

OPINION

by

**Associate Professor Diyana Bankova, PhD in the University of Insurance and Finance
(UIF) - Sofia**

of a dissertation for the award of an educational and scientific degree "doctor (PhD)"

in Higher Education Area 3. Social, economic and legal sciences

Professional field": 3.8 "Economics

Author of the dissertation: **Kiril Kirilov Angelov**

Topic: **Optimisation And Control Of Transactions Between Related Parties In The Context Of Transfer Pricing**

Research supervisor: **Prof. Desislava Yosifova, DSc**

General reason for presenting the opinion is participation in the composition of the scientific jury for the defense of the dissertation work. When complying with the provisions of ZRASRB and PPZRASRB, in connection with the acquisition of the educational and scientific degree "doctor" (PhD), the following can be noted:

1. General description of the presented materials

Based on the order No. 145/02.04.2026 of the Rector of the University of Insurance and Finance (VUZF), Cor. Mem. Prof. Boris Velchev, DSc, I have been appointed as an internal member of the Scientific Jury for the defense of the doctoral dissertation on the above-mentioned topic, for the acquisition of the educational and scientific degree of 'Doctor' (PhD) in the aforementioned scientific specialty and professional field.

2. Brief biographical data about the candidate

Kiril Kirilov Angelov was born on September 19, 1991. In 2009, he completed his secondary education at the 9th French Language School „Alphonse de Lamartine“ in Sofia. In 2014, he

earned a Bachelor's degree in „Hydrogeology and Engineering Geology“ from the University of Mining and Geology „St. Ivan Rilski“. Furthermore, he enhanced his education with two Master's degrees: the first was obtained in 2018 in 'Geotechnics and Engineering Geology' from the Todor Kableshev „University of Transport“, and the second in „Accounting and Control“ from the University of Insurance and Finance (VUZF).

His career development began in 2014 and has continued at „Geolobi“ Ltd., where he has served as an engineer, geologist, and managing director of the company. The candidate's extensive experience and educational background are evidence of his high professional competence and profound knowledge in the fields of engineering geology and geotechnics. These serve as a solid foundation for his academic advancement and further development in the field of economics.

3. Relevance of the topic, knowledge of the problem, research methodology

The relevance of Kiril Angelov's dissertation is determined by the growing importance of transfer pricing as a tool for managing tax risks in the context of intensified international and national control. The author's contribution is particularly valuable in the context of Bulgarian legislation, which requires compliance with the arm's length principle in all transactions between related parties. The optimization models developed in the thesis meet the real business need for greater tax predictability and provide revenue authorities with more reliable tools for analysis and control.

The author demonstrates a profound understanding of the subject matter, examining it within a broad interdisciplinary context – tax, accounting, and legal. Key aspects of the problem awareness include:

- ✓ International and European context – the study is based on current global trends in the fight against Base Erosion and Profit Shifting (BEPS), initiated by the Organisation for Economic Co-operation and Development (OECD) and the G-20. The mastery of the subject matter covers a detailed analysis of European legislation (ATAD, DAC 6 directives, and proposals for new transfer pricing directives).
- ✓ National specifics – the doctoral student identifies a significant characteristic of the Bulgarian regulatory framework (the application of transfer pricing rules not only for international but also for domestic transactions between related parties).

- ✓ Identification of practical deficits – the thesis highlights areas lacking a definitive methodology (for example, regarding interest rates on loans between related parties), which leads to tax uncertainty and the risk of disputes.
- ✓ Accounting and legal aspects – the significance of IAS 24 'Related Party Disclosures' is analyzed, along with its role in ensuring corporate transparency and a true and fair view of the financial position.

The exposition in the dissertation clearly indicates that the doctoral student possesses an in-depth knowledge of the researched issues. Analytical frameworks are presented, based on an extensive body of international and national sources dealing with modern concepts of transfer pricing. The author demonstrates an excellent command of the OECD guidelines, European legislation in the field of tax transparency (ATAD, DAC6), and the specific Bulgarian regulatory framework concerning transactions between related parties.

To achieve the scientific objectives of the study, a complex and appropriately selected methodology has been employed (systemic and comparative analysis, deduction, functional analysis, and economic modeling). This methodological apparatus has enabled the author to successfully analyze the arm's length principle and identify problem areas in determining market prices under conditions of specific intra-group transactions. As a result of the research, specific optimization models for control have been proposed, which hold direct practical and applied value.

4. Characterization and Evaluation of the Dissertation and Its Contributions

The dissertation consists of 165 pages. The content is structured into an introduction, a main body expanded across three chapters (with their respective sections and subsections), findings, a conclusion, and a list of references. Although some disproportion between the individual chapters is observed in the structure, the presentation is logical and consistent. The presented tables, graphs, and figures successfully support the various parts of the research and provide valuable analytical information. The bibliography used includes a total of 76 sources (Bulgarian and foreign authors, regulatory acts, and internet resources), which is adequate for the scale of the work.

The main working hypothesis of the dissertation is that transactions between related parties in the context of transfer pricing are specific and complex in nature, requiring the application of precise control and optimization methods. Therefore, it is necessary to deepen the possibilities

for their regulation by improving methodological approaches for determining market prices and enhancing compliance with the regulatory framework.

The introduction includes: the relevance of the topic and the significance of the researched problem; the object, subject, purpose, and tasks of the scientific research; the thesis statement; the research methods used; and the limitations of the study. The object and subject of the research are correctly formulated in the introduction. The process of tax control and optimization of transactions between related parties is identified as the object of research. The subject of the dissertation is the methodology (regulatory framework) of transfer pricing and the application of the arm's length principle in Bulgarian and international practice. The aim of the research is clearly outlined – the development of optimization methodological models in the field of transfer pricing. It has been successfully achieved based on the well-defined tasks.

The first chapter of the dissertation is well-structured and provides a smooth introduction to the subject matter by examining transfer pricing in an international context and through the lens of the European regulatory framework (including the concepts of fictitious units and tax transparency). The author analyzes in detail the concepts of "related parties" and "groups of enterprises," drawing a parallel between national legislation and international standards (ESA 2010). Emphasis is placed on improving tax transparency and fiscal control.

The second chapter represents the methodological foundation of the work. It provides an in-depth functional analysis (functions, assets, risks) and a critical review of the five OECD methods for determining market prices (Comparable Uncontrolled Price Method; Resale Price Method; Cost Plus Method; Transactional Net Margin Method; Profit Split Method). The doctoral student does not merely describe them but analyzes their hierarchy and applicability depending on the availability of comparable market information. The study of mechanisms for preventing and resolving disputes between tax administrations emphasizes the relevance of the work in the context of the increasing number of tax audits of multinational companies.

The third chapter is dedicated to the practical and applied aspects of the research, where the author proposes specific models for optimization and control in transactions involving real estate, intra-group services, and loans. The developed models and algorithms for calculating interest rates represent a significant contribution to the research thesis. This chapter transforms the dissertation into a practical manual that can be used by accounting experts and tax consultants, as well as by the authorities of the National Revenue Agency (NRA) when conducting audits.

A positive aspect of the dissertation research is that findings are summarized for each chapter, and general conclusions are formulated before the final part. The conclusion of the dissertation provides summaries of the overall work, as well as an analysis of the results of the scientific research and their practical application.

The dissertation is logically structured in terms of volume and composition. Based on the title of the topic and the exposition within its content, it is established that there is full correspondence between them.

Regarding the contributions, it should be noted that the dissertation contains a sufficient number of contributing points, varying in nature and significance. I accept the scientific-applied and practical-applied contributions identified in the work, which successfully build upon the existing methodology in the field of transfer pricing

5. Evaluation of the Publications Related to the Dissertation

The doctoral candidate has submitted a list of 5 publications related to the topic of the dissertation. Three of them are individual, and two are co-authored. This is evidence of high personal commitment and the ability to work both in a team and independently. The works have been published in reputable journals closely linked to the specialized and researched subject matter of the dissertation.

6. Assessment of Compliance with the Minimum National Requirements

The submitted set of materials is in compliance with the regulatory requirements. It contains all the necessary documents proving the successful completion of the doctoral program. The minimum national requirements for obtaining the educational and scientific degree of 'Doctor' (PhD) in professional field 3.8 „Economics“ have been fulfilled. According to the Act on Development of the Academic Staff in the Republic of Bulgaria (ADASRB) and its implementing regulations, a total of 80 points is required. In Group G, the candidate has achieved 40 points, which, together with the points from the dissertation (50 points), forms a total of 90 points.

7. Abstract

The abstract of the dissertation provides a true and accurate representation of the dissertation's content. Furthermore, no plagiarism exceeding the statutory requirements has been identified. According to the report from the "Strike Plagiarism" software, the detected level of similarity is within the permissible limits.

8. Recommendations and Questions

Based on my positive assessment of the dissertation developed by the doctoral candidate Kiril Kirilov Angelov, I would like to offer a recommendation for the further deepening of his research pursuits in this field in the future. Specifically, he should focus his efforts on promoting the achieved scientific and applied results within the international academic community. It is advisable that the key findings of the study, and particularly the original models for the optimization of related-party transactions, be presented in the form of articles and papers in reputable scientific journals indexed in global databases (such as Scopus and Web of Science). This would allow the issues of transfer pricing within the context of the Bulgarian economic environment to reach an international level and be subjected to a broader expert debate.

Conclusion

The dissertation contains scientific, scientific-applied, and applied results that represent an original contribution to science and meet the requirements of the Act on the Development of the Academic Staff in the Republic of Bulgaria and the Regulations for its implementation. The submitted materials and results comply with the specific requirements of the Regulations for the Admission and Training of Doctoral Students at VUZF. The dissertation demonstrates that Kiril Angelov possesses in-depth theoretical knowledge and professional skills in Professional Field 3.8. Economics, demonstrating the qualities and abilities to conduct independent scientific research. In view of the above, **I give my positive assessment 'for' the conducted research and propose to the Scientific Jury to award the educational and scientific degree of 'Doctor' (PhD) to Kiril Kirilov Angelov** in the Area of Higher Education 3. Social, Economic and Legal Sciences; Professional Field 3.8. Economics; Doctoral Program „Accounting, Control and Analysis“.

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Sofia

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/Assoc. prof. Diyana Bankova, PhD/