

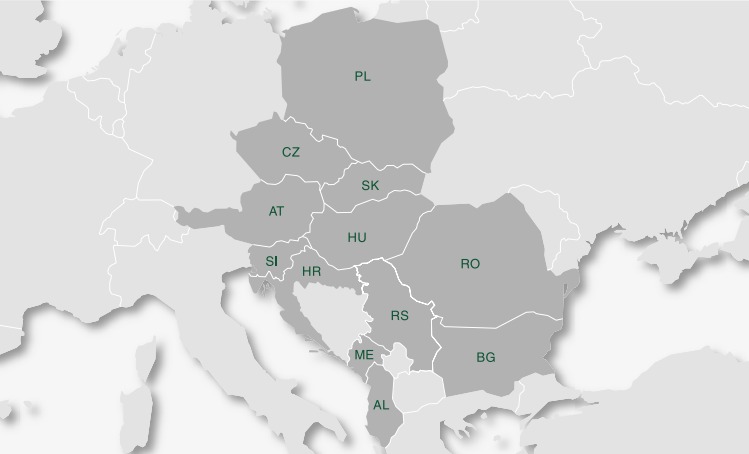


Investing in Bulgaria

An overview of the current
tax system | 2020



Albania | Austria | Bulgaria | Croatia | Czech Republic | Hungary
Montenegro | Poland | Romania | Serbia | Slovakia | Slovenia



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Investing in Bulgaria.

An overview of the current tax system.

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- Key details of corporate and personal income tax and VAT in each country
- Current tax allowances, reliefs and concessions
- Core provisions of double taxation agreements

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The information in these folders is based on the present legal situation and current administrative practice, and is therefore subject to change. The information is general in nature, and of necessity abridged: the booklets are not a substitute for individual, specific advice.

Our CEE experts will be happy to answer your questions in more detail.

Contents

| | |
|----------------------------------|----|
| Types of organisation | 2 |
| Corporate income tax | 4 |
| Income tax | 6 |
| Filing dates and deadlines | 7 |
| Other taxes | 7 |
| Tax regulations | 7 |
| Tax and other concessions | 8 |
| Immovable property | 8 |
| Social insurance | 9 |
| Health insurance | 9 |
| General managers | 10 |
| VAT | 10 |
| Mergers & Acquisitions | 14 |
| Double taxation agreements | 16 |

Types of organisation

| | <i>Name in local language</i> | <i>Registrable in commercial register / legal entity</i> | <i>Minimum capital</i> | <i>Sole shareholder company</i> |
|--|------------------------------------|--|---|---|
| Limited liability company | Дружество с ограничена отговорност | yes / yes | BGN 2 (approx. EUR 1) minimum BGN 1 per shareholder | yes |
| Stock company | Акционерно дружество | yes / yes | BGN 50,000 (approx. EUR 25,500) minimum BGN 1.00 per shareholder | yes |
| Cooperative (with limited liability) | Кооперация | yes / yes | no | Minimum of seven members. Foreign members are required to have a permanent place of residence in Bulgaria. |
| Registered general partnership | Събирателно Дружество | yes / yes | no | no |
| Limited partnership | Командитно Дружество | yes / yes | no | no |
| Limited joint stock partnership | Командитно Дружество с акции | yes / yes | BGN 50,000 (approx. EUR 25,500) for joint stock company regulations apply. | Minimum of at least 3 limited liability shareholders. |
| Registered branch office | Клон | yes / no | no | n / a |
| Permanent establishment / representative Office | Търговско представителство | no / no | no | n / a |

| | <i>Capital tax / registration fees</i> | <i>Written form / notarisation</i> | <i>Tax transparency</i> | <i>Registration with tax authorities</i> | <i>Statutory audit If at least two out of three thresholds are exceeded</i> |
|--|--|------------------------------------|-------------------------|--|---|
| Limited liability company | No capital tax / registration fees | yes / yes | no | yes | <ul style="list-style-type: none"> ■ micro enterprises - not applicable ■ small enterprises - obligatory if exceeding at least 2 criteria: assets TBGN 2 000; net sales - TBGN 4 000; personnel - 50 ■ mid-sized and large enterprises - obligatory ■ enterprises of public interest ■ mid-sized and large groups or those including at least one enterprise of public interest ■ JSC and KD with shares - obligatory except those not performing business activity during the period ■ other specific enterprises |
| Cooperative (with limited liability) | No capital tax / registration fees | yes / no | no | yes | |
| Registered partnership | No capital tax / registration fees | yes / no | no | yes | |
| Limited partnership | No capital tax / registration fees | yes / yes | no | yes | |
| Stock company | No capital tax / registration fees | yes / yes | no | yes | Obligatory except for those with no activity |
| Limited joint stock partnership | No capital tax / registration fees | yes / yes | no | yes | Obligatory except for those with no activity |
| Registered branch office | No capital tax / registration fees | n / a | n / a | yes | As part of any audit of the parent company |
| Permanent establishment / Representative office | n / a | n / a | n / a | yes | As part of any audit of the parent company |

Exchange rate: EUR 1 = BGN 1.9558 (rounded)

Corporate income tax

| | | |
|--|--------------------------------------|---|
| Tax rate | | 10% Corporate income tax rate for corporations as well as for partnerships with limited or unlimited liability to tax, no minimum corporate income tax |
| Tax liability | | |
| | Unlimited | Companies resident or managed in Bulgaria |
| | Limited | Foreign corporations neither resident nor managed in Bulgaria, on their Bulgarian income |
| Financial year | | Calendar year |
| Accounting | | Generally, double-entry bookkeeping in accordance with the Bulgarian Accounting Act |
| Loss set-offs / carry forwards | | Possible, subject to set off / carry forward; limits: carryforwards for 5 years, with the balance in following years; no loss carrybacks |
| Associated parties | | In relation to Art. 15 Corporate Income Tax Act, if: <ul style="list-style-type: none">▪ an enterprise participates directly or indirectly in the management, control or capital of another enterprise (subsidiary), or▪ the same persons participate directly or indirectly in the management, control or capital of both enterprises (fellow subsidiary)▪ spouses, direct descendants, collateral relatives (up to third degree), and relatives by marriage (up to second degree)▪ employer and employees, partners |
| Operating expenses | | Costs or expenses incurred in connection with the generation of income, and with procuring and maintaining sources of income. |
| | Transfer prices | Reference to OECD transfer pricing principles <ul style="list-style-type: none">▪ Comparable uncontrolled price method▪ Resale price method▪ Cost plus method▪ Profit split method▪ Transactional net margin method |
| | Interest on financing of acquisition | Deductible |
| | Debt / equity | 3:1 |
| | Accounting depreciation | On the basis of useful life |
| | Tax depreciation | Defined by tax law |
| | Methods | As a general rule, straight-line |
| | Low value assets | 100% depreciation of acquisition costs up to BGN 700 (approx. EUR 358) net of VAT |
| | Rates | Up to 4 %, buildings |
| | | Up to 10 %, means of transport, roads |
| | | Up to 30 %, plant and machinery |
| Up to 25 %, cars and trucks | | |
| Up to 50 %, computer hardware and software | | |
| | Up to 15 %, other | |

| | | | |
|--------------------------|--|--|---|
| Provisions | | Accounting provisions are generally not allowable for tax purposes (limited number of very restrictive exceptions) | |
| Passenger vehicles | | Depreciation: up to 25 %, straight-line basis | |
| Non-deductible expenses | | See Corporate Income Tax Act for exhaustive list provisions made for financial accounting purposes Tax penalties and fines Expenses of unlawful activities | |
| Withholding tax | | Generally, 10 % DTA can provide for lower rate or total exemption | |
| | Interest | 10 %, or per applicable DTA and EU Interest and Royalty Directive (as of 1 January 2015 – 0 % (subject to preconditions) withholding tax in the areas covered by the EU Interest and Royalty Directive) | |
| | Royalties | 10 %, or per applicable DTA and EU Interest and Royalty Directive (as of 1 January 2015 – 0 % (subject to preconditions) withholding tax in the areas covered by the EU Interest and Royalty Directive) | |
| | Dividends | 5 %, or per applicable DTA | |
| | National | No withholding tax | |
| | | International | See above |
| | | EU, EEA | Dividends paid by Bulgarian companies to companies with registered offices in EU and EEA countries are exempt from withholding tax. |
| | Direct collection | Apart from withholding tax, no other provisions | |
| Capital gains | As a general rule taxable: corporate income tax rate of 10 % | | |
| Dividend income | | Received by company resident in | |
| | Bulgaria | Tax-free | |
| | Elsewhere | Taxable | |
| | EU, EEA | Tax-free | |
| Tax on expenses | | Following expenses are subject to a 10 % expense tax: <ul style="list-style-type: none">▪ Staff related expenses – employee benefits in kind (incidental social benefits)<ul style="list-style-type: none">▪ with the exception of food vouchers to a maximum annual value of BGN 720 (approx. EUR 370) per employee▪ Monthly and voluntary insurance contributions (pension, health and unemployment insurance, professional qualification insurance, life insurance and investment-linked life insurance) in excess of BGN 720 (approx. EUR 370) annually per employee▪ Entertainment expenses▪ Expenses in connection with the use of company assets (e.g. car, apartment) <p>This tax is a deductible business expense. As of 1 January 2013 payable on a yearly basis.</p> | |
| Goodwill amortisation | | Not possible | |
| Group taxation / pooling | | Not possible | |

Income tax

| | |
|-----------------------|---|
| Tax Rate | 10 % flat rate; sole proprietors: 15 % flat rate; 8 % for interest incomes of individuals |
| Tax-free income | See Income Tax Act |
| Tax liability | |
| Unlimited | On worldwide income (except where restricted by DTA) Resident natural persons: <ul style="list-style-type: none"> ■ permanent address in Bulgaria; or ■ 183 days in a 12-month period test of physical presence; or ■ centre of vital interests (prevails over the permanent address criterion) |
| Limited | On certain income in Bulgaria Any person who is not a resident person (see above) |
| Tax assessment period | Calendar year |
| Income categories | Income from <ol style="list-style-type: none"> 1. Employment relationships 2. Economic activity in a sole-trader capacity 3. Other economic activity 4. Rent or other income for the use of rights or property 5. Transfer of rights or property 6. Other income |
| Accounting | Double-entry bookkeeping in accordance with Bulgarian accounting regulations Mandatory retention period for books and records |
| Loss set-offs | Permitted in principle |
| Loss carry forwards | Losses incurred by an individual entrepreneur in the course of business activities can be carried forward for a maximum of 5 years |
| Operating expenses | Business expenses |
| Flat-rate taxation | Yes |
| Passenger vehicles | Depreciation: up to 25 %, straight-line basis |
| Withholding tax | Generally, 10 %: lower rate may be provided by applicable DTA |
| Interest | 10 % or applicable DTA (8 % for local tax residents) |
| Royalties | 10 % or applicable DTA |
| Dividends | 5 % or applicable DTA |

Filing dates and deadlines

| | |
|-----------------------------|---|
| Income tax return | Deadline for filing annual return: 30 April of the following year During the year income tax must be paid in monthly instalments – until 25 th of the month following the month in with the tax was withheld |
| Corporate income tax return | Deadline for filing: 31 March of the following year During the year, corporate income tax is payable in monthly or quarterly advance instalments. The monthly payments for January – March are due by 15 th of April. The payments for April – December are due by the 15 th of the relevant month (e.g. 15 th May for May payments). |
| VAT return | Monthly return, by 14 th day of the following month (e.g. 14 February for January) |

Other taxes

| | |
|----------------------|--|
| Business tax | no |
| Wealth tax | no |
| Transfer tax | |
| Taxable transactions | Sale / exchange of real estate (plant and buildings / constructions), vehicles |
| Rate | For real property, 0.1 % to 3.0 % |
| Basis of assessment | The higher of the price agreed and the relevant tax valuation |

Tax regulations

| | |
|--|---|
| Advance rulings | Yes, possible in the form of tax opinion or guidance for all tax matters of persons concerned, non-binding. |
| Penalties for late payment | Interest on overdue amount, currently at 10.00 % p.a. (December 2019) |
| Penalties for late payment or for non-compliance with VAT reporting requirements | Default penalties of BGN 250 (approx. EUR 130) to BGN 10,000 (approx. EUR 5,113) |
| Criminal provisions | Fiscal Penalties Act / Prosecution Law Penalties for negligent tax evasion: fines Penalties for deliberate tax evasion: fines or imprisonment |

Tax and other concessions

| | |
|--|---|
| Tax concessions for individuals | Mortgage interest incurred in the procurement of residential space by young families. As of 1 January 2014 the tax relief for young families shall be applicable also to foreign individuals, resident for tax purposes in an EU Member State or in another country – party of the Agreement of the European Economic Area. |
| Tax concessions for entrepreneurs | Profits from direct investment in agriculture – up to 60% tax reduction |
| Other concessions for entrepreneurs (grants) | Grants supporting job creation in Bulgaria |

Immovable property

| | | |
|-------------------------|-------------------------|--|
| Tax depreciation | | |
| | General | Straight-line |
| | Additional | Not allowable for tax purposes |
| Depreciation categories | | |
| | Land | No depreciation |
| | Buildings | Up to 4 % |
| | Machinery and equipment | Up to 30%, in certain cases up to 50% |
| Special allowances | | 100% depreciation of low value assets – value up to BGN 700 (Approx. EUR 358) |
| Write-ups | | Possible (depreciation non tax deductible) |
| Property transfer tax | | See under other taxes |
| Real estate tax | | |
| | Objects of taxation | Land, buildings and other constructions in Bulgaria |
| | Basis of assessment | Land: area Buildings and their components, in two main categories: <ul style="list-style-type: none"> Households – assessment based on tax valuation by tax authorities Industrial and commercial buildings – assessment is based either on the carrying value, as set down in the accounting law, or on the tax valuation by the tax authorities (whichever is the higher amount) Land: assessment based on tax valuation by tax authorities, or on carrying value in accordance with accounting law Other constructions and their parts: carrying value |
| | Amount of tax | Application of tax rate determined by local government authorities. General tax rate 0.1-4.5%. Tax rate for properties in listed mountain and sea resorts 4.5-7.0%. |
| Real estate funds | | Special provisions under law governing investment companies (Act on the special investment purpose companies) |

Social insurance

| | | |
|---------------------------------|--------------------------------|--|
| Scope of insurance | | Statutory sickness pay, accident, pension and disability insurance for all gainfully employed persons (based on benefits in kind and in cash) |
| Contribution rates and ceilings | | Contribution rates fixed, contribution ceiling for pension and invalidity insurance: BGN 3,000 monthly Contributions deductible for income tax purposes |
| Self-employed persons | | |
| | Sickness & maternity insurance | 3.5 %, payable on voluntary basis |
| | Pension insurance | 19.8 % |
| | Responsible authority | National Revenue Agency (NAP) offices are responsible for collection of contributions |
| | Applicable law | Social Insurance Code |
| | Special provisions | For business start-ups hiring long-term unemployed |
| Employed persons | | |
| | Sickness & maternity insurance | 3.5 % (40 % payable by employee) |
| | Pension insurance | 14.8 % (approx. 44 % payable by employee) |
| | Unemployment fund | 1 % (40 % payable by employee) |
| | Accident insurance | 0.4 – 1.1 % (payable by employer) |
| | Guarantee fund | 0 % (for employees' entitlements; no deductions for 2020) |
| | Responsible authority | National Revenue Agency (NAP) offices are responsible for collection of contributions |
| | Applicable law | Social Insurance Code |

Health insurance

| | |
|--------------------|---|
| Scope of insurance | Statutory health insurance for all gainfully employed persons (based on benefits in kind and in cash) |
| Contribution rate | 8 % (40 % payable by the employee) Contributions are deductible for income tax purposes |
| Applicable law | Health Insurance Act |

General managers

| | |
|-------------------------------|--|
| Civil and commercial law | Contract of employment, contract for services, shareholders' resolution, management contract, etc. |
| Social insurance | Bulgarian regulations on social insurance are applicable for work performed in the country. EU Regulations on the coordination of social security systems have to be observed. Contract of employment or contract for services: social and health insurance. |
| Income tax | 10 % flat-rate taxation |
| VAT | |
| Employee | no VAT |
| Self-employed | VAT, if annual income is in excess of BGN 50,000 (approx. EUR 25,500), with the right to deduction of input VAT, subject to certain restrictions. |
| Work permit | For general managers from EU no work permit is required For self-employment no work permit is required |
| Residence / settlement permit | Required in the case of a stay of more than 183 days within the calendar year, unless the general manager remains resident in another EU country and regularly returns there. |
| Liability | For outstanding tax liabilities, etc. |
| Minimum remuneration | BGN 610 (approx. EUR 312) monthly |

VAT

| | |
|-------------------------------------|--|
| Tax rates | |
| Standard | 20 % |
| Reduced – 9% (as of 1 April 2011) | for group and individual hotel services, the tax rate for the accommodation provided in hotels, shelters in places of accommodation or chalets, is 9 percent |
| Zero rated | Export of goods Supply of goods within the European Community International transport services, and related services Supplies of gold (except for gold as an investment) to central banks of EU member states Certain transactions in connection with international trade, and certain supplies under international agreements Sales of duty-free goods in duty-free shops, where sales are exports for the purposes of customs legislation |
| Supply of goods (section 5 VAT Act) | Supplies of goods and withdrawal for private use (self supply) are taxable. |

| | | | |
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| Place of supply of goods | Principally the place where the item is located at the time disposal is transferred (static supply). In case of dispatch/transportation by the supplier or purchaser: the place where dispatch/ transportation begins (moving supply). Importation from third country: If the supplier owes the import VAT – import country In case of transportation by ship, airplane, railroad within the EU: the place of dispatch Special regulations apply for chain transactions and triangular transactions. | | |
| Supply of services (section 8 VAT Act) | Supply of services and private use / supply of services without consideration (self-supply) are taxable | | |
| Place of supply of services | From 1 January 2010 a differentiation is made between services rendered ▪ to taxable persons ("Business to Business", "B2B") or ▪ to non-taxable persons ("Business to Customer", "B2C") For purposes of determining the place of the supply of services, ▪ taxable persons (when they are performing exempt VAT supplies) and ▪ non-taxable legal entities holding a VAT registration number will be considered as "taxable persons". | | |
| | ▪ Basic rule | B2B | B2C |
| | | Place of recipient (The place where the recipient of services has established his business) | Place of supplier (The place where the supplier of services has established his business) |
| | ▪ Special cases | B2B | B2C |
| | | | |
| | Supplies of services by intermediaries | Place of recipient (basic rule) | Place of the underlying transaction |
| | Property services | Place of the property | Place of the property |
| | Cultural, artistic, scientific, educational, sports, entertainment or similar services, like services in connection with fairs and exhibitions including services of the respective organizers | Place of recipient (basic rule) | Where the services are physically carried out |
| | Other services concerning the right of admission and related other services for events like fairs and exhibitions | Place of the event | Where the services are physically carried out |
| Passenger transport | Distances covered | Distances covered | |

VAT

| | | | |
|----------------|---|--|---|
| | Transportation of goods (without intra-community portion) | Place of recipient (basic rule) | Distances covered |
| | Intra-community goods transportation | Place of recipient (basic rule) | Place of departure of the transport |
| | Ancillary transport services | Place of recipient (basic rule) | Where the services are physically carried out |
| | Appraisal and processing of movable tangible objects | Place of recipient (basic rule) | Where the services are physically carried out |
| | Restaurant and catering services | Where the services are physically carried out | Where the services are physically carried out |
| | Restaurant and catering services in connection with intra-community passenger transport | Place of departure | Place of departure |
| | Hiring of means of conveyance for up to 30 days | Where the means of transport is actually put at the disposal of the customer | Where the means of transport is actually put at the disposal of the customer |
| | Hiring of means of conveyance for over 30 days | Place of recipient (basic rule) | Where non-taxable person is established Special regulations for hiring pleasure boats |
| | "Listed services" to third country customers | Place of recipient (basic rule) | Where non-taxable person is established |
| | Telecom, broadcasting, TV and electronically supplied services | Place of recipient (basic rule) | Where the services are effectively used and enjoyed. Where the supplier is established for individual customers in EU up to a turnover threshold of EUR 10,000. |
| Reverse charge | | | |
| | Requirements | Supplier is a foreigner (no residence, place of business or establishment in Bulgaria, and not registered for VAT in Bulgaria), and person to whom services are supplied is liable to Bulgarian VAT. As of 1 January 2014 temporary application of reverse charge for certain goods and services, which are susceptible to fraud (e.g. cereal and industrial crops). | |
| | Consequences | Invoice without VAT, indication that tax liability is transferred to the customer or recipient of the services The customer is liable for the VAT | |
| Tax relief | | Distinction between zero rating and exemption | |
| | Zero rated | | |
| | Input VAT deductible | <ul style="list-style-type: none"> ▪ Export of goods ▪ Supply of goods within the European Community ▪ Supply of gold (except gold used as capital investment) to EU member states' central banks ▪ International transport services and incidental services | |

| | | |
|---|------------------|--|
| VAT exemption | | <ul style="list-style-type: none"> ▪ Banking, insurance services ▪ Certain financial services ▪ Education and training services ▪ Betting ▪ Health care services ▪ Supply of undeveloped land not scheduled for development |
| Input VAT not deductible | | |
| Deductible input VAT | | <p>VAT invoiced to the business for the supply of goods and services</p> <p>In general no deduction of input VAT in respect of</p> <ul style="list-style-type: none"> ▪ expenses not deductible for the purposes of the business (e.g. expenses related to private use of company assets) <p>Reimbursement: Effective in 30 days of the date of filing of the VAT return, following a 3 months set-off procedure, except in cases of initiated tax audit.</p> |
| Real estate | | |
| | Rental | Generally liable to VAT (exception for non-taxable persons when used for residential purposes) |
| | Sale | Liable to VAT: newly constructed buildings |
| Leasing | | |
| | Operating leases | Supply of services for purposes of VAT |
| | Finance leases | Sale for purposes of VAT, also when a purchase option is agreed and the sum of the due contributions of the lease (excluding the interest payments) is identical to the market value of the goods at the date of their disposal. |
| Foreign taxable persons | | Taxable persons with no place of business or permanent establishment in Bulgaria |
| Registration | | Obligation to register, or to appoint a fiscal representative and to register, provided the relevant threshold (BGN 50,000 / approx. EUR 25,500 or BGN 20,000 / approx. EUR 10,300 in the case of IC-acquisition) is exceeded |
| Refund of input VAT for taxable persons domiciled in the EU | | If no sales are made in Bulgaria, an electronic application must be filed with the competent tax office in the EU member state of the taxable person. |
| Refund of input VAT for taxable persons not domiciled in the EU | | <p>Requirements</p> <ul style="list-style-type: none"> ▪ Claim for refund must be in Bulgarian language ▪ Original documentation must be attached ▪ Application for refund within six months of the end of the calendar year ▪ Responsible tax office: Sofia tax office <p>If the application is approved, refund within 180 days of approval</p> |

Mergers & Acquisitions

| | | |
|---|---|---|
| Financing | | |
| | Financial assistance by subsidiary | Loans may be provided to parent company by subsidiary, and vice versa. There are no legislative restrictions. |
| | Subordinate debt (mezzanine capital) | The use of subordinate debt is permitted. |
| | Interest expenses for acquisition financing | Allowable deduction, with 10% withholding tax deductible on interest payments if finance provided by a foreign person, except as relevant DTA otherwise provides Allowable in full, if finance provided by Bulgarian resident. |
| | Interest expense on subordinated liabilities (mezzanine capital) | No special provisions |
| | Acquisition debt push down (debt transferred to subsidiary after acquisition) | No specific provisions. Risk of challenging of the accrued interest due to established tax and court practices. |
| Squeeze-out options | | |
| | Possibility to exclude minority shareholders | Shares can be subject to compulsory sale if shareholders do not comply with the provisions of commercial law. Compulsory sale requires a judicial decision. |
| Capital gains – corporations and partnerships | | |
| | Sale of shares in joint stock corporations | Gains on the disposal of shares in stock exchange listed companies in EEA countries by legal persons are not liable to tax. Gains on the disposal of unlisted shares are taxable. |
| | Sale of shares in limited liability companies | Capital gains on the sale of shares in limited liability companies are taxable. |
| | Sale of interests in partnerships | As for public limited companies. |
| | International participation exemption | With effect from 1 January 2007, mergers, demergers, transfers of assets and the exchange of shares involving Bulgarian companies and companies in other EU member states are tax neutral for corporate income tax. |
| Sale of business (enterprise) | | |
| | Definition | The sale of businesses is possible. The component parts of a business are tangible and intangible assets, liabilities and employees. |
| | Accounting and tax treatment | Valuation of assets at market value and recognition of goodwill if required |
| | Goodwill | If the purchase price of the company exceeds the fair value of individually valued assets, goodwill is recognized. |
| | Goodwill amortization | Non tax deductible. |
| Mergers | | |
| | Types of merger recognized in commercial law | Mergers by way of acquisition, amalgamation or creation of a new company, demergers |

| | | |
|---|-----------------------------------|---|
| | Valuation | Valuation of fixed assets to fair market value is required in case of merger by acquisition. In general, an authorized independent valuer must be appointed for the valuation of fixed assets. |
| | Valuation in financial accounting | The difference between fair value and book value is recorded as goodwill. |
| | Goodwill amortization | Non tax deductible. |
| | Tax treatment of revaluation | Revaluation of assets is not recognized for tax purposes. Revaluation can be tax deducted in the year of disposal of the assets. |
| Contributions (transfer of assets as capital introduced into a company) | | |
| | Contributions in kind | Contributions in kind as part of the registered capital of the company are permissible, subject to the following rules: 1. The value of assets contributed must be the subject of valuation by experts appointed by the Court. 2. The value of such assets, the method of valuation and the number of shares issued in exchange must be specified in the articles of incorporation after the value has been established by the experts. 3. The valuation methods vary depending on the nature of the assets and on the scope of the valuation. Fair market value is the most common basis, discounted cash flow analysis is another method (based on future earnings, e.g. for real estate). |

Double taxation agreements

The following table shows withholding tax rates for dividends, interest and royalty payments by a Bulgarian company to non-resident persons in accordance with the relevant DTAs. Where the rate of withholding tax as provided in the DTA is higher than the Bulgarian rate (dividends – 5%, interest and royalties – 10%), the Bulgarian rate applies. Dividends paid to companies resident in EEA countries are not subject to withholding tax.

The right to taxation in the event of sale of interests in property companies is subject to varying provisions. In accordance with the OECD Model Agreement, for those countries for which there is a “yes” with respect to share deals, the right to taxation of share deals lies not with the country of residence of the vendor but with the country in which the property is situated.

| Country | Effective date / amended | Real estate clause | Dividends % | Interest % | Royalties % |
|----------------|--------------------------|--------------------|-------------|------------|-------------|
| Albania | 01.07.1999 | no | 5/15 | 10 | 10 |
| Algeria | 11.04.2005 | no | 10 | 0/10 | 10 |
| Armenia | 01.12.1995 | no | 5/10 | 10 | 10 |
| Austria | 03.02.2011 | no | 0/5 | 0/5 | 0/5 |
| Azerbaijan | 01.01.2009 | yes | 8 | 0/7 | 5/10 |
| Bahrain | 06.10.2010 | no | 5 | 5 | 5 |
| Belarus | 17.02.1998 | no | 10 | 10 | 10 |
| Belgium | 30.12.1988/1993 | no | 10 | 0/10 | 5 |
| Canada | 25.10.2001 | no | 10/15 | 0/10 | 0/10 |
| China | 25.05.1990/2003 | yes | 10 | 10 | 7/10 |
| Croatia | 30.07.1998 | no | 5 | 5 | 0 |
| Cyprus | 03.01.2001 | no | 5/10 | 0/7 | 10 |
| Czech Republic | 02.07.1999 | no | 10 | 0/10 | 10 |
| Denmark | 27.03.1989 | no | 5/15 | 0 | 0 |
| Egypt | 11.05.2004 | no | 10 | 12.5 | 12.5 |
| Estonia | 01.01.2009 | yes | 0/5 | 0/5 | 5 |
| Finland | 21.04.1986 | yes | 10 | 0 | 0/5 |
| France | 01.06.1988 | no | 5/15 | 0 | 5 |
| Georgia | 01.07.1999 | no | 10 | 0/10 | 10 |
| Germany | 21.12.2010 | no | 5/15 | 5 | 5 |
| Greece | 27.06.2001 | no | 10 | 10 | 10 |
| Hungary | 07.09.1995 | no | 10 | 0/10 | 10 |
| India | 23.06.1995 | yes | 15 | 0/15 | 15/20 |
| Indonesia | 25.05.1992/1993 | no | 15 | 0/10 | 10 |
| Iran | 29.06.2006 | yes | 7.5 | 0/5 | 5 |
| Ireland | 05.01.2001 | yes | 5/10 | 0/5 | 10 |
| Israel | 31.12.2002 | yes | 10/7.5-12.5 | 0/5/10 | 7.5-12.5 |
| Italy | 10.06.1991 | no | 10 | 0 | 5 |
| Japan | 09.08.1991 | no | 10/15 | 0/10 | 10 |
| Jordan | 19.12.2008 | yes | 10 | 0/10 | 10 |
| Kazakhstan | 24.07.1998 | yes | 10 | 0/10 | 10 |
| North Korea | 07.01.2000 | no | 10 | 0/10 | 10 |
| South Korea | 22.06.1995 | no | 5/10 | 0/10 | 5 |
| Kuwait | 23.02.2004 | no | 0/5 | 0/5 | 10 |
| Latvia | 18.08.2004 | no | 5/10 | 0/5 | 5/7 |
| Lebanon | 10.11.2001 | no | 5 | 0/7 | 5 |
| Lithuania | 27.12.2006 | yes | 0/10 | 0/10 | 10 |
| Luxembourg | 15.03.1994 | no | 5/15 | 0/10 | 5 |
| Macedonia | 24.09.1999 | no | 5/15 | 0/10 | 10 |

| Country | Effective date / amended | Real estate clause | Dividends % | Interest % | Royalties % |
|----------------------|--------------------------|--------------------|-------------|------------|-------------|
| Malta | 01.01.1988 | no | 0-30 | 0 | 10 |
| Moldova | 24.03.1999 | yes | 5/15 | 0/10 | 10 |
| Mongolia | 17.02.2003 | no | 10 | 0/10 | 10 |
| Montenegro | 10.01.2000 | no | 5/15 | 10 | 10 |
| Morocco | 06.12.1999 | yes | 7/10 | 10 | 10 |
| Netherlands | 11.05.1994 | no | 5/15 | 0 | 0/5 |
| Norway | 30.07.2015 | no | 5/15 | 0/5 | 5 |
| Poland | 10.05.1995 | no | 10 | 0/10 | 5 |
| Portugal | 18.07.1996 | no | 10/15 | 0/10 | 10 |
| Qatar | 23.12.2010 | no | 0 | 3 | 5 |
| Romania | 29.03.2016 | yes | 5 | 5 | 5 |
| Russia | 24.04.1995 | no | 15 | 0/15 | 15 |
| Serbia | 10.01.2000 | no | 5/15 | 10 | 10 |
| Singapore | 26.12.1997 | no | 0/5 | 0/5 | 5 |
| Slovakia | 02.05.2001 | no | 10 | 0/10 | 10 |
| Slovenia | 04.05.2004 | yes | 5/10 | 0/5 | 5/10 |
| South Africa | 27.10.2004 | yes | 5/15 | 0/5 | 5/10 |
| Spain | 14.06.1991 | no | 5/15 | 0 | 0 |
| Sweden | 28.12.1988 | no | 10 | 0 | 5 |
| Switzerland | 18.10.2013 | no | 0/10 | 0/5 | 5 |
| Syria | 04.10.2001 | no | 10 | 0/10 | 18 |
| Thailand | 13.02.2001 | no | 10 | 0/10/15 | 5/15 |
| Turkey | 17.09.1997 | no | 10/15 | 0/10 | 10 |
| Ukraine | 03.10.1997 | yes | 5/15 | 0/10 | 10 |
| United Arab Emirates | 01.01.2009 | no | 5 | 2 | 5 |
| United Kingdom | 15.12.2015 | yes | 0/5/15 | 0/5 | 5 |
| USA | 15.12.2008 | yes | 0/5/10 | 0/5/10 | 5 |
| Uzbekistan | 21.10.2004 | yes | 10 | 0/10 | 10 |
| Vietnam | 04.10.1996 | yes | 15 | 0/10 | 15 |
| Zimbabwe | 29.01.1990 | yes | 10/20 | 0/10 | 10 |

Notes

Notes



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In tax advisory, auditing and advisory, not only the phrase “other countries, other customs” is valid but also other markets, other legislation, other languages and much more. Therefore, we await you on-site with high-quality consultancy, know-how and an understanding for your individual situation.

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