

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF BULGARIA ON
THE EXCHANGE OF COUNTRY-BY-COUNTRY REPORTS**

Whereas the Government of the United States of America and the Government of the Republic of Bulgaria (each, a “Party,” and together, the “Parties”) desire to conclude an agreement to increase international tax transparency and improve access of their respective tax authorities to information regarding the global allocation of income, taxes paid, and certain indicators of the location of economic activity among tax jurisdictions in which multinational enterprise groups (“MNE Groups”) operate through the automatic exchange of annual country-by-country reports (“CbC Reports”), with a view to assessing high-level transfer pricing risks and other base erosion and profit shifting related risks, as well as for economic and statistical analysis, where appropriate;

Whereas the CbC Report is one element of a standardized approach to transfer pricing documentation which is intended to provide tax administrations with relevant and reliable information to perform an efficient and robust transfer pricing risk assessment analysis;

Whereas the laws of the United States of America and the Republic of Bulgaria require the reporting entity of an MNE Group to annually file a CbC Report;

Whereas Article 25 (Exchange of Information and Administrative Assistance) of the Convention between the Government of the United States of America and the Government of the Republic of Bulgaria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “Convention”), authorizes the exchange of information for tax purposes, including the automatic exchange of information;

Now, therefore, the Parties have agreed as follows:

1. Pursuant to the provisions of Article 25 of the Convention, the Competent Authority of each Party shall exchange CbC Reports with the Competent Authority of the other Party annually on an automatic basis. The term “Competent Authority” has the meaning it has in the Convention.
2. The Competent Authorities shall sign an arrangement, which shall provide for:
 - (i) the scope of the exchange of CbC Reports,
 - (ii) the time and manner of the exchange of CbC Reports,
 - (iii) collaboration on transmission and errors,

- (iv) confidentiality, data safeguards, and appropriate use with respect to CbC Reports,
- (v) consultations with respect to CbC Reports, and
- (vi) modifications to, and term of, the arrangement.

The arrangement shall be consistent with this Agreement and the Convention.

3. All information exchanged shall be subject to the confidentiality and other protections provided for in the Convention, including the provisions limiting the use of the information exchanged. In the event of termination of this Agreement, all information previously exchanged under this Agreement shall remain subject to such terms of the Convention.
4. In case any difficulties in the implementation of this Agreement arise, either Party may request consultations to develop appropriate measures to ensure the fulfillment of this Agreement.
5. This Agreement may be amended by written mutual agreement of the Parties. Unless otherwise agreed upon, such an amendment shall enter into force through the same procedures as set forth in paragraph 6 of this Agreement.
6. This Agreement shall enter into force on the date of the Republic of Bulgaria's written notification to the United States of America that the Republic of Bulgaria has completed its necessary internal procedures for entry into force of this Agreement. However, exchange of information under this Agreement shall not commence until the arrangement described in paragraph 2 of this Agreement is operative by its terms.
7. This Agreement shall terminate on the earlier of (1) the date of termination of the Convention or (2) the first day of the month following the expiration of a period of 12 months after the date upon which either Party provides notice of termination in writing to the other Party.

In witness whereof, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done at [_____], in duplicate, in the English and Bulgarian languages, both texts being equally authentic], this [____] day of [_____], 20[____].

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF BULGARIA:
