

Bulgarian Investment Immigration Program

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The existing Bulgarian legislation provides foreigners who are citizens of third countries (non-European Union citizens) with different opportunities for residing in the country, the specific features of which are determined by the grounds and the duration of the stay.

In order to attract a greater number of investors and larger amounts of investments, it has been provided that a right of permanent residence (for unlimited term) shall be granted to foreigners who have invested the amount of BGN 1 000 000 (EUR 512 000):

- through the acquisition of shares of Bulgarian companies listed on the Bulgarian stock exchange;
- through the acquisition of government bonds or treasury bills; or
- by investing the same amount in Bulgarian licensed credit institution under a trust agreement, for a term of not less than 5 years, where the sum cannot be used to secure loans from other credit institutions in Bulgaria over the same period.

Although there are other cases in which such type of residence permit may be issued, those listed above should be preferred because they are less complicated. In addition, there are numerous opportunities for realization of the investment in the country and the choice depends on the risk appetite of the investor, his profit desire and other specific factors. The advantage of the arrangements for obtaining residence permit described above is that the person can obtain a status of a foreigner permanently residing in Bulgaria within four to six months, without even the need to be established in the country.

As well as the opportunity to stay in the country for an indefinite period of time, these categories of investors enjoy a number of privileges, including the possibility for acquiring Bulgarian citizenship in less than 18 months (a fast track option). The fast track option for citizenship allows investors to apply for Bulgarian citizenship after one year of holding a permanent residency card and doubling the initial investment or investment of not less than BGN 1 000 000 (EUR 512 000) in the capital of a Bulgarian company which implements a priority investment project certified under the Investment Promotion Act. Even if the prerequisites for application of the fast track option are not met, the persons who have invested according to the above procedure enjoy more favorable legal treatment, as they are entitled to acquire Bulgarian citizenship without divesting from the present citizenship and without the need to prove command of Bulgarian language, unlike what is required as a general rule.

Furthermore, there are other consequences (beyond the opportunities for obtaining Bulgarian citizenship) of the permanent residence status for foreigners, which should also be taken into account.

This category of foreigners enjoys rights similar to those of the Bulgarian citizens with some exceptions, e.g. they do not have a right to vote. They have the right to freely enter or leave the country, and after the Bulgaria joins the Schengen area, they will be entitled to travel across all European countries in the same way. Another significant fact is that foreigners who reside permanently in Bulgaria are subject to obligatory health insurance, which means that they participate in the national health care system and receive medical care in the way in which Bulgarian citizens do. It should be noted that these foreigners can work in the country under the

terms and conditions provided for Bulgarian citizens, i.e. without the need to obtain a work permit.

In the light of the above considerations and keeping in mind that Bulgaria is one of the countries with the lowest corporate and personal income tax rates in Europe, one can conclude that the existing investment immigration program is competitive with similar European and American initiatives and creates conditions for increasing the number and the amount of the investments in the domestic economy.