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JURISDICTION'S PROFILE

GENERAL

Official country name	Republic of Bulgaria
Capital	Sofia
Time zone	UTC/GMT +2

GEOGRAPHY

Location	In the centre of the Balkan peninsula, bordered by Romania to the north, Serbia and Macedonia to the west, Greece and Turkey to the south, and the Black Sea to the east.
Structure	The country consists of 28 administrative regions.
Area	110 879 km ²
Climate	Bulgaria has a temperate-continental climate with moderate features, which is characteristic for Central Europe, with hot summers, long winters and distinct seasons. Snowfalls may occur throughout the country from December till mid-March, especially in the mountainous areas of Bulgaria.

PEOPLE

Population	7 186 893 (July 2015 est.)
Nationality	Bulgarian 86.9%, Turkish 8%, Roma 4.4%, other 0.7% (including Russian, Armenian, and Vlach)
Religions	The Constitution of Bulgaria defines it as a secular state with guaranteed religious freedom, but designates Orthodox Christianity as a "traditional" religion.
Languages	Bulgarian is the only official language
Literacy	98.6% (2011)



GOVERNMENT

Form of State Bulgaria is a parliamentary republic and conforms with the Constitution of the Republic passed by the Grand National Assembly in July 1991. The Constitution of the Republic of Bulgaria is the supreme law of the country and no other law may contravene it. All international treaties, which are ratified pursuant to the constitutional procedure, are considered part of the domestic legislation.

The National Assembly is a one-chamber Parliament. It consists of 240 Members, who are directly elected every four years. The National Assembly is a permanent acting body, directed by a board of Chairmen including a Chairman of the National Assembly.

Head of State The President of the Republic of Bulgaria, Rosen Plevneliev (2011)

Source: <http://www.government.bg/cgi-bin/e-cms/vis/vis.pl?s=001&p=0159&n=000004&g=>

Suffrage Universal suffrage – all citizens over the age of 18 vote in presidential, parliamentary and local elections. The Council of Ministers, which represents the executive branch of power, is elected by the National Assembly after elections. Mandate to form a government is given by the president to the chief of the largest parliamentary group, who then presents the name of the Prime Minister and a list of candidates for Ministers, on which the National Assembly votes.

According to the Constitution, the term of the President is five years (for no more than two consecutive terms) and the term for the Council of Ministers is four years. In case of the death of the Prime Minister, or if he becomes unable to perform his duties, or if the Parliament votes no confidence to the government, the term of the Council is terminated and a new Council should be elected.

National Legislature National Assembly

Elections Direct elections for President and Vice-president (2016); Proportional/majority vote for Deputies (2018)

Further Information: <http://parliament.bg/en/electionassembly>

Legal System Continental legal system; part of the European Union legal system with EU legislation and ratified international contracts superseding internal legislation. The main sources of law are the Constitution, EU legislation, Laws and Codices, Ordinances by the Council of Ministers, municipality Directives and also case law, where no relevant legislation is considered applicable to the case.

Judicial Branch The courts of law in Bulgaria comprise of the Local, Regional, Appellate and Military courts and The Grand Administrative court, the Specialized Penal Court and The Grand Court of Cassation.

ECONOMIC OVERVIEW

Total GDP \$ 104.6 billion (2015 est.)

GDP per capita \$ 16 518 (PPP)

Real GDP Growth 2.9% (Q3 2015)

GDP Composition by sector Agriculture: 6.7%
Industry: 30.3%

Services: 63%

Source: <https://www.cia.gov/library/publications/the-world-factbook/fields/2012.html>

Top three trading partners

Country/Territory	Export Value
Germany	\$3.5 billion
Italy	\$2.9 billion
Turkey	\$2.6 billion

Country/Territory	Import Value
Russia	\$5.8 billion
Germany	\$3.5 billion
Italy	\$2.4 billion

Source: <http://atlas.media.mit.edu/en/profile/country/bgr/#Imports>

Inflation -0,2%

Current Account Balance \$ 26,2 billion (2015 est.)

Labour Force 3.3 million (2012)

Unemployment 8,3% (Q3 2015)

Currency Bulgarian Lev 1 EUR=1.95583 BGN, fixed currency rate

Trade \$62.81 billion (2014)

Exports \$29.25 billion (2014)

Imports \$33.56 billion (2014)

No. of tourists departure 5 200 000 (2014)

Fiscal year 1 January – 31 December

BUSINESS HOURS

Office hours The usual office hours for private companies is Monday to Friday, from 9:00 a.m. to 6:00 p.m

Government offices Most Government Offices for civil services adopt the 5-day week arrangement – from 9:00 a.m. to 5:00 p.m. every working day.

Banks Banks share the same working time as Government offices, from 9:00 a.m. to 5:00 p.m

Shops Business hours of most major shops are generally from 10:00 a.m. to 7:00 p.m. 6 days a week (Sunday is not usually a working day)



Public holidays in
Bulgaria

Date	Holiday
1st January	New Year's Day
3rd March	Liberation Day
1st May	International Workers' Day
6th May	Saint George's Day
24th May	Saints Cyril and Methodius Day
6th September	Unification Day
22nd September	Independence Day
24th December	Christmas Eve
25th & 26th December	Christmas
Moveable	Easter

COMPANY PROFILE

GENERAL INFORMATION

Method of Incorporation/ registration	The Articles of Association and the Incorporation Protocol must be signed by the shareholder(s). The minimum number of directors is one. The director must be a natural person of any nationality.
Source of Corporate Legislation	Commercial Law of the Republic of Bulgaria – in force since 1991
Company Legal Form	Limited company by shares with sole or multiple owners
Company Status	Private local limited company
Corporate Documents and Language of Legislation	For non-EU countries Apostille certification is necessary; Bulgarian.
Time required for Incorporation	1-2 weeks following the provision of all the necessary documents and information

COMPANY'S NAME AND ACTIVITY

Company's Name	A company may be registered with a name in Bulgarian which does not already exist. The Registry allows for companies to register the English version of the name officially.
Possible Endings	EOOD (Sole Owner Limited Liability Company) or OOD (Limited Liability Company with several owners)
Restricted Names	Any names related to licensed activities (Bank, Insurance, Tourist etc.)
Company's activities	Anything not explicitly forbidden by law, such as money laundering, smuggling operations, etc.

DIRECTORS, SHAREHOLDERS, MEETINGS

Number of Directors	Minimum 1, only natural persons. Joint and single signature rights allowed by Law.
Local Directors Required	No.
Corporate Directors	Corporate Directors are not allowed.
Number of Shareholders	Minimum 1, maximum - no limits.
Corporate Shareholders	Corporate Shareholders are allowed.
Annual Meeting	The company must hold a general meeting at least once per year (in order to approve the Annual Financial Report).
Locality of the Meeting	Unrestricted

CAPITALIZATION AND SHARES

Capitalization	Minimum 1 Lev per share, and minimum of 2 Leva per company. There is no maximum restriction on the amount of the share capital.
Paid Up Capital	The full capital must be paid up into a special bank account, irrespective of the amount, and can be withdrawn after registration. The account may be transformed into a current account. The minimum requirement for paid up capital is 2 leva.
Bearer Shares	Bearer shares are not allowed.
Registered Shares	When transferring shares, the registration of the transaction is required by law.

ANNUAL RETURN, ACCOUNTING AND AUDITING, FINANCIAL STATEMENT

Annual Return	Tax Return together with Financial Statements are submitted to the Inland Revenue.
Accounts Required	Accounts are prepared and filed by a licensed accountant for each Annual Statement
Audit Required	When a company possesses assets above 1,5 million leva or has incurred income from sales for over 2,5 million leva per year, or has an average of 50 working staff yearly, an obligatory audit is required.
Financial Statement to the Inland Revenue	Art. 53-55 of the Commercial Act requires all persons and entities who perform commercial activities to maintain accurate records and keep them for at least five years. The duly kept records are considered admissible evidence in Court.
Financial Statement to the Company Registry	Required every year.

TAXATION

Annual Tax and duties	Corporations: 10% on profit; 5% dividend tax
Ordinary Tax Base: World-wide, Local	Persons, including corporations, partnerships and bodies of persons carrying on any business, trade or profession in Bulgaria are subject to tax on profit. The sale of capital assets is subject to tax.
	Bulgarian companies which derive profit from foreign transactions are not exempt from the requirement to provide information on these transactions and pay the tax thereon.
	Dividends are taxed after distributing dividends among the partners.
Exemption from VAT	Value Added Tax (20%) is returned for consumer goods and services purchased on the company's account, when they are used for the company's activities – such as computers, laptops, production machines, utilities etc.

Withholding tax on interest	No withholding tax on interest.
Tax on dividends	5% Dividend tax is paid to the state just before the payment of dividends.
Tax residence certificate	"Certificate for local entity" is issued to the entity to confirm its local status and to be presented before other jurisdictions for the purposes of tax relief.
Period of Taxation	Calendar year, from 1st January to 31 st December of the same year.
Deadline for payment of corporate tax	The deadline for payment of corporate tax is one month after the deadline for filing the Annual Return.
Advance payments	Advance Corporate Tax payments may be made by companies whose annual turnover exceeded 300 000 Lev (150 000 EUR) during the previous year, and by companies in the year of their incorporation.
VAT Rate	The current (2016) VAT rate is 20% for all economic activities, except hotel services, gambling, education and healthcare-related services, and any activity for which a Tax Credit has been used in another jurisdiction.
Double Taxation Treaties	Double taxation relief is available for 68 territories with which the Republic of Bulgaria has signed treaties for the avoidance of double taxation.
Further information:	<i>See the Appendix on p. 19.</i>

PUBLICLY AVAILABLE INFORMATION

Disclosure of Shareholders	All persons stated as directors and shareholders are also liable for legal purposes. Their names are disclosed in the public part of the Register, and they will not be indemnified using a privately signed document (no nominees are allowed).
Disclosure of Shareholders	For natural persons – Name; For entities – Company name, registration number and country of registration.
Disclosure of other information	Full registered address; Telephone and e-mail (if provided); Amount of capital and shares division.
OTHERS	
Bank Account Opening Possibility	Copies of incorporation documents must be shown to the bank staff. An Attorney bearing a notarised Power of Attorney may open a bank account without the presence of the director.
Exchange Control	There are no barriers for access to the market by foreign businesses and no restriction on capital flows into and out of Bulgaria.
Legalization and Apostille Certification	The following documents are acceptable for Apostille: (1) Public documents bearing the true signature of Government representatives - by the Consulate Service of the Ministry of Foreign Affairs; (2) Documents issued by Notary Public and Judges – By the Ministry of Justice; (3) Documents signed in front of Notary Public
Strike Off and Winding Up Procedures	1) Grounds for compulsory winding up of a limited company: <ul style="list-style-type: none"> A) The company must be insolvent; B) The company must be over indebted and unable to resolve its obligations. This criterion is checked by the court in each individual case; 2) For voluntary winding up – the company has by special resolution resolved that it shall be wound up.



Strike Off and Winding Up Procedures

The application for winding up may be brought to court by creditors, or any shareholder or director.

The procedure for both the compulsory and the voluntary winding up requires approximately six months from the time of filing of the application and the completion of the procedure.

Striking Off

A due liquidation procedure is required for the official dissolution of the company. This is a court-based procedure and also requires a period of time for creditors to present their receivables (6 months from the application).

ADVANTAGES OF THE JURISDICTION

10% "Flat" Corporate Tax

The Bulgarian company is a useful asset to any business person aiming to reduce his expenses and improve the profit margins. The aim of this reduced and flat tax burden is to allow entrepreneurs to invest more freely, without fear of sudden rate changes. This allows for a higher return on investments and makes Bulgaria a highly respected destination for foreign capital.

5% Dividend Tax

Bulgaria's low Dividend Tax puts the Bulgarian company at an advantage compared to most other EU and world jurisdictions. It promotes the voluntary declaration of profit, and its purpose is to aid in the declaration of company income.

Registrar efficiency

The Bulgarian Trade Registrar is among those with the most reliable access to company data. The information stated in the Registrar is considered true until proven otherwise, which helps the safety of the commercial transactions and promotes honest business dealings.

APPENDIX

An A-Z list of all signed Double Taxation Treaties that are currently in force between Bulgaria and other countries

No.	Country	In force as of (dd/mm/yyyy)
1.	ALBANIA	01/07/1999
2.	ALGERIA	11/04/2005
3.	ARMENIA	01/12/1995
4.	AUSTRIA	03/02/2011
5.	AZERBAIJAN	25/11/2008
6.	BAHRAIN	06/10/2010
7.	BELARUS	17/02/1998
8.	BELGIUM	28/11/1991
9.	CANADA	25/10/2001
10.	CHINA	24/05/1990
11.	CROATIA	30/07/1998
12.	CYPRUS	03/01/2001
13.	CZECH REPUBLIC	02/07/1999
14.	DENMARK	23/03/1989
15.	EGYPT	11/05/2004
16.	ESTONIA	30/12/2008
17.	FINLAND	21/04/1986
18.	FRANCE	01/06/1988
19.	GEORGIA	01/07/1999
20.	GERMANY	21/12/2010
21.	GREECE	22/01/2002
22.	HUNGARY	07/09/1995
23.	INDIA	23/06/1995
24.	INDONESIA	25/05/1992
25.	IRAN	29/06/2006
26.	IRELAND	05/01/2001
27.	ISRAEL	31/12/2002
28.	ITALY	10/06/1991
29.	JAPAN	08/08/1991
30.	JORDAN	14/02/2008
31.	KAZAKHSTAN	24/07/1998
32.	DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	23/03/2005
33.	REPUBLIC OF KOREA	04/07/1995

Banking Stability Most of the banks in Bulgaria are owned by major European banks, which underwent extensive stress tests in the years following the banking crisis. Bulgarian banks have easy access to liquidity funds, and company accounts up to 196 000 Leva (100 000 Euro) are guaranteed by the Bulgarian National Bank against bankruptcy.

Stable monetary policy According to the terms of Bulgaria's Monetary Board Agreement with the International Monetary Fund, the exchange rate for Bulgarian Lev is fixed to the Euro at the rate of EUR 1 = 1.95583 leva. For the last 18 years the Bulgarian National Bank has had no power to emit leva without the necessary foreign currency reserves.

Low Government debt Bulgaria's balanced budget macroeconomic policies since the years of the financial crisis are the reason for the government's extremely low debt. In 2015 the country maintained within 25% government debt to GDP – 3 times lower than the EU average.

DISADVANTAGES OF THE JURISDICTION

Underdeveloped information infrastructure Many of the procedures related to the administration of a company in Bulgaria are not yet available as electronic services with the authorities, and therefore require printing and mailing of the necessary documents. Despite the introduction of the Electronic Government Act in 2008, some government institutions do not yet fully recognize certified e-mail or the electronic signature as confirmation of the identity of the sender.

OUR OFFICES AND REPRESENTATIVES

No.	Country	In force as of (dd/mm/yyyy)
34.	KUWAIT	23/02/2004
35.	LATVIA	18/08/2004
36.	LEBANON	10/11/2001
37.	LITHUANIA	27/12/2006
38.	LUXEMBOURG	15/03/1994
39.	MACEDONIA	24/09/1999
40.	MALTA	01/01/1988
41.	MOLDOVA	24/03/1999
42.	MONGOLIA	17/02/2003
43.	MOROCCO	06/12/1999
44.	NETHERLANDS	11/05/1994
45.	NORWAY	01/04/1989
46.	POLAND	10/05/1995
47.	PORTUGAL	18/07/1996
48.	QATAR	23/12/2010
49.	ROMANIA	12/09/1995
50.	RUSSIAN FEDERATION	08/12/1995
51.	SINGAPORE	26/12/1997
52.	SLOVAKIA	02/05/2001
53.	SLOVENIA	04/05/2004
54.	SOUTH AFRICA	27/10/2004
55.	SPAIN	14/06/1991
56.	SWEDEN	28/12/1988
57.	SWISS CONFEDERATION	10/11/1993
58.	SYRIA	04/10/2001
59.	THAILAND	13/02/2001
60.	TURKEY	17/09/1997
61.	UKRAINE	03/10/1997
62.	UNITED ARAB EMIRATES	16/11/2008
63.	UNITED KINGDOM	01/01/1988
64.	UNITED STATES OF AMERICA	15/12/2008
65.	UZBEKISTAN	21/10/2004
66.	VIETNAM	04/10/1996
67.	FEDERAL REPUBLIC OF YUGOSLAVIA	10/01/2000
68.	ZIMBABWE	29/01/1990

Source: <http://www.nap.bg/en/document?id=192>

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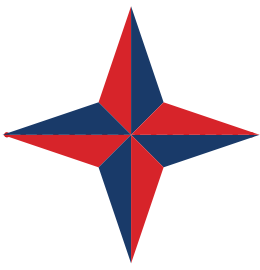
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