

## **REVIEW**

**by Miroslava Mihailova Peicheva - Professor at the University of National and World Economy, PhD in Economics**

Subject: dissertation for the award of educational and scientific degree "Doctor" in the field of higher education 3. Social, economic and legal sciences, Professional field 3.8. Economics, Doctoral Program "Accounting, Auditing and Analysis"

Author: Leonardo Tsvetelinov Stoev, PhD student in self-study at the Department of Accounting and Auditing, VUZF

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

### **1. General description of the submitted materials**

By order № 5 of 27.01. 2021 of the Rector of the Higher School of Insurance and Finance Assoc. Prof. Dr. Grigoriy Vazov I have been appointed a member of the scientific jury for providing a procedure for defense of a dissertation on the topic "Opportunities for improving control for prevention and disclosure of tax insurance fraud "for obtaining the educational and scientific degree" Doctor "in the field of higher education 3. Social, economic and legal sciences, Professional field 3.8. Economics, doctoral program "Accounting, Audit and Analysis" The author of the dissertation is Leonardo Tsvetelinov Stoev - PhD student in self-study at the Department of "Accounting and Auditing" at VUZF with supervisor Prof. Dr. Ali Veysel PhD in Economics, VUZF - Sofia

The materials submitted by Leonardo Stoev include the following documents:

- ✓ CV;
- ✓ dissertation work;
- ✓ abstract of the dissertation (in Bulgarian and English);
- ✓ article (copy);
- ✓ two reports (copy);

- ✓ summaries of publications (in Bulgarian and English);
- ✓ reference for fulfillment of the minimum national requirements for acquiring the educational and scientific degree “doctor” in the professional field 3. 8. Economics;
- ✓ reference for the main scientific and scientific-applied contributions in the dissertation.

I have no remarks on the publications presented by Leonardo Tsvetelinov Stoev.

## **2. Brief biographical data about the doctoral student**

PhD student Leonardo Tsvetelinov Stoev has a Master's degree in Accounting, Control and Corporate Analysis from the University of Insurance and Finance and an MSc Banking and Finance from Queen Mary University of London.

From 2016 to 2017 he is an intern auditor at Ernst & Young Audit OOD - Sofia; from 2017 to 2018 he is a financial assistant in "Experience Bulgaria" EOOD - Sofia. From 2018 to 2019 he is a junior financial analyst in the same organization. He is currently an accounting analyst at Xerox Business Services Bulgaria EOOD - Sofia.

He speaks English.

He is a member of MENSA Bulgaria.

He has awards, including the Queen Mary contribution award and the Queen Mary skills award - awards for contribution to the university and high personal qualities.

## **3. Relevance of the topic and expediency of the set goals and objectives**

I believe that the topic of the dissertation is extremely relevant, given the VAT fraud (budget damage from organized VAT fraud is from 190 to 230 million BGN, according to the Center for the Study of Democracy: Organized crime in Bulgaria generates profits of BGN 3 billion per year <https://glasove.com/categories/novini/news/organiziranata-prestypnost-v-bylgariya-generira-kolosalni-pechalbi-ot-3-mlrd-lv-godishno> ) and the fact that according to data from the International Monetary Fund (IMF) from 2019, the share of the gray economy in Bulgaria is 37.8%, which puts our country in one of the leading places in Europe. (IMF: The informal economy in Bulgaria is among the highest in Europe <https://dariknews.bg/novini/bylgariia/mvf-sivata-ikonomika-v-bylgariia-e-sred-naj-visokite-v-evropa-2203041>).

The goals, tasks, object, subject, research thesis, limitations of the research and research methodology in the introduction of the dissertation are clearly formulated .

#### **4. Knowledge of the problem**

The way in which the analysis of the significant number of literature sources was performed, the scientific approach applied in the research, the achieved results and the proposals made, show that the doctoral student Leonardo Tsvetelinov Stoev knows the problem in depth.

#### **5. Research methodology**

I believe that the methodology used in the study is suitable for achieving the goal of the dissertation and for the implementation of the tasks.

#### **6. Characteristics and evaluation of the dissertation**

The presented dissertation has a volume of 146 pages (without the list of used literature, which includes 175 sources) and contains: introduction, three chapters and conclusion.

The introduction of the dissertation includes: the relevance of the researched problems, object, subject, goal, tasks, research thesis, research methodology and the limitations in the scope of the research.

An analysis of the theoretical characteristics of tax and social security control has been performed in Chapter One.

Here have been thoroughly researched: the nature of taxation and the need for control; the general characteristics and specific features of the tax-insurance control; the characteristics of tax and insurance fraud.

A study is conducted on the organization of tax and social security control in the Republic of Bulgaria in Chapter Two. The study includes: institutional organization of tax and social security control in Bulgaria; analysis of the forms of tax and social security control in Bulgaria; problems of tax and social security control in Bulgaria.

The in-depth knowledge of the researched problems showed by the doctoral student In this chapter, makes a very good impression .

Chapter three presents guidelines for improving the control related to tax insurance fraud. The study of the good practices for tax insurance control in Europe (Germany, Great Britain and Estonia) deserves high praise, as well as the studied good European practices for tax insurance

control. The doctoral student's research related to measures to combat tax and insurance fraud in Europe should be considered extremely useful.

The guidelines proposed by the doctoral student for improving the tax and social security control in connection with the prevention and detection of tax and social security fraud in Bulgaria should also be highly appreciated .

The conclusion presents the main conclusions, some of which are related to: a change in the institutional organization of tax and social security control in the country, expressed in the merger of the NRA and the Customs Agency; there is a need for a change in the legislation on Value Added Tax, the need for a detailed manual for the TSPC on the implementation of forms of control in the face of inspection and audit, as well as the lack of a methodology for sampling.

The conclusion presents the main conclusions, some of which are related to: the need for a change in the institutional organization of tax and social security control in the country, expressed in the merger of the NRA and the Customs Agency; the need for a change in the legislation on value added tax, the need for a detailed manual to the TIPC on the implementation of the forms of control (inspection and audit), as well as the need to establish a methodology for sampling.

## **7. Contributions and significance of the development for science and practice**

I believe that the following scientific and scientifically applied achievements can be distinguished in the dissertation of Leonardo Stoev :

- ✓ The main guidelines for the improvement of the tax and social security control in Bulgaria are defined: in the spheres of the institutional organization (based on the structure of the tax system) and in the field of the normative regulations, which should result in an increase of its level of efficiency;
- ✓ The main problems in the application of the forms of control are presented;
- ✓ The need to develop 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 tax audit;
- ✓ Good European practices related to tax and social security control in three European countries (Germany, Great Britain and Estonia) are analyzed;
- ✓ The good practices in the regulations of the countries in Europe related to the prevention and detection of tax and insurance fraud are analyzed;

- ✓ Specific proposals for regulatory changes related to the reduction of VAT fraud have been made.

### **8. Evaluation of the publications on the dissertation**

The publications presented by the doctoral student include the following two reports and an article:

- ✓ 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

I believe that the publications presented by the doctoral student reflect the results of the dissertation.

### **9. Assessment of compliance with the minimum national requirements**

Based on the materials submitted for review, I believe 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**

I have not found plagiarism in the dissertation. In this sense, I believe that the dissertation, the results presented and the contributions are the work of the doctoral student.

### **11. Abstract**

The abstract meets the requirements. It correctly presents the content of the dissertation and contains the main results achieved.

### **12. Critical remarks and recommendations**

During the defense of the doctorate, it is good for the doctoral student to present some of his ideas related to the content of the detailed manuals for the exercise of the forms of tax and social security control to the TIPC (p. 140).

### **13. Personal impressions**

I do not know the doctoral student personally and for this reason I can not express personal impressions.

### **14. Recommendations for future use of dissertation contributions and results**

My recommendation to the PhD student is to further develop in the future the proposal for "the development of detailed manuals and the development of a formal methodology for the application of the sampling approach in the inspection and audit of tax subjects."

### **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 for development of the academic staff in the Republic of Bulgaria (ZRASRB) and the Regulations for application 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 doctoral student Leonardo Tsvetelinov Stoev has in-depth theoretical knowledge and professional skills in Professional field 3. 8. Economics, as demonstrated qualities and skills for independent research.

Due to the above, I confidently give my positive assessment of the research presented by the above-reviewed dissertation, abstract, results and contributions, and I propose to the esteemed scientific jury to award the educational and scientific degree 'Doctor' to Leonardo Tsvetelinov Stoev in the field of higher education 3. Social, economic and legal sciences; professional field 3. 8. Economics; doctoral program "Accounting, Auditing and Analysis".

22.03.2021

**Reviewer:**.....

**Professor PhD Miroslava Peicheva**