



Bulgaria – opportunities for Far East **Investors**

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What is Bulgaria best known for?



Bulgaria



Bulgaria: country profile

- An upper middle-income economy of approximately 7,2 million people;
- Democracy since 1989
- Functioning market economy since 2002;
- GDP (US\$ billions) 49.0 (2015);
- GDP per capita (US\$) 6831.66 (2015);
- GDP (PPP) as a share (%) of world total 0.12;
- Ranked 54 by the world economic forum with a global competitive index of 4,3;

Bulgaria: country profile cntd

- An EU Member State since January 2007;
- Not a member of the EU currency area and the Shengen Area;
- Bulgarian lev pegged to the EUR;
- Currency board;
- Main industries are base metals, water and gas, tobacco, electricity, refined petroleum, chemical products, food.
- ICT sector on the rise - Bulgaria Europe's Silicon valley;
- Export products - steel, iron, clothing, footwear, fuels, and machinery. Import products - plastics, minerals, ores, equipment, machinery, and raw materials.

Starting a business in Bulgaria

- Registration necessary;
- Types of corporations;
- Incorporation:
 - Timing - swift;
 - Requirements – limited KYC, low capital, foreign directors, simplified accounts;
 - Costs – low.

Bulgaria: tax profile

- Worldwide tax system;
- Legal seat theory. PoEM not a factor under domestic law;
- No transparent entities;
- Branches of foreign entities subject to corporate tax;
- Non-resident legal entities only taxable on certain types of Bulgarian sourced income;

Bulgaria: tax profile cntd

- 10 % corporate tax;
- Relatively broad corporate tax base;
- No CFC rules;
- Thin Cap Rules;
- Loss carry forward rules;
- TP rules;
- GAAR and SAARs.

Bulgaria – a gateway to the EU

- Domestic and inbound EU and EEA inter-corporate dividends exempt;
- Outbound EU and EEA inter-corporate dividends also exempt;
- 5 % WHT on [other] dividends
- 10 % WHT on interest, royalties, capital gains and the so called technical services fees;
- 71 double tax treaties in effect;

Bulgaria – a gateway to the EU

cntd

- Tax treaties with China, Japan, South Korea, Northern Korea, India, Indonesia, Mongolia, Singapore, Thailand;
- Tax clearance needed for treaty relief to apply
- Netherlands, Malta and the United Kingdom - primary tax treaty countries;
- EU direct tax directives implemented;
- EU FF availability

Bulgaria – the ideal [tax] jurisdiction

- Startups;
- Business outsourcing;
- Holding or intermediate holding with subsidiaries anywhere around Europe.

The End

Thank You