

General indicators

According to the World Bank the amount that the entrepreneur needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation is **20.7 %** of the economy's income per capita

The total number of procedures required to register a firm is **4**. A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries).

To register a firm, one would need a total of **18** days and the cost (official fees and fees for legal or professional services if such) amounts in **1.7 %** of the economy's income per capita

Brief Procedures Guide

The following procedures are to be executed in order to set up a Limited Liability Company (Druzestvo s Ogranichena Otgovornost - OOD)

PROCEDURE	Time to complete	Associated costs
Execute the minutes of the constituent meeting of the shareholders in the ODD; obtain a notary certified statement of consent and signature specimen of the manager, and a certified copy of the articles of incorporation of the ODD. The appointment of manager(s) is evidenced by a resolution passed by the constituent meeting of interest holders. The statement of consent and signature specimen is embodied into a single document, and notary certification of manager(s)' signature(s) is required.	1 day	3 BGN
Deposit paid-up capital in a bank The capital-accruing bank account must be opened either by the company manager or by a person authorized by a notary-certified power of attorney. Those persons delegated authority over the bank account must provide a signature specimen in person or a notary-certified specimen. The amount of capital stays blocked in the bank account until the registry issues a decision on the company registration. The Commercial Act requires that 35% of the capital to be paid-in prior to incorporation. Each partner shall pay at least a one-third share, but not less than BGN 10. The payment schedule for the remaining capital may be fixed in the company's articles of incorporation but shall not exceed 2 years from the company's registration. After opening the escrow account and depositing the funds, the partners are issued a certificate evidencing the deposit. The	1-2 days	10-30 BGN

certificate shall be presented at the registry.		
Register with the Commercial Register at the Registry Agency The registration is done using a Standard Application (A4 Form – "Application for registering particulars related to a limited liability company"). The following documents must be attached to the application: (1) Agreement of Association, (2) Resolution for appointment of manager(s), (3) Notary certified consent and signature specimen of manager(s), and (4) Bank certificate for deposited capital.	4 days	BGN 120 - state fee for registration
Register for VAT The Value Added Tax Act (promulgated on August 4, 2006 in State Gazette issue 63) became effective on January 1, 2007 (Bulgaria's EU accession date). Under this new law, the company may voluntarily register for VAT purposes at any time, because the current threshold requirement has been abolished. It shall remain VAT-registered for 24 months starting from the beginning of the year following the year of VAT registration. Voluntary registration may also be completed on the grounds of reaching turnover of BGN 20,000 realized from intracommunity acquisitions for the current year (where the intracommunity acquisition shall be the import from an EU member country to Bulgaria). The company must register for VAT if its turnover for 12 consecutive months exceeds BGN 50,000, as the new VAT law provides that 0%-rated supplies and exempted supplies shall be taken into consideration in the calculation of turnover. The option for registration on grounds of certain paid-in capital has been repealed. Specific grounds for obligatory registration for VAT purposes apply when: - A person from an EU member state who is not established in Bulgaria provides taxable supplies of goods that are to be assembled or installed in Bulgaria by that person or at his or her expense (if the recipient is not registered for VAT in Bulgaria). - A person from another EU member state supplies goods from Bulgaria exceeding BGN 70,000 under the conditions of distance sales of goods. - A person (whether resident or not) performs taxable intracommunity acquisitions in Bulgaria exceeding BGN 20,000 within a given calendar year.	1 day (filing), about 12 days for final registration	no charge

Additional Information

Within 3 days of receiving the court registration decision, you must obtain **BULSTAT** registration at the registration service of the local division of the National Statistical Institute. Required documents are: courts decision(s); by-laws; partnership contract; normative or administrative acts;

Having effected the BULSTAT registration of your company, within 14 days of the court registration, you need to also obtain tax registration at the territorial tax directorate.

Documents required:

- the court registration decision – copy and original;
- BULSTAT;
- registration certificate from the Social Insurance Regional Directorate;
- company seal;
- accounting books – revenues, costs, inventory;
- invoice book.

The documents required for initial registration or for the registration of changes are available on the website of the Registration Agency.

Important Notice: *We would recommend that you hire a local lawyer or a consulting company, familiar with registration issues to register your company. There is some paperwork involved and sometimes simple omissions (like a Xerox copy of your passport) could cause unwanted delays. Contact us if you need assistance. Market rate for this service is about EUR 500. We also strongly recommend that you use the services of a local accountant, familiar with the Bulgarian regulation, to keep track of your company's books and meet other government requirements that you may not otherwise be familiar with.*