



**REPUBLIC OF BULGARIA**  
**MINISTER OF TRANSPORT,**  
**INFORMATION TECHNOLOGY AND COMMUNICATIONS**

**TO**  
**ALL INTERESTED PERSONS IN THE PROCEDURE FOR**  
**GRANTING A CONCESSION FOR SERVICE FOR THE OBJECT**  
**“CIVIL AIRPORT FOR PUBLIC USE SOFIA”**

**RE:** *Received questions concerning the procedure for granting a concession for service for the object “Civil airport for public use Sofia”*

**DEAR SIR/MADAM,**

In connection with received question concerning the procedure for granting a concession for service for the object “Civil airport for public use Sofia” – public state property, we submit the following answers:

<b>№</b>	<b>QUESTIONS</b>	<b>ANSWERS</b>
1.	You have provided the draft Concession Agreement. Can we comments or propose modifications to this text prior to the bid submission? If not, can we include our comments in the Concession Agreement text with our bid?	Under Art. 63, para. 1 of the Concessions Act the concession agreement is concluded without conducting negotiations related to the project, included in the documentation for participation, and the offer of the participant who is ranked first.
2.	Can you please accept the offer to be submitted in the English language with an official translation in Bulgarian? This will facilitate the international potential bidders and increase the number of participants.	According to Section III. "Guidelines concerning the formal requirements for design and content of the participants offers ", point 12.1.4. and point. 12.1.5. of the Documentation for participation in the opened procedure, the content of the offer is in Bulgarian and documents applicable shall be submitted in the language of issue together with the official translation into Bulgarian language.
3.	In article 6.4.1 of the Documentation it is mentioned that the participant with the	According to Section VI. "Criteria for selection of participants Art. 26, para. 1 of the Concessions Act and the minimum levels of the applicable requirements on their implementation", item 6.4.1. of the Documentation for

	<p>leading role (Leader) of an association should have the majority shares in the association (over 50%) and in the project company and the same percentage share of the Leader will be maintained during the whole term of the concession. Can you please accept the Leader to be able to reduce its percentage in the project company (below 50%) after a period of entering into force of the concession agreement, maintaining at the same time the control over the management in the project company?</p>	<p>participation in the procedure the participant in the association, proving its experience as an airport operator, should have a leading role in the association with predominant percentage participation in it, allowing him to play a crucial role in decision-making in the General Assembly of the project company, established for the purposes of the Concession Agreement, associated with the management and the exploitation of the airport. Requirement under the same item is that during the whole term of the concession participants in the association should retain this percentage participation in the capital of the project company's rights aloud in the General Assembly, as well as the control over its managing throughout the period of the concession, unless the express written consent of the grantor.</p>
4.	<p>It is mentioned in the Documentation (article 2.4.5) that the participant to whom the concession is awarded may buy or rent from "Sofia Airport" EAD movables (technical equipment, etc.) relevant to performance of management and exploitation of the site. Can you please clarify if there is any public entity operating in the airport (e.g. Civil Aviation Administration, etc.) possessing also various technical equipment, vehicles, etc. which will be given to the successful participant free of charge? If yes, can we have a list of such equipment?</p>	<p>On the website of MTITC: <a href="https://www.mtitc.government.bg/page.php?category=755">https://www.mtitc.government.bg/page.php?category=755</a> to the Documentation for participation in the opened procedure, in Annex№ 4 is presented an inventory of the assets owned by "Sofia Airport" EAD, that the participant selected as a concessionaire can buy or rent. To the same Documentation in Annex № 3.8. is published an inventory of Directorate General "Civil Aviation Administration" regarding the assets of Sofia Airport up to 30/04/2016. The assets described will be transferred to the concessionaire upon entry into force of the Concession Agreement.</p>
5.	<p>It is our understanding relevant to article 6.4.1. that in case the participant is an association of companies, the technical</p>	<p>Thus, as indicated in item 6.4.1. of the Documentation for participation in the procedure, in case of unification, the requirement for experience of the participant as an airport operator in paragraph 6.2.1. of the Documentation should be fulfilled at least by one of the participants in the</p>

	<p>capacity and professional qualifications can be fulfilled also by one company only of the association, which could be the airport operator and the Leader of the association. Please confirm.</p>	<p>association, this actor should play a leading role in the union with predominant participation percentage in it, allowing him to play a crucial role in decision-making in the general Assembly of the project company established for the purposes of the concession agreement, associated with the management and exploitation of the airport. Accordingly, the grouping should retain this percentage participation of the participant in the capital of the project company's rights aloud in the General Assembly, as well as the control over its managing throughout the period of the concession, unless the express written consent of the grantor.</p>
6.	<p>Is it possible to have the laws, acts, decrees, regulations, ordinances etc. mentioned in the draft Concession Agreement and the Documentation in English?</p>	<p>A large number of the acts can be found in English in the existing legal systems - such as Apis, Ciela and others.</p>
7.	<p>One of the clauses of the Concession Agreement regarding the Economic Balance of the Concession (2.7.8) states that "the economic balance may be restored by agreement between the Parties on bigger size of the concession payment for a fixed term." We assume it should also involve lower size of the concession payment for a fixed term if the breach is against the Concessionaire. Please confirm.</p>	<p>Under Art. 2.7.8. of the Concession Agreement restoration of economic balance is performed by signing of an Annex to the concession agreement only through the reduction or extension of the concession period (if the law allows it) which can not be more than 10 years. Upon the occurrence of a circumstance under Art. 2.7.4.4., the economic balance can be restored by agreement of the Parties to the larger amount of the concession payment for a specified period. In this connection, it is not possible to restore the economic balance by reducing the amount of the concession payment.</p>
8.	<p>Article 3 of the Concession Agreement - Conditions of concession: Can you please clarify further what is meant by clause 3.18 (sum of t percentages of regulated return and of concession payment shall be equal to 20.6%) in relation also to clause 33.3?</p>	<p>In relation to Art. 33.3. of the draft Concession Agreement, the sum of the percentage rates of the regulated return and of the concession payment, proposed by the participant shall be equal to 20.6%. Therefore, the specific proposals of the participants on the percentage of the regulated return and the percentage rate of the concession payment should totally form a grand equal to 20.6% and the participant must comply with the requirement of item. 12.2. by Decision № 419 of the Council of Ministers for a minimum percentage of annual concession payment.</p>

9.	How will the VAT on the single concession payment be recovered? Additionally, how will the VAT on the variable percentage annual payments and the investments (CAPEX) be recovered/offset/refunded.	For the purposes of the concessions (concession activities), the Ministry of Transport, Information Technology and Communications is registered under the Value Added Tax Act. The return/refund of VAT will be done depending on the tax personality of the participant determined as concessionaire. In addition, these issues are regulated by the Value Added Tax Act, the Regulations for Application of the Value Added Tax Act and the National Revenue Agency Act.
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