

HISTORICAL, COGNITIVE AND NORMATIVE ASPECTS OF DOCUMENTING COMMERCIAL TRANSACTIONS IN BULGARIA

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ABSTRACT: *The documentary validity of the business operations is fundamental for commercial transactions. In order to fulfill its functions to be reliable and with probative force, the document should be presented in a certain form and content. The lawmaker influenced by the changing market conditions, the implemented policy and in relation to the harmonization of the Bulgarian accounting policy with that of the European Union makes a number of changes, which from documentary point of view, in generally related to the reduction of the number and the range of the mandatory requisites.*

KEYWORDS: *documentation, documentary support, documentary validity, accounting documents.*

The documentation of commercial transactions, whose beginning is lost in ancient times, passes through many metamorphoses to reach today's widely used electronic document.

An overview of the historical development of the documentation [1, 2, 3, 4, 5] suggests the following key facts:

- the occurrence of documents related to the verification of the ongoing business processes dates back to 6000 years before the New Age and is linked to the "Papyrus" found in the valleys of the Nile, Tigris and Euphrates rivers, on which periodically the facts of the single business operations and the established after inspection inventory are recorded;

- in the period from 3400 to 2980 BC, an inventory check of movable and immovable property was conducted every two years in ancient Egypt;

- in the period from 2500 to 2400 BC the current recording of economic operations appeared, which was initially manifested through

the daily monitoring of the stocks, which were also reflected on documents of their time;

- In the Roman Empire, the documents, and in particular the accounting documents, had legal force, and this quality has been preserved to today as well;

- during the Renaissance when double-entry accounting began to circulate, accounting was defined as an art of recording the facts of economic activity in certain books (registers).

Years of economic development followed which also reflected on the documentation. There is an improvement in the documentary validity of the facts of the reproduction process in adequate in form and content accounting documents, which in general, according to the variants of their manifestation, are classified according to different criteria, the most important of which are:

- according to the time of their compilation and the volume of the information they contain - primary, secondary and registers;

- according to their place of production - internal (made in the enterprise itself) and external (made out of the enterprise but affecting its activity, such as suppliers' invoices and payment documents, received transport documents, etc.);

- according to the types of documented business operations - for reporting on cash transactions, for reporting on fixed assets, for reporting on goods, for reporting on materials, for wage reporting and others.

It is interesting to consider the cognitive documentation which establishes the application of the principle of uninterrupted observation for the purpose of establishment of authenticity and correctness. The cognitive nature of documentary justification is also based on the historization, which is realized by representing the chronology in the economic activity. Through documents, and in particular through the accounting documents, the principle of preservation is applied in its form of keeping the registered facts of the economic activity and their reproduction if necessary. Apart from the

historical and cognitive aspect, the documentation of commercial transactions should also be considered in terms of its legal regulation.

The introduction of rules and laws in the commercial activity helps both for regulation of the relationships as well as for preventing crafts and commerce humiliating human dignity. One of the oldest laws that have survived to date is the Babylonian ruler's code that contains criminal, legal and commercial standards, some of which directly related to maintaining a commercial register. According to the supplier and customer settlement code, separate reports were to be kept, and the transfer of cash without a document was considered invalid. The code also contains texts regulating contracts for loans, rentals, sales, fees which are characteristic of today's civil and commercial law.

The legal norms in ancient Greece and Rome also do not overlook commercial relations. Since then, norms which are still valid today have been "pledged" and they are related to the fact that commercial books are accepted as proof of a commercial dispute. A particularly important document for commercial relations since the creation of processes' registries to date is the contract and the guarantees that it should contain based on the applicable legal framework.

In the period of and after the Ottoman domination, the development of the normative system (part of which is translated into Bulgarian) and the issue of accounting handbook in Bulgarian and books on how commercial books should be kept have undoubtedly influenced the development and validation of the documentation of the business activity of the enterprises (including across the Bulgarian lands). In this regard, it should be noted that in the Law of Commerce of the King (1866) [8], in the part Law of Commerce, special attention was paid to the books (registers) that every trader was obliged to keep, namely:

- a daily register, which we think may be named with its current name - a chronological record book, in which daily debts and receivables are recorded;

- copier - Copy Book (Letter book) or to date "Incoming/Outgoing mail archive", in which the letters that the respective merchant has sent and/or received from their partners and/or employees should be entered and mandatory kept;
- an annual stock book in which the trader should enter "their movable goods, debts and receivables".

The books (registers) that were to be kept by each trader had, as they do now, an important role in the reporting process. In addition to registering the business processes in the trader's enterprise, bookkeeping has its significance and probative value in the event of a dispute between traders.

A description of the number, type, content, manner and terms of storage of the commercial books is also present in the Commercial Law of 1897, Chapter Four, Art. 31 to Art. 44 [6].

When referring to the chronology of the current regulatory framework affecting commercial activity, we take into account the fact that the requirements for the content of the registers and the way of their keeping are presented in the operative Turkish Law of Commerce in the territory of Bulgaria from 1849 until 1897, which is abrogated in May 1897 by the first Bulgarian Law of Commerce. Regarding the applied legal framework concerning the activity of traders, it should be pointed out that in 1921, a separate Law of commercial books was adopted, amended and supplemented in 1922. Regulations on the application of the Law were also issued (in December 1921, amended and supplemented in June 1922). These regulations specify who is required to keep registers, which ones are mandatory, how registers should be kept. In the period of 1921 - 1922 practical guides for keeping registers are printed as well, some of which have been preserved till today [1].

Besides the Commercial Law of 1897, which has been amended and supplemented, a number of laws come into force over the years which supplement and develop the framework of the Commercial Law in Bulgaria. These include: the Cooperative Associations Act (1907), the Maritime Trade Act (1908), the Limited Liability Companies Act

(1924), the Markets Act (1983) and others. The Law of Obligations and Contracts of 1950 repealed all the norms of the Commercial Law with a contractual-legal character. After the nationalization of private industrial and mining enterprises in 1947, the practical significance of the Commercial Law in Bulgaria is abrogated by the creation of a single Civil Law in the country. It was only in 1989, with the Decree of Economic Activity, that a process of restoration of the special legal framework for carrying out economic activity began. In 1991, a new Commercial Law [7] was adopted, which has been amended and supplemented on numerous occasions and is currently in force. Chapter Seven of the Commercial Law is devoted to commercial books. In Article 55 (1) and (2) of the Law, it is stated that the regular keeping of commercial books and records (based on the existence of a primary accounting document - note) may be accepted as evidence between traders for establishment of commercial transactions. If the commercial books are kept in violation of the Commercial Law and the Accountancy Act, they cannot serve as evidence in favor of those who are obliged to lead them.

On the basis of the review of the legal regulation of the documentation of commercial transactions, we find that over the years the descriptive nature of the type and content of the registers to be kept by each trader is diminishing, with an increase in references to other laws and/or standards.

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