

INCORPORATION OF A LIMITED LIABILITY COMPANY IN BULGARIA

(A) Who can set up a company in Bulgaria?

There are no general restrictions on foreigners setting up a limited liability company in Bulgaria. Any foreign legal entity or individual may incorporate a limited liability company (*Дружество с ограничена отговорност - ООД*) in Bulgaria.

The Limited liability company has at least one shareholder and one manager. The manager can be also foreign citizen as well as the shareholder and the manager can be one and the same person.

(B) How to set up a limited liability company (OOD) in Bulgaria?

A company is incorporated by submitting an application to the Commercial Register along with a registration fee of BGN 55. The application should be accompanied by the documents listed under (C) below. To incorporate OOD in Bulgaria, one need to open an escrow account of the Company, to which the shareholder(s) should deposit the amount of the registered capital.

(C) Which documents are needed?

The application for incorporation of a company should be accompanied by the following documents:

- Minutes of the decision;
- Article of Association;
- Consent and Specimen – which should be certified by a notary. If it needs to be notarized outside Bulgaria – it can be certified by a foreign notary and apostilled, or it can be certified in a Bulgarian consulate;
- Form declaration that the manager of the company was not declared insolvent or did not represent a company which was declared to be insolvent.
- Form declaration that the manager will not exercise competitive activity without the consent of the shareholders;
- Other documents, depending on specific circumstance, such as certificate of good standing (in case the founder is foreign legal entity), licenses, permits, form declaration for VAT registration, etc.

(D) Information required for preparation of incorporation documents

- Name of the company – the name of the company should be unique (different than the names of all other companies registered in Bulgaria);
- Registered address of the company in Bulgaria;
- Scope of activities;
- Amount of capital – the minimum required capital in Bulgaria is in the amount of BGN 2 (approx. EUR 1). However, we suggest the amount of incorporation capital to be higher so that the company can meet its initial expenses;
- In case there will be more than one shareholder we need to know how the shares are allocated between the shareholders;
- Passport or ID details of the owner of the capital or of the shareholders. In case that the shareholder(s) is a foreign legal entity we will need certificate of good standing showing its registration number, registered address and names of legal representative(s);
- Passport or ID details of the manager of the company – in case it is a different person than the shareholder(s).

(E) Duration of registration and costs.

It takes only 2 business days, after all documents are submitted to the Register, to incorporate the company. Once we gather all information needed, we draft all incorporation documents and submit them to the client for signing.

Opening the escrow account might take longer (about a week or so) and might require personal presence of company's manager, as most of Bulgarian banks have such requirements under internal AML rules and regulations. Opening of the escrow account is done before the company is incorporated!

Our fee for incorporating a company can amount in a range between net EUR 800 to EUR 1.500, excluding VAT, depending on various factors such as company structure, specific articles of association, etc. Our fee does not include any other expenses such as registration fee, translation and legalization costs (if applicable), notary and bank fees and such like.

(F) Company's duties after incorporation

VAT registration

A company may apply to be registered under VAT Law simultaneously with its incorporation. If so, the company must provide an email address for correspondence with the National revenue agency by filling specific Form declaration. Once the company is VAT registered it needs to submit monthly VAT reports. Therefore, it needs to conclude a contract for accounting services.

Registered address

Some companies do not hire employees and do not need to rent office. However, every company need to have a registered address. This will be the address to which all authorities, including National revenue agency, and all third parties will send official and commercial correspondence.

To such company we can provide registered address for the annual fee of EUR 800, excl. VAT. Our services will include receiving mail on behalf of the company.

Contact person

Any company which has as a representative a person, who does not reside permanently in Bulgaria, needs to appoint a "contact person" for AML purposes.

We can act as such contact person for our clients. Our annual fee for such service is in the amount of EUR 800, excl. VAT.

Reference contacts for Bulgaria:



Slavi Mikinski
Managing Partner
0878 150 000
slavi@mikinski.bg



Nina Stoeva
Managing Partner
0878 150 067
stoeva@mikinski.bg