

UNIVERSITY OF INSURANCE AND FINANCE

R E V I E W

From: Prof. Ali Ali Veysel, PhD; Department of Accounting and Audit, University of Insurance and Finance – Sofia, Professional Field 3.8. Economics (Accounting, Audit, and Analysis).

Regarding: Dissertation for the award of 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, Control, and Analysis".

Grounds for presenting the review: Participation in the composition of the scientific jury on the defense of the dissertation according to Order No. 169/22.04.2026 of the Rector of the University of Insurance and Finance (UIF).

Author of the dissertation: Kiril Angelov

Dissertation topic: "Optimization and Control of Transactions Between Related Parties in the Context of Transfer Pricing".

Scientific supervisor: Prof. Desislava Yosifova, D.Sc.

1. Information about the doctoral candidate

The author of the dissertation is Kiril Angelov, a doctoral candidate in an independent form of training at the Department of Accounting and Audit of UIF, with scientific supervisor Prof. Desislava Yosifova, D.Sc., enrolled with order No. 309/27.10.2022 and discharged with order 128/20.03.2026.

The doctoral candidate completed a bachelor's degree in the specialty "Hydrogeology and Engineering Geology" at MGU "St. Ivan Rilski" in 2014, a master's degree in the specialty "Geotechnics and Engineering Geology" at VTU "Todor Kableshkov" in 2018, and a master's degree in the specialty "Accounting and Control" at the Higher School of Insurance and Finance (now UIF). He has over 11 years of experience as an engineer – geologist and manager of a company.

2. General characteristics of the presented dissertation

The dissertation is with a volume of 165 pages, as the exposition is structured in an introduction, three chapters, a conclusion, and used literature. The used literature includes 76 units of sources in Bulgarian, foreign, and online sources.

In the introduction are presented the relevance, the object, the subject, the aim, the tasks, the thesis, the methodology, and the limitations of the research.

The dissertation is dedicated to one of the most complex and relevant problems in modern international and national tax taxation – the shrinking of the tax base and the transfer of profits, examined through the prism of transfer pricing. The relevance of the topic is justified through a large-scale analysis of global and regional processes. Impressive data are presented for the scales of tax losses on a global scale, evaluated at hundreds of billions of dollars annually, and it detailedly tracks the evolution of the international response in the face of the OECD, G-20, and the European Union. Especially significant is the emphasis on the specifics of the Bulgarian regulatory framework. Unlike the international regulations, directed primarily towards cross-border operations, in Bulgaria the rules for transfer pricing are applicable for all transactions between related parties. This gives the research high practical value for the national economy and fiscal practice.

Object of the research are the regulatorily recognized methods for the fair determination and verification of the market character of transfer prices in transactions between related parties. Subject of research is the regulatory framework, the fiscal initiatives, and the specific policies in international and national context, directed towards limiting and counteracting the shrinking of the tax base and the transfer of profits, with an emphasis on corporate strategies for transfer pricing.

The aim of the dissertation is formulated clearly: development of optimization methodological models in the field of transfer pricing, applicable in internal-firm and external analysis, verification, and control of transfer prices on transactions between related parties through justification of correction approaches for reaching market price levels. For its achievement are defined logically linked tasks, including research of the tax regimes, clarification of the conceptual apparatus for relatedness, and justification of practically applicable correction approaches.

The research thesis is precisely defined – the author defends the understanding that within the framework of the normatively regulated rules for treatment of transactions between related parties, it is possible the development and application of suitable optimization models in the field of transfer pricing, which satisfy the financial interests of the participating subjects, as they ensure balance between the economic justifiedness of the corporate intra-group transactions and the requirements for protection of the fiscal goals of the state and the respective tax bodies.

The methodology of the research is complex and adequate to the set goals. Used are normative and comparative analysis, systems approach, and elements of modeling. The

choice of methodological toolkit allows the candidate to pass from the broad theoretical and international level to concrete procedures.

The author correctly defines also the limitations of the research, as he focuses on the tax point of view of the concept "related parties" and limits the scope of the optimization models to three main types of transactions (real estates, services, and loans). This approach contributes to the specificity and the operational applicability of the made conclusions.

Chapter one is with the title "Transfer Pricing in International Context and Through the Prism of the European Regulatory Framework". Through it is laid the fundamental theoretical and legal basis of the dissertation, as an interdisciplinary scope is demonstrated. A precise distinction is performed between the economic content and the form of the corporate structures, which is critically important during the analysis of the mechanisms for transfer of profits. Special attention is separated for the fictitious companies, which are defined as an instrument for extracting advantages through anonymity and lack of real economic activity.

The evolution of the European regulatory framework is systematically researched. The analysis includes a critical reading of the findings of the European Court of Auditors regarding the existing deficits. Successfully is defined the distinction between avoiding taxes, aggressive tax planning, and hiding taxes, which allows differentiation of the corporate strategies. The exposition convincingly defends the thesis for the necessity of methodological convergence between the accounting and tax approaches.

Chapter two is with the title "Principle of Independent Market Relations – Essence and Directions for Research in the Context of Transfer Pricing and the National Fiscal Practices". In it is analyzed the principle of independent market relations. A deep interdisciplinary analysis is performed of the concept "related parties", as the relatedness is examined not only through the signs of control and participation, but also through the economic essence of the mutual relations.

Central place in the chapter takes the analytical review of the methods for determining the market prices. Argumentatively is presented the applicability of the methods. Special attention is separated for the analysis of comparability, which is defined as a critical instrument for proving in transfer pricing.

The exposition places emphasis on the concept of the economic value of the intra-group services, passing from formal justification of the costs towards evaluation, based on their real necessity and measurability. Systematically is researched the role of the documentation for transfer pricing.

Chapter three is with the title "Possible Optimization Models During Performing, Analysis, and Verification of Transactions Between Related Parties". In it is finalized the research cycle through the development of concrete applied solutions, directed towards increasing the tax security and the operational efficiency. The necessity of creation of standardized

optimization models is justified, caused by the growing complexity of the intra-group transactions and the deficit of easily applicable analytical instruments in the practice. The exposition focuses on three critical areas: transactions with real estates, providing of services, and intra-group lending.

During the analysis of the transactions with real estates are proposed approaches, based on objectively establishable market orientations, which minimize the subjective assessments during determining the price levels. In the part, dedicated to the services between related parties, the model places emphasis on the balance between the resource relatedness and the tax neutrality, as it does not allow unjustified deviations from the market logic. Applied value has also the developed methodology for determining an interest rate for loans between related parties. An algorithm is proposed for calculating an economically justified interest magnitude, with which are overcome substantial practical-applied difficulties and risks of contradictory interpretation.

The developed models step upon the existing regulatory framework, but further develop it in the direction of higher predictability both for the business and for the control bodies. In a broader plan the exposition in chapter three proves, that the systematic application of these optimization solutions guarantees fair treatment of the transactions and effective protection of the fiscal interest of the state.

In the conclusion of the dissertation are systematized and summarized the main results from the research, as a whole review is made of the transfer pricing and the mechanisms for counteracting the practices for shrinking the tax base and transfer of profits. Argumentatively is defended the research thesis, that within the framework of the regulatory framework is possible the application of optimization models, which balance the financial interests of the subjects with the requirements for protection of the fiscal goals of the state. The research convincingly confirms the necessity of requirements, which to limit the contradictory practices during the tax control and to reduce the risk of tax-legal disputes and double taxation.

Through the proposed models is achieved the main goal of the work – justification of approaches for reaching market price levels. In the course of the work are fulfilled all set tasks: researched are the modern tax regimes in international and national context, refined is the conceptual apparatus for relatedness and are analyzed the methods for determining market prices.

The dissertation demonstrates a deep scientific approach, and the developed methodological solutions possess real practical value. The set goals are achieved entirely, as the development proposes concrete and justified conclusions, which are of essential significance for increasing the tax predictability and the efficiency of the fiscal control in the area of transfer pricing.

3. Evaluation of the obtained scientific and scientific-applied results

The set goals and tasks of the research are achieved and convincingly justified. In result of the deep analysis are proposed optimization methodological models in the area of the transfer pricing, which serve as an instrument for analysis, verification, and control of the price levels during transactions between related parties.

The developed models report the specific feature of the national regulatory framework. Presented are models for the most widespread and risky transactions – transactions with real estates, providing of services, and intra-group financing. In them is implemented a system of objective indicators and approaches, which allows precise approaching of the controlled prices to the market levels.

The proposed methodological approach ensures a suitable analytical framework for collecting and evaluating the information, as it minimizes the subjective element in the process of research of comparability. The optimization solutions are proposed as a complementing mechanism towards the existing controls, which increases the predictability for the business and strengthens the administrative capacity for counteracting the practices for shrinking the tax base and transfer of profits.

These and other analyses and generalizations outline the ideas in the dissertation. They are useful for searching practical solutions and effective measures for increasing the tax justice and the economic transparency. The work ensures a solid basis for further research, especially in the context of the dynamically changing tax provisions.

4. Evaluation of the scientific-applied contributions

In result of the research are formulated theoretical-methodological and scientific-applied contributions, which are the following:

1. Systematized is the modern regulatory framework of the transfer pricing and the tax regimes, connected with the counteracting of the tax abuses, leading to shrinking of the tax base and transfer of profits in international context.
2. Proposed are directions for applying sector analysis as an instrument for verification of the compliance of the transactions between related parties with the principle of independent market relations, illustrated through analysis of business transactions in a concrete economic sector.
3. Derived is an analytical framework for research of the principle of independent market relations, combining tax, accounting, economic, and sector parameters, as in its scope are justified practically applicable correction approaches and relevant digital coefficients for performing corrections of the prices applied by related parties in controlled transactions with the aim of approaching the prices to the levels of comparable uncontrolled transactions.

4. Developed are optimization methodological models for systematized solutions during three of the most widespread types of transactions between related parties – sale of real estates, performing of services, and financing operations on intra-group lending.
5. Justified is the potential for practical application of the developed models both in national and in European environment, as their double usefulness is emphasized - both for increasing the tax security and predictability for the business, and as an instrument for fiscal analysis and aiding the control during the transfer pricing.

The set forth contributions have a pointedly practical orientation and are in direct compliance with the needs of the modern tax practice. They propose a methodologically sustained toolkit, which is of essential significance for increasing the tax security, minimizing the fiscal risks, and ensuring an objective base during proving the market character of the transactions before the control bodies.

5. Evaluation of the publications on the dissertation

To the dissertation are attached scientific publications, which are the following:

1. Angelov, Kiril., Optimization models during performing and analysis of transactions between related companies, scientific journal "Mechanics, Transport, Communications", ISSN 1312-3823 (print) ISSN 2367-6620 (online), issue 1, 2026, pp. III-8 – III-17.
2. Angelov, Kiril., Methods for determining the market prices in the context of transfer pricing, Second national student and doctoral conference "Code digital: economy, education, and social relations", UIF, Publishing house of UIF "St. Gregory the Theologian", ISBN 978-619-7622-30-0, pp. 117-125, 2022.
3. Angelov, Kiril, Desislava Yosifova., Compliance with the principle of independent market relations in the context of transfer pricing – directions for research, 70 years Faculty of Finance and Accountancy of UNWE. International scientific conference, ISBN Print 13: 978-619-232-668-5, pp. 169-178, 2022.
4. Angelov, Kiril., Some aspects of research and presentation of the related parties in the context of transfer pricing, Tenth youth scientific conference "I know and I can", VTU "T. Kableshkov", 2022 and printed in "Mlad forum", youth edition of the Scientific journal "Mechanics Transport Communications" ISSN 2367-6558 (print) ISSN 2367-6612 (online) volume 11, issue 1, 2022, pp. III-39 – III-43.
5. Yosifova, Desislava, Angelov, Kiril., Problems and goals during the determination of the prices during transfers of goods and services between related companies, scientific journal "Mechanics, Transport, Communications", ISSN 1312-3823 (print) ISSN 2367-6620 (online), issue 1, 2026, pp. III-1 – III-7. The publications

effectively present the key scientific-applied contributions of the dissertation. They show ability for systematizing and disseminating research in a way, which has both theoretical and practical value.

6. Evaluation of the abstract

To the dissertation is attached an abstract with a volume of 41 pages, which synthesizes the whole research. In it are presented systematized the content, the goals, and the main results from the dissertation, as in this way it fully responds to the regulatory requirements.

7. Critical notes and recommendations

Despite the positive evaluation of the dissertation, some critical notes with recommendatory character can be directed towards the author.

In the structure of the dissertation is observed unproportionality between the individual chapters. The theoretical part significantly exceeds by volume the applied one. During future research it is expedient to search for greater balancedness, so that equal deepness between theory and practice to be demonstrated. The introductory notes and the conclusions towards the individual structural units also could be more synthesized.

In the practical part is necessary a clearer tracking of the methodological logic, so that maximum transparency of the research approach to be ensured.

The made notes do not require corrections in the present text and do not underestimate the significance of the achieved results, but have as a goal solely to aid the future developments.

8. Conclusion

The presented dissertation contains scientific, scientific-applied, and applied results, which represent an original contribution in the science and respond fully to the requirements of the Law for development of the academic staff in the Republic of Bulgaria and the Regulations for application of this law. The presented materials and results correspond to the specific requirements of the Regulations for admission and training of doctoral candidates in UIF. Because of this I give my positive evaluation and propose to the scientific jury to award the educational and scientific degree "doctor" to Kiril Angelov in in the field of higher education 3. Social, Economic, and Legal Sciences, professional field 3.8. Economics, doctoral program "Accounting, Control, and Analysis".

30.04.2026 / Sofia

Signature: 