

REVIEW

by Lyubomir Minchev Stefanov - Professor at the University of National and World Economy - Sofia, PhD in Economics

(name, surname, surname - academic position in a scientific organization , scientific degree)

of dissertation for awarding the educational and scientific degree "**Doctor**"

Field of higher education 3. Social, economic and legal sciences

Professional direction: 3.8. Economics

Doctoral Program: Accounting, Auditing and Analysis

Author: Leonardo Tsvetelinov Stoev

Topic: "Opportunities for improving the control related to prevention and detection of tax and social insurance frauds"

Supervisor: Ali Ali Veysel - Professor at the Higher School of Insurance and Finance - Sofia, PhD in Economics

(Name, surname, surname - academic position in a scientific organization , scientific degree)

1. General description of the submitted materials

By order № 5 of 27.01. 20 21 of the Rector of the Higher School of Insurance and Finance Assoc. Prof. Grigoriy Vazov, I'm a certain member of the scientific jury for ensured January the procedures for the protection of the thesis " Possibilities for improving controls to prevent and detect tax and social security fraud " to acquire education and scientific degree "doctor" in a blast of higher education 3. Social, economic and legal Studies, professional direction 3.8. Economics, doctoral program Accounting, Auditing and Analysis. The author of the dissertation is Leonardo Tsvetelinov Stoev - PhD student in self-study at the Department of Accounting and Auditing, supervised by Prof. Dr. Ali Vysel of Higher School of Insurance and Finance - Sofia.

The materials submitted by Leonardo Stoev include the following documents:

- CV;
- Dissertation;
- Abstract of the dissertation (in Bulgarian and English);
- Copy of article;
- Copies of two reports;
- Summaries of publications;
- Reference for fulfilment of the minimum national requirements for obtaining the educational and scientific degree "Doctor" in the professional field 3. 8. Economics;

- Reference for the main scientific and applied scientific contributions in the dissertation.

I have no remarks on the documents provided by the doctoral student.

2. Brief biographical data about the doctoral student

The doctoral student, Leonardo Tsvetelinov Stoev has obtained a master's degree in "Accounting, Control and Corporate Analysis" from the Higher School of Insurance and Finance - Sofia and in "Banking and Finance" from Queen Mary University of London. Since April 2019 he has been a doctoral student of independent training at the Higher School of Insurance and Finance - Sofia, doctoral program "Accounting, Auditing and Analysis".

Leonardo Stoev has more than four years of professional experience as an intern auditor (2016-2017), assistant financial officer (2017-2018), junior financial analyst (2018-2019) and accounting analyst (2018 to date).

3. Relevance of themes and appropriateness of the objectives behind a chi

The relevance of the problems explored in the dissertation is indisputable to me, especially in the context of the crisis caused by the pandemic. It is in these conditions that the importance of tax and social security control for the collection of taxes and compulsory social security contributions, which provide the necessary resources to finance measures to support business and people, as well as the problems associated with the so-called "Gray" labour market in Bulgaria.

The purpose and tasks of the research presented in the dissertation, in my opinion, are correctly formulated and with a significant degree of relevance for our country.

4. Knowledge of the problem

From the text of dissertation January work can be done categorically on a conclusion and that the PhD student knows and thoroughly investigated problems, the study of a significant number of sources and used them correctly and with the necessary creative interpretation.

5. Research methodology

I evaluate the used research methodology as appropriate and allowing the achievement of the set goal of the research, as well as for obtaining results that lead to ensuring an adequate answer to the tasks solved in the dissertation.

6. Characteristics and evaluation of the dissertation

The dissertation is structured as following: an introduction, three chapters, a conclusion and a list of references. Its volume is 146 pages of text (excluding the list of used literature, which includes a total of 175 sources).

In the introduction, the doctoral student presents the topicality of the researched problems, the object, the subject, the goal and the tasks of the research, the used methods and the accepted limitations. The introduction fulfils its purpose well.

The first chapter of the dissertation is devoted to the theoretical characteristics of tax and social security control. This chapter deserves a high positive assessment, because the doctoral student was able to correctly present the basic theoretical concepts of the nature of taxation and the need for tax and social security control, as well as its specific features. What is written about the characteristics of tax and insurance fraud deserves special attention.

The second chapter presents the characteristics of tax and social security control in Bulgaria, as well as the problems in this area. This chapter also deserves a high positive assessment, because the doctoral student has demonstrated a good knowledge of the studied problems and abilities to formulate independent and substantiated conclusions.

In the third chapter, the PhD student presents a study of good practices from European countries, focusing on three countries - Germany, Great Britain and Estonia, which have the highest achievements in terms of tax collection and compulsory social security contributions. In this chapter, the doctoral student has presented his views on the improvement of tax and social security control in Bulgaria (prevention and detection of tax and social security fraud), based on good European practices and achievements so far. All this gives me grounds for a high positive assessment of this chapter of the dissertation.

The sources used in the dissertation (monographs, researches, articles, reports, normative acts, official statistical data) are reliable and allow the formulation of substantiated conclusions.

7. Contributions and significance of development for science and practice

The scientific and scientifically applied achievements, which in my opinion are contained in the dissertation of Leonardo Stoev are in the following areas:

- a thorough review and summary of the historical development and the basic theoretical concepts of the nature and features of taxation, as well as the need for control over the collection of taxes;
- the results of a review and summary of basic theoretical concepts about the nature and characteristics of tax and social security control are presented;

- based on a review of theoretical concepts and examples, summaries of the nature, types and features of tax and insurance fraud are presented;
- the development and the modern structure of the institutions responsible for the collection of taxes and compulsory social security contributions are presented - the National Revenue Agency, the Customs Agency and the municipal administrations;
- the results of a study of tax and social security control in Bulgaria are presented;
- formulated have implications for issues of tax and social security control in Bulgaria - a relatively low tax collection, the institutional structure of the authorities tax and social security control, a limited set of control procedures, social security fraud (payments of "slush funds") value added tax fraud;
- the results of a review of the tax and social security systems of a number of European countries are presented, using an indicator for assessing the effectiveness of tax systems - an international index of tax competitiveness;
- A review of European best practices related to tax and social security control in three European countries (Germany, Britain and Estonia) that are so high efficiency of tax and social security system;
- measures to limit tax and insurance fraud taken by a number of European countries and the European Union are presented;
- formulated are concrete proposals to improve the tax-insurance control in Bulgaria in connection with the prevention and detection of tax and social security fraud as particularly want to note the proposal to restructure the institutions responsible for the collection of taxes and mandatory contributions, increasing the threshold for registration under the Value Added Tax Act and the introduction of detailed manuals for the various forms of tax and social security control

These directions of the main achievements in the dissertation give me a reason to qualify them as a summary and further development of existing knowledge, as well as the formulation of specific proposals for the development of practice.

The scientific and scientific-applied contributions in the dissertation, indicated by doctoral student, which I share are:

1. An in-depth analysis defines the main guidelines for improving tax and social insurance control in Bulgaria: in the areas of institutional organization (based on the structure of the tax system) and in the field of regulations, which should result in increasing its level of efficiency.

2. An in-depth study of the types and forms of tax and social insurance control applied in the country has been carried out. Based on this, the main problems in the application of the forms of control are identified, such as the need for written rules and methodology for

conducting inspections and audits, and the procedures related to them, as well as the limited set of procedures used in carrying out the main forms of control compared to the tax audit.

3. An in-depth analysis of the damages from the main types of tax fraud committed in the country was conducted, as well as on the structure of revenues from tax and social insurance revenues in the state budget. Based on these data, conclusions have been drawn regarding the collection of taxes in the country, as well as the main problems related to the control in the tax and social insurance system have been identified.

4. Based on an analysis of official statistics related to the level of tax fraud and tax collection of countries in Europe, three European countries with the most effective tax and social insurance systems have been identified. A study and analysis of their institutional organization of tax and social insurance control was applied, as well as on the structure of their tax systems, and the forms of control they apply. In addition, good practices in the regulations of European countries related to the prevention and detection of tax and insurance fraud have been studied.

The recommendations formulated by the doctoral student for improving the tax and social security control in Bulgaria can be applied in practice.

8. Evaluation of the publications on the dissertation

The publications reflecting the results of the dissertation presented by the doctoral student are one article and two reports at scientific conferences (all three in English), as follows:

- Article: „Forms of tax and social insurance control in Bulgaria“, SEPIKE journal 3/2020 - p. 40 - 43. p-ISSN: 2196-9531, e-ISSN: 2372-7438
- Report in a scientific conference in Madrid, Spain on "Education, Law, Business" - "Madrid, 2020" - Madrid, 2020, on "Institutional organization of tax and social insurance control in Bulgaria “- p. 37-39, ISBN: 978-2-5494-0322-3
- Report at a scientific conference in Steyr, Austria on "Science and innovation" - "Steyr, 2020", on "Efficiency of the municipal tax administration in Bulgaria" - p. 71-74. ISBN: 978-3-953794-29-5

The publications, in my opinion, reflect essential parts of the dissertation. The doctoral student did not provide information about the citations of his publications.

9. Assessment of compliance with the minimum national requirements

From the presented reference it can be concluded that the doctoral student has met the minimum national requirements for obtaining the educational and scientific degree "Doctor" in the professional field 3.8. Economics.

10. Personal participation of the doctoral student

My assessment is that the doctoral student has developed his dissertation independently, and the results obtained and the formulated contributions are his personal merit. I did not find plagiarism in my dissertation.

11. Abstract

The abstract meets the requirements, reliably and correctly follows the content of the dissertation and reflects the main results achieved in it.

12. Critical remarks and recommendations

Of course, a number of remarks and recommendations can be addressed to the dissertation, but they are not of such a nature as to diminish my high positive assessment of its qualities. In defence, it would be good for the doctoral student to present additional arguments in support of his claim that the minimum insurance income leads to an increase in the gray sector (pp. 141 - 142), as well as his proposal to abolish the minimum insurance income (p. 143).

13. Personal impressions

I do not know the doctoral student and I have no personal impressions of him.

14. Recommendations for future use of dissertation scientific contributions and results

My main recommendation to the doctoral student related to the future use of the results and contributions in the dissertation is to specify and further develop the recommendations for centralization of institutions responsible for tax collection and compulsory social security contributions in Bulgaria, as well as recommendations for fraud prevention and detection related to the payment of remuneration by the so-called "Black boxes".

CONCLUSION

The dissertation **contains scientific, scientific-applied and applied results, which represent an original contribution to science** and **meet all the** requirements of the Law on the Development of Academic Staff in the Republic of Bulgaria (ZRASRB) and the Regulations for the implementation of ZRASRB. The presented materials and dissertation

results **fully** comply with the specific requirements of the Regulations for admission and training of doctoral students at the Higher School of Insurance and Finance.

PhD thesis shows that the PhD student Leonardo Stoev **has** profound theoretical knowledge and professional skills Professional 8. 3. Economics, as **demonstrated** qualities and skills to independently conduct scientific and researched th .

Due to the foregoing, confidently give its *positive assessment* of the survey submitted by refereed above dissertation, abstract, performance and offerings and **offer of the respected scientific jury to award educational and scientific degree 'Doctor'** of Leonardo Tsvetelinov Stoev in on blast of higher education 3. Social, economic and legal sciences; professional direction 3.8. Economics; doctoral program "Accounting, Auditing and Analysis".

15.03.2021

Reviewer:

(Professor Lyubomir Stefanov, PhD)