

REVIEW REPORT OF P H. D. T H E S I S

By: **assoc. prof. Orlin Iliev Kolev, PhD;**

Higher School of Transport „Todor Kableshkov“;

*Professional direction 3. „Social, Economics and Legal Sciences“,
Professional Field 3.8. „Economics“*

Regarding: Dissertation work for awarding the educational and scientific PhD degree in the Professional direction 3. „Social, Economics and Legal Sciences“, Professional field 3.8 “Economics“, Scientific specialty “Accounting, Control and Analysis” in University of Insurance and Finance.

Autor of Dissertation work: **Kiril Kirilov Angelov**

Topic of the dissertation work: *„Optimisation and control of transaction between related parties in the context of transfer pricing“*

Scientific supervisor: **prof. Desislava Vladimirova Yosifova, DSc**

Reason for presenting the review report: participation in the composition of the scientific jury for the defence of the dissertation work on a topic *„Optimisation and control of transaction between related parties in the context of transfer pricing“*, according to Order No. 145 from April 02, 2026 sign from Prof. DSc. Boris Vladimirov Velchev - Rector of the University of Insurance and Finance.

1. Information about PhD student

Kiril Angelov was born on September 19, 1991. He graduated from the Bachelor's degree program at the St. Ivan Rilski State University, the Master's degree program at the Todor Kableshkov Technical University, and the University of Insurance and Finance, the Master's degree program in Accounting and Control.

Kiril Angelov studied independently in the PhD program at the Accounting and Audit Department at the University of Insurance and Finance in the scientific specialty "Accounting, Audit and Analysis", enrolled in

accordance with Order No. 309/October 27, 2022.

The PhD student was enrolled by Order No. 128/March 20, 2026.

From 2014 to the present, the PhD student Kiril Angelov has held management positions in the private sector in the field of geology.

The reviewer does not personally know the PhD student Kiril Angelov and has no personal impressions of him. The opinion compiled by the reviewer is based solely on the documents submitted during the dissertation defence procedure by the PhD student.

2. General characteristics of the presented dissertation work

Structure, Style, volume and etc.

The dissertation is developed in a total volume of 171 pages, with the main part developed in an introduction, three chapters, and a conclusion. There are 2 appendices to the dissertation, but they are integral parts of the chapters themselves and are not presented at the end of the dissertation. The presentation of the dissertation is in a concise scientific style, observing the norms of the modern Bulgarian language. The dissertation presents 28 graphic visualizations (but some of the figures are not numbered) and 7 tables. The list of used literature lists 76 sources - European regulatory provisions, scientific literature and Internet resources. The bibliography analysed by the doctoral student corresponds to the scientific field of the dissertation, and it should be noted that he considered modern and up-to-date information sources in his research. The PhD student Kiril Angelov has very good literary awareness. The citations from Bulgarian and foreign scholars are skillfully selected and appropriately used and are directly related to the researched issues in the dissertation.

Pronouncement for actuality of the topic, purpose, tasks, object, subject and main thesis of the dissertation work.

Globalization, the development of information technology and e-commerce, as well as the growth and business expansion of multinational corporations and cooperatives, make the topic of this dissertation exceptionally relevant.

The research thesis formulated by PhD student Kiril Angelov is: *“Within the framework of the legally established rules for the treatment of transactions between related parties, it is possible to develop and apply appropriate optimization models in the field of transfer pricing that satisfy the financial interests of the participating entities, while ensuring a balance between the economic rationale of corporate intra-group transactions and the*

requirements for protecting the fiscal objectives of the state and the relevant tax authorities.”

The aim of the dissertation is to develop optimization methodological models for transfer pricing in transactions between related parties. The models should also include verification and control of transfer prices.

To achieve the main objective set out in the dissertation, the PhD student has systematized five **tasks**. **The subject** of the dissertation is regulatory-approved methods for the fair determination of transfer prices in transactions between related parties.

Evaluation of dissertation content by chapters

Chapter One provides an in-depth introduction to the topic of transfer pricing and transactions between related parties. It examines both the regulatory framework—at the national, European, and international levels—and examples of case law involving multinational companies and the state administration in its capacity as the collector of tax revenues. The doctoral candidate’s efforts to ensure the information presented is as up-to-date as possible make an exceptionally good impression. In his analysis, the PhD student has included changes to the legal framework that took effect at the beginning of 2026.

The first part of **Chapter Two** examines the types of relationships between individuals and/or legal entities, presenting illustrative configurations of such relationships. The principles of independent market relations are discussed. The chapter presents the main methods for determining market prices:

- Comparable Uncontrolled Price Method (CUPM);
- Market Price Method (MPM);
- Adjusted Value Method (AVM);
- Allocated Profit Method (APM);
- Transactional Net Profit Method (TNPM).

The third chapter of the dissertation has a clearly defined practical focus. It examines three possible optimization models for transactions between related parties—real estate, services, and cash loans.

3. Pronouncement of the obtained scientific and scientific applied results

The multifaceted approach taken by PhD student Kiril Angelov to the topic of transfer pricing makes an exceptionally strong impression. The subject matter is examined from various angles, and practical examples—

including judicial cases—are also presented. Table 3 on page 56 of the dissertation presents five examples of court cases between multinational companies and tax authorities, represented by the European Commission and the U.S. Internal Revenue Service (IRS).

From a practical perspective, three of the most common examples are examined:

- Real estate transactions between related parties;
- Service transactions between related parties;
- Provision of financial loans between related parties.

4. Pronouncement of scientific and scientific applied contributions

PhD student Kiril Angelov has identified and highlighted a total of five contributions, distinguishing and categorizing them into theoretical-methodological contributions and scientific-applied contributions.

First contribution: *“The contemporary achievements in the regulatory framework of transfer pricing and tax regimes related to combating tax abuses leading to base erosion and profit shifting in an international context (BEPS) have been systematized.”* It is based on the legal framework—national, European, and intercontinental.

The second, theoretical-methodological, contribution: *“Guidelines are proposed for applying sectoral analysis as a tool to verify the compliance of transactions between related parties with the arm’s length principle, illustrated through an analysis of business transactions in a specific economic sector.”* A connection and reference are made between the legal (theoretical) framework and practice.

The PhD student has outlined the presented scientific and applied contributions as follows:

First scientific and applied contribution: *“An analytical framework for examining the arm’s length principle has been developed, combining tax, accounting, economic, and sectoral parameters, and within its scope, practically applicable adjustment approaches and relevant numerical coefficients have been established for making adjustments to the prices applied by related parties in controlled transactions in order to bring the prices closer to the levels of comparable uncontrolled transactions.”*. The analytical framework can be regarded as the core.

The PhD student explains the second scientific and applied contribution as follows: *“Optimization models have been developed to provide systematic*

solutions for three of the most common types of transactions between related parties: the sale of real estate, the provision of services, and intra-group financing operations.”;

The third contribution is highly applied in nature and is of key practical significance. *“The potential for practical application of the developed models in both the national and European contexts is substantiated, emphasizing their dual utility—both for enhancing tax certainty and predictability for businesses, and as a tool for fiscal analysis and support in transfer pricing control”.*

The reviewer accepts and expresses general agreement with the contributions (theoretical-methodological and scientific-applied) as formulated by PhD student Kiril Angelov.

5. Pronouncement for publications related to the dissertation work

In order to validate and promote his research related to his dissertation, between 2022 and 2026, PhD student Kiril Angelov published two research articles and presented three papers at academic conferences.

The first publication is titled *“Problems and Objectives in Determining Prices for Transfers of Goods and Services Between Related Enterprises.”*

The second publication is titled *“Optimization Models for Conducting and Analysing Transactions Between Related Enterprises.”*

The first publication was co-authored by the PhD student and his academic advisor, while the second publication was authored independently; both publications appeared in the “Economic Problems” section of the scientific journal *Mechanics, Transport, Communication*, ISSN 1312–3823.

At the Second National Student and PhD Conference “Digital Code: Economy, Education, and Social Relations,” organized by VUZF (currently UZF), the PhD student presented an independent paper on the topic *“Methods for Determining Market Prices in the Context of Transfer Pricing.”*

PhD student Kiril Angelov, together with his academic advisor, participated in the International Scientific Conference “70 Years of the Faculty of Finance and Accounting” at the University of National and World Economy. The presented report was on the topic *“Compliance with the arm’s length principle in the context of transfer pricing—research guidelines.”*

In 2022, the PhD student participated in the 10th Youth Scientific Conference “I Know and I Can,” organized by University of Transport "Todor Kableshkov" by presenting his independent research on the topic *"Some*

Aspects of the Study and Presentation of Related Parties in the Context of Transfer Pricing."

All publications and research papers are directly related to the topic of the dissertation and were produced during the PhD student's period of study.

6. Pronouncement for the Abstract

The abstract is 41 pages long (in Bulgarian) and 38 pages long (in English). The abstract provides comprehensive information on the content, relevance, research thesis, objectives, purpose, and results of the scientific study. It also includes the PhD candidate's self-assessment of their work, expressed through the defined 2 theoretical-methodological contributions and 3 scientific-applied contributions.

The abstract meets the academic formatting requirements and serves as a synthesized version of the main sections of the PhD candidate's dissertation.

7. Critical note, recommendations and questions

It is characteristic of any academic work that it can be refined, improved, and supplemented. However, with regard to the submitted dissertation, the reviewer has no significant critical comments to note in this review.

The reviewer recommends that the PhD student engage in broader publication activities in order to popularize and familiarize the academic and professional community with the results presented in the dissertation.

During the public defence procedure, I pose the following questions to PhD student Kiril Angelov:

1. What fiscal risks arise from the incorrect determination of transfer prices in specific transactions and with specific counterparties (related parties), and how can these risks be minimized?

2. In a transaction between related parties involving a specific good and/or service that is customized for the customer and has no market equivalent, what method for determining transfer prices would the PhD student propose?

8. Conclusion

The dissertation complies with the provisions of the Law on the Development of Academic Staff in the Republic of Bulgaria and its implementing regulations, as well as with the internal regulations—the *“Regulations on the Admission and Training of PhD Students at the Higher*

School of Insurance and Finance” (currently the University of Insurance and Finance).

Through his dissertation, PhD student **Kiril Kirilov Angelov** demonstrates in-depth theoretical knowledge in the scientific field in which he has been trained and possesses the ability to conduct independent scientific research, as well as the ability to appropriately present and summarize the results obtained.

In conclusion, based on my overall assessment of the submitted dissertation on the topic “*Optimisation and control of transaction between related parties in the context of transfer pricing*” including the identified contributions, I give a positive evaluation of the dissertation with full conviction and recommend that the esteemed members of the appointed Academic Jury award the academic and scientific degree of “Doctor” of Education and Science to PhD student **Kiril Kirilov Angelov**.

May 04, 2026

Sofia

Signature:

assoc. prof. Orlin Kolev, PhD