii** **Economic Theories**

### **Bazisnata ikonomicheska teoria v balgarskite universiteti: monopolizam ili pluralizam?**

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### **Basic Economic Theory in Bulgarian Universities: Monopolism or Pluralism?**

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Since the beginning of the XXI century, neo-classical economics has had a monopolistic dominance in scientific space and universities in Bulgaria, Europe and worldwide. In Western countries its monopoly was established after World War II, and in the former socialist countries – during the 1990s. Still, neoclassicism does not manage to provide a convincing understanding of economic reality. Therefore, it has been subjected to criticism for decades, which became particularly stronger in relation to the 2007-2009 financial crisis. The situation in higher education is peculiar: we are facing a monopoly, belonging to a theory which is inadequate to reality. The way out of this situation is to replace monopoly with pluralism in the teaching of economic theory.

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**Key words:** criticism of neoclassical economics, monopoly in economic theory, pluralism in economic theory, economic theory in higher education.

**JEL:** A10, A20, B50.

### **Paralel mezhdu vazgledite na Deyvid Rikardo i Karl Marks**

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### **Parallels Between the Views of David Ricardo and Karl Marx**

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The current article is dedicated to the 200th anniversary of the birth of philosopher, historian, sociologist, political scientist and economist, the founder of the fundamental work "Capital" – Karl Marx. It follows the author's views on basic economic categories, namely value and surplus value, salary and rent, realization, and crises, as compared to the same published by British journalist David Ricardo. The undisputed contribution of the ideologist of communism, the creator of historical materialism, the theory of surplus value, and the class struggle theory, Marx, is underscored.

**Key words:** Marx, Ricardo, capital, value, salary, rent.

**JEL:** P16, P26, B14, D24, E2.

### **Diskusia**

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### **An Economist's Thoughts on An Anniversary**

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The article is dedicated to the 200th anniversary of Karl Marx's birth which was commemorated in 2018. The author follows the life and work of Karl Marx who is posthumously named thinker of the millennium in London.

**Key words:** Karl Marx, Friedrich Engels, The Capital.

**JEL:** B14.