

## **INVESTMENT PROMOTION ACT (Title amend., SG 37/04)**

*Prom. SG. 97/24 Oct 1997, corr. SG. 99/29 Oct 1997, suppl. SG. 29/13 Mar 1998, amend. SG. 153/23 Dec 1998, amend. SG. 110/17 Dec 1999, amend. SG. 28/19 Mar 2002, amend. SG. 37/4 May 2004, corr. SG. 40/14 May 2004, amend. SG. 34/25 Apr 2006, amend. SG. 59/21 Jul 2006, amend. SG. 65/11 Aug 2006, amend. SG. 82/10 Oct 2006, amend. SG. 86/24 Oct 2006, amend. SG. 42/29 May 2007, amend. SG. 69/5 Aug 2008, amend. SG. 41/2 Jun 2009, amend. SG. 82/16 Oct 2009, amend. SG. 18/5 Mar 2010, amend. SG. 88/9 Nov 2010, amend. SG. 100/21 Dec 2010, amend. SG. 38/18 May 2012, amend. SG. 45/15 Jun 2012, amend. SG. 82/26 Oct 2012, amend. SG. 15/15 Feb 2013, amend. SG. 16/19 Feb 2013, amend. SG. 66/26 Jul 2013, **amend. SG. 98/28 Nov 2014***

### **Chapter one. GENERAL PROVISIONS**

Art. 1. (amend., SG 37/04, in force from August 8 2004; prev. text of Art. 01 – SG 42/07, in force from 30.08.2007; amend. – SG 41/09) This Act settles the terms and the order of encouraging investments on the territory of the Republic of Bulgaria, the activity of the state bodies in the sphere of encouraging investments, as well as their protection.

(2) (new – SG 42/07, in force from 30.08.07) The main purposes of this Act shall be:

1. (suppl. – SG 41/09) raising the competitive abilities of the Bulgarian economy through increase of the investments for science research, innovations and technological development in high added value production and services by observing the principles of steady development;
2. (amend. – SG 41/09) improvement of the investment climate and overcoming the regional divergence in the socioeconomic development;
3. creating new and highly productive job positions.

Art. 2. (amend., SG 37/04, in force from August 8 2004; amend. – SG 41/09) Investment promotion under this Act shall be carried out mainly by:

1. (amend. - SG 16/13) administrative servicing in reduced terms and individual administrative servicing;
2. sale or for profit constitution of limited real rights in estates that are private state or private municipal property without auction or contest according to market or lower prices;
3. sale or for profit constitution of limited real rights in terrains with developed inbound technical infrastructure of public state ownership without auction or contest according to market or lower prices;
4. financial assistance for development of technical infrastructure components;
5. financial assistance for training and acquisition of professional qualification;
6. (new - SG 16/13) financial aid for partial refund of the mandatory insurance payments made to the state social insurance, additional mandatory pension insurance and mandatory health insurance for the account of the investor as an employer to the benefit of newly hired employees for the implementation of the investment project;
7. possibilities for other forms of state aid, institutional support, public-private

partnership or constitution of mixed companies – for priority investment projects;

8. various types of transactions between the investor and a trade company established for construction and development of industrial zones.

9. (prev. text of Item 06 - SG 16/13) tax relief under the Corporate Income Taxation Act;

Art. 2a. (new, SG 37/04, in force from August 8 2004; amend. – SG 41/09) (1) (amend. - SG 16/13) The provisions for encouraging the investments under Chapters Three and Four shall implement the requirements of Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (OJ, L 214/3 of 9 August 2008), referred to hereinafter as "Regulation (EC) No 800/2008".

(2) The individual aid measures for investment promotion shall apply as a multi sector scheme for regional aid and training aid scheme, meeting all requirements of Chapter I, as well as all corresponding provisions of Chapter II of Regulation (EC) No 800/2008 regarding the compliance with the common market in the sense of Art. 87, Paragraph 3 of the Treaty Establishing the European Community and shall be exempt from the notification requirement of Art. 88, Paragraph 3 of the Treaty under the conditions of Art. 3 of Regulation (EC) No 800/2008.

(3) The individual aid measures failing to meet the requirements under Para 2 shall be notified to the European Commission, hereinafter referred as "the Commission" in compliance with Art. 88 of the Treaty Establishing the European Community.

Art. 3. (1) If an international agreement, party to which is the Republic of Bulgaria, stipulates more favourable conditions for carrying out economic activity by foreigners the more favourable conditions shall apply according to the international agreement.

(2) (revoked - SG 16/13)

Art. 4. (revoked – SG 42/07, in force from 30.08.2007)

Art. 5. (revoked, SG 37/04, in force from August 8 2004)

Art. 6. (revoked – SG 42/07, in force from 30.08.2007)

Art. 7. (amend. - SG 34/06, in force from 01.10.2006; revoked – SG 42/07, in force from 30.08.2007)

Art. 8. (revoked, SG 37/04, in force from August 8 2004)

Art. 9. (revoked, SG 37/04, in force from August 8 2004)

**Chapter two.**  
**STATE POLICY IN THE SPHERE OF INVESTMENTS (Title amend., SG 37/04, in force from August 8 2004)**

Art. 10. (amend.,. SG 37/04, in force from August 8 2004) (1) (amend. – SG 42/07, in force from 30.08.2007; amend. - SG 82/09, in force from 16.10.2009) The Minister of Economy, Energy and Tourism shall provide the implementation of the state policy in the sphere of the investments in interaction with the bodies of the executive authority.

(2) (amend. – SG 42/07, in force from 30.08.2007; amend. - SG 82/09, in force from 16.10.2009) The Minister of Economy, Energy and Tourism shall:

1. work out a strategy for encouraging the investments in the country in cooperation with the bodies of the executive authority and interested non-government organizations, which shall be adopted by the Council of Ministers;

2. (suppl. – SG 42/07, in force from 30.08.2007; amend. – SG 41/09) work out and implement investment promotion programmes and measures in cooperation with the executive authorities and the interested non-governmental organizations;

3. work out and propose draft normative acts for promotion of investment activity in the country;

4. represent the Republic of Bulgaria in international organizations in the sphere of investments;

5. (amend. - SG 16/13) make proposals for inclusion in the Act on the State Budget of the Republic of Bulgaria for the respective year of the necessary investment promotion funds under Items 7 and 8;

6. (new - SG 16/13) make proposals for joining operative programmes, co-financed by the European Union funds, for investment promotion measures referred to in Items 7 and 8;

7. (new – SG 42/07, in force from 30.08.2007; prev. text of Item 06, suppl. - SG 16/13) issue certificates for investment classes and priority investment projects and make proposals to the Council of Ministers for implementation of investment promotion measures under the order of this Act;

8. (new – SG 41/09; prev. text of Item 07 - SG 16/13) submit to the Council of Ministers proposals for memoranda or agreements under Art. 22f.

Art. 11. (amend., SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) The regional governor shall:

1. provide the implementation of the state policy in the investment promotion sphere of on the territory of the region;

2. organize the development of investment promotion measures and coordinate their implementation; the measures shall be developed in compliance with the strategy referred to in Art. 10, Para 2, Item 1 and shall be included in the regional strategy of development;

3. coordinate the activities of the executive authorities and their administration on the territory of the region referred to in Items 1 and 2;

4. (new - SG 16/13) exercise control of the lawfulness of the acts and actions of the local self-government and local administration authorities when applying the provisions of Chapter Four, Section II.

(2) The mayor of the municipality shall:

1. provide the implementation of the investment promotion policy on the territory of the municipality in the development and implementation of the municipal plan for development and of the programme of its implementation;

2. assist in application of the investment promotion under this Act;
  3. (new - SG 16/13) issue a certificate for investment projects with municipal significance and implement the promotion measures within his or her competence.
- (3) (suppl. - SG 16/13) The mayor of the municipality may authorize the mayors of regions and the mayors of mayoralties to exercise the functions referred to in Para 2, Items 1 and 2.

Art. 11a. (new, SG 37/04, in force from August 8 2004) (1) (amend. – SG 42/07, in force from 30.08.2007; amend. - SG 82/09, in force from 16.10.2009) Established is Bulgarian Investments Agency, called hereinafter "the Agency", which shall assist the Minister of Economy, Energy and Tourism in implementing the state policy in the sphere of encouraging the investments.

(2) (amend. – SG 42/07, in force from 30.08.2007; amend. - SG 82/09, in force from 16.10.2009) The Agency is a corporate body at budget support with a seat in Sofia and has a status of executive agency at the Minister of Economy, Energy and Tourism.

(3) The structure and activity of the Agency shall be determined by a structural regulation adopted by the Council of Ministers.

(4) The annual state budget act of the Republic of Bulgaria shall provide for expedient resources for carrying out investment marketing by the Agency.

(5) (amend. – SG 42/07, in force from 30.08.2007; amend. – SG 41/09; amend. - SG 82/09, in force from 16.10.2009; revoked – SG 38/12, in force from 01.07.2012)

(6) (revoked – SG 38/12, in force from 01.07.2012)

Art. 11b. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) The Agency shall:

1. carry out the informational servicing of the investors;
2. carry out investment marketing, presenting and advertising abroad the possibilities of investing in the country;
3. carry out individual administrative servicing of the investors by the order of this Act;
4. (amend. - SG 82/09, in force from 16.10.2009) draw up a plan for attracting and servicing investors and present it for approval to the Minister of Economy, Energy and Tourism by 31 December of the preceding year; the plan shall be updated in quarterly during the current year;
5. (amend. - SG 82/09, in force from 16.10.2009) work out an annual report for the investments in the country and for the terms of their promotion, which shall be presented through the Minister of Economy, Energy and Tourism to the Council of Ministers;
6. (amend. - SG 82/09, in force from 16.10.2009) draw up quarterly reports on its activity in relation to the annual plan referred to in Item 4, which shall be presented to the Minister of Economy, Energy and Tourism;
7. keep an Internet site with information for:
  - a) the investment and business climate in the country;
  - b) sites and industrial zones for making investments by regions in the country with economical and investment profile of the region;
  - c) (amend. - SG 16/13) forms and samples for applying for certificate for class A, class B investments and priority investment project and using the promotion measures under this Act;
  - d) (new - SG 16/13) the issued certificates as set out in this Act;

e) (new - SG 16/13) the websites of the municipalities, on which the information referred to in Art. 22i, Item 7 has been published;

e) (prev. text of Item "d" - SG 16/13) other information;

8. (new – SG 41/09) issue a document certifying the implementation of the investment project at the request of the investor or of the competent local or central government authority on occasion of the implementation of the promotion measure in compliance with the law.

Art. 11c. (new, SG 37/04, in force from August 8 2004) (1) (amend. – SG 41/09) The Agency shall maintain for statistical purposes an informational system which shall gather data for the investments in the country.

(2) (amend. – SG 41/09) For completing the informational system the Agency shall receive data from:

1. (suppl. – SG 41/09) the National Statistical Institute – for the expenditures made for the period for acquiring long-term tangible assets – at the end of every quarter;

2. the Bulgarian National Bank – for the foreign investments made in the country during the period at the end of every quarter;

3. (new – SG 41/09) the Registry Agency – for the registrations in the Commercial register – in the end of every quarter;

4. (prev. text of Item 03 – SG 41/09) other central and territorial bodies of the executive authority – upon request by the Agency.

(3) (amend. – SG 42/07, in force from 30.08.2007; amend. - SG 82/09, in force from 16.10.2009; amend. - SG 16/13) The Agency shall submit data for the investments to the Minister of Economy, Energy and Tourism, to other state bodies and interested persons by an order determined by the structural regulation of the Agency.

### **Chapter three.**

## **INVESTMENT PROMOTION (Title amend., SG 37/04, in force from August 8 2004)**

### **Section I.**

## **Conditions and Investment Promotion Measures (new – SG 42/07, in force from 30.08.2007)**

Art. 12. (amend., SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) (1) (suppl. - SG 16/13) Under the order of this Chapter and Chapter Four shall be encouraged the investments in long-term material and immaterial assets and the new job positions, made on the territory of the Republic of Bulgaria, in compliance with the requirements of Regulation (EC) No 800/2008.

(2) The investments referred to in Para 1 shall meet the following requirements:

1. to be related to the setting-up of a new establishment, the extension of an existing establishment/activity, diversification of the output of an establishment into new additional products or a fundamental change in the overall production process of an existing establishment/activity;

2. to be made in economical activities specified in the regulations on the implementation of the law with the relevant codes determined according to the effective Statistical Classification of Economic Activities in the European Community (NACE), respectively its direct implementation in the Republic of Bulgaria through the corresponding classification;

3. the income from the implemented investment project shall be at least 80 percent of the overall income of the investor's enterprise for the period under Item 8;

4. the term of performing the investment to be three years at most from the date of commencing the work on the project by its finalization, including the large investment projects in the sense of Art. 13, Paragraph 10 of Regulation (EC) No 800/2008;

5. (suppl. - SG 16/13) not to be under the minimum amount for a single site as determined in the Regulations on Implementation of the Law, which amount may be reduced:

a) (amend. - SG 16/13) up to three times for investment projects to be fully implemented within the administrative boundaries of the economically unfavored regions specified in the regulations on the implementation of this Act;

b) (amend. - SG 16/13) up to three times for investments in high-tech activities from the industrial sector of the economy specified in the regulations on implementation of the law;

c) (amend. - SG 16/13) up to five times for investments in the high-tech activities from the sector of services specified in the regulations on implementation of the law;

d) (new - G 16/13) more than five times in case of creating and maintaining employment in the sense of Item 7 in high-tech activities or economically unfavored regions and up to three times in other economic activities, where the requirements to the employment shall be determined in the regulations on the implementation of this Act;

6. (amend. - SG 16/13) at least 40 percent of the allowable expenses for tangible and intangible assets to be financed through investor's own funds or external financing in a form excluding public support;

7. (amend. - SG 16/13) to create and maintain employment fulfilling simultaneously the conditions of Art. 12, Paragraph 3 of Regulation (EC) No 800/2008:

a) to be directly related to the implementation of the investment project;

b) the investment project shall lead to a net increase in the number of employees in the establishment/organization concerned, compared with the average number of employees over the previous 12 months;

c) the employment created shall be maintained during a minimum period of 5 years in the case of large enterprise and a minimum period of three years in case of small and medium enterprises.

8. the investment in the economical activity under Item 2 to be maintained in the region at the location concerned for at least 5 years, and in case of small and medium enterprises – three years, commencing on the date of its completion in the sense of Art. 13 Paragraph 2 of Regulation (EC) No 800/2008;

9. the acquired long term tangible and intangible assets shall be new and purchased under market conditions by third parties independent of the investor in the sense of Art. 12 Paragraph 1 of Regulation (EC) No 800/2008;

10. fulfillment of other conditions under Chapter I and the special provisions of Chapter II of Regulation (EC) No 800/2008 regarding the investment for providing aid under Art. 2a.

Art. 13. (amend., SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) Shall not be encouraged the investments of any person:

1. convicted with a conviction in force unless rehabilitated;

2. declared insolvent or under insolvency procedure, or who has concluded an extrajudicial agreement with the creditors in the sense of Art. 740 of the Commercial Law;

3. under liquidation proceedings;

4. with pecuniary obligations to the state or to a municipality in the sense of Art. 162, Para 2 of the Tax-Insurance Procedure Code, which have been established by an act in force

of a competent authority, unless rescheduling or deferring of the obligations has been admitted;

5. (new - SG 16/13) that is due employment remunerations to employees, established in an penal decree in force.

(2) Shall not be encouraged the investments of any foreign person, for whom in the state of his establishment any of the circumstances referred to in Para 1 are available according to his national legislation.

(3) The requirement of Para 1, Item 1 shall not apply to the sole proprietors of the capital, to the managers or to the members of the managing bodies of the investor, and provided that the members are legal persons – to their representatives in the management body in question.

Art. 13a. (amend. – SG 42/07, in force from 30.08.2007) No investments shall be encouraged:

1. (amend. - SG 41/09) in enterprises falling within the requirements under Art. 1, Paragraphs 5 and 6 of Regulation (EC) No 800/2008;

2. (amend. – SG 45/12, in force from 01.09.2012) for performance of privatisation or concession contracts under the Privatisation and Post-privatisation Control Act or for performance of concession contracts for extraction of natural resources under the Concessions Act or for extraction of underground natural resources under the Underground Natural Resources Act and for performance of offset agreements;

3. (amend. – SG 41/09) for activities and economy sectors specified in Art. 1, Paragraphs 2, 3 and 4 of Regulation (EC) No 800/2008.

Art. 14. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) (1) (amend. - SG 16/13) For investments meeting the requirements of Art. 12 – 13a shall be issued a certificate under Art. 20 which shall grant rights to use the measures under Art. 15, Para 1.

(2) (suppl. - SG 16/13) The investments under Para 1 shall be determined as class A or class B on the basis of the criteria for the minimum amount of the investments and employment referred to in Art. 12, Para 2, Item 5. The Minister of Economy, Energy and Tourism shall issue a certificate under Art. 20, Para 1 for implementation of the measures referred to in Art. 15, Para 1.

(3) (new - SG 16/13) The investments referred to in Para 1 shall qualify as a priority investment project pursuant to the criteria for minimum amount of the investments and employment specified in Art. 22f, Para 1. The priority investment project certificate shall be issued on the basis of a decision of the Council of Ministers under Art. 22f, Para 3. The priority investment project certificate shall be signed by the Minister of Economy, Energy and Tourism or by the Minister of Economy, Energy and Tourism and another authorised person, including a regional governor or a mayor or a representative of the academic community in respect of technological parks as set out in Art. 22f, Para 4 for implementation of the measures under Art. 15, Para 2.

(4) (new - SG 16/13) The investments referred to in Para 1 shall qualify as class B with municipal significance pursuant to the criteria for minimum amount of the investments and employment specified in Art. 22h, Para 2. The certificate shall be issued by the mayor of the municipality on the basis of a decision of the municipal council under Art. 22i, Item 3 for implementation of the measures under Art. 22h, Para 3.

Art. 15. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) (amend. - SG 41/09; suppl. - SG 16/13) The investment that have been granted a certificate under Art. 20, Para 1, Item 1 as class A or class B shall be encouraged to complete the investment project through:

1. short terms for administrative servicing according to the procedure of Art. 21;
2. individual administrative servicing necessary for realization of the investment project according to the procedure of Art. 22;
3. obtaining ownership or limited real rights in property according to the procedure of Art. 22a;
4. financial aid for construction of components of the technical infrastructure necessary for realization of one or more investment projects according to the procedure of Art. 22b;
5. financial aid for training for acquiring vocational qualification by persons, including trainees from the universities in the country occupying the new job positions related to investments according to the procedure of Art. 22c;
6. (new - SG 16/13) financial aid for partial refund of the mandatory insurance payments for state public insurance, for additional mandatory pension insurance and for mandatory health insurance of new employees made for the account of the investor as an employer under Art. 22e.

(2) (new - SG 16/13) The priority investment projects referred to in Art. 22f may be encouraged by a package of measures as set out in Art. 22f, Para 2. The funds required for implementation of the financial measures shall be allocated pursuant to the decision of the Council of Ministers under Art. 22g, Para 3.

(3) (new - SG 16/13) The investment projects with municipal significance with granted class B certificate by the mayor of the municipality shall be encouraged with the measures under Art. 22h, Para 3.

(4) (prev. text of Para 02, amend. and suppl. - SG 16/13) The investments referred to in Para 1 - 3 shall be encouraged also by the order of the Corporate Income Taxation Act, the Value Added Tax Act, the Employment Promotion Act and the Farm Lands Ownership and Use Act, if meeting the requirements specified in them.

(5) (amend. SG 15/13, in force from 01.01.2014; prev. text of Para 03, amend. - SG 16/13) The necessary resources for implementation of the measures under Para 1, Item 4 - 6 shall be specified annually in the Act on the State Budget of the Republic of Bulgaria.

(6) (new - SG 16/13) Funds for implementation of the financial measures under Para 1 and 2 shall be made available also through the operative programmes, jointly funded through the European Union funds.

Art. 16. (1) (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007; amend. - SG 41/09; prev. text of Art. 16, amend. - SG 16/13) The investment promotion measures referred to in Art. 15, Para 1, Items 4 - 6 and Art. 22f, Para 2, Item 1 shall apply when:

1. the investor has submitted an application under Art. 18, Para 1 before the beginning of the work on the investment project;
2. (amend. - SG 82/09, in force from 16.10.2009) the Minister of Economy, Energy and Tourism by means of the certificate referred to in Art. 20, Para 1, Item 1 has certified in writing:
  - a) (amend. - SG 41/09) the principal compliance of the project with the conditions of eligibility of the regional aid scheme according to Regulation (EC) No 800/2008, or

b) (amend. - SG 41/09) his intention to apply the measure, provided that it will be approved by the European Commission by the order of the State Aid Act in the cases where the measure constitutes state aid not eligible for group exempt according to Regulation (EC) No 800/2008 regarding the regional aid;

3. (amend. - SG 41/09) the requirements of Art. 2a on implementation of Regulation (EC) No 800/2008 have been met;

4. (amend. - SG 41/09) there is a positive opinion for the investment project of the competent authority on environment – a positive decision on the assessment of the environmental impact under the legislation in force;

5. (new - SG 16/13) the investor and the legal persons under Art. 17, Para 1 shall declare that they have not late payments due to goods and services suppliers for the purpose of the implementation of the investment project.

(2) (new - SG 16/13) Where an investment promotion measure is applied as referred to in Art. 15, Para 1, Item 3 or Para 4 in relation to the Ownership and Use of the Farm Lands Act, shall be submitted a document certifying the preliminary consent of the owner of the real estate.

Art. 17. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) The investment promotion measures may apply to legal persons, in which the investor whose project has been certified holds at least 75 percent of the registered capital.

(2) The investor and the legal persons referred to in Para 1 shall be liable jointly and severally for the performance of their duties on realization of the investment.

## **Section II.**

### **Order of Issuing a Certificate (new – SG 42/07, in force from 30.08.2007; title amend. - SG 41/09)**

Art. 18. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) (amend. - SG 16/13) To be granted a class A, class B or a priority investment project investment certificate under Art. 14, Para 2 and 3 the investor shall submit an application to the Executive Director of the Agency in which he shall indicate the investment promotion measures under Art. 15, Para 1, 2 and 4 he wants to use.

(2) The investor shall enclose with the application an investment project and the necessary documents specified in the regulations on implementation of the Law.

(3) (amend. – SG 100/10, in force from 01.07.2011) The application and the documents referred to in Para 1 and 2 may be presented also in electronic form signed with qualified electronic signature under the order of the Electronic Document and Electronic Signature Act.

(4) The requirements for the investment project shall be determined in the regulations on implementation of the Law.

(5) (new - SG 16/13) The investor shall file an application with the mayor of the municipality for the grant of a class B investment certificate indicating the measures referred to in Art. 15, Para 3 and 4, in compliance with Para 2 - 4.

Art. 19. (1) (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007; prev. text of Art. 19 - SG 16/13) The Executive Director of the Agency shall:

1. (suppl. - SG 16/13) assess the submitted documents referred to in Art. 18, Para 1 - 4 by order determined in the regulations on implementation of the Law;

2. notify the investor for established non-compliance and/or incompleteness of the documents referred to in Art. 18 and shall specify a term for their elimination;

3. (amend. - SG 82/09, in force from 16.10.2009) draw up on the basis of the assessment referred to in Item 1 a motivated proposal to the Minister of Economy, Energy and Tourism for granting or refusal to grant a class of investment certificate;

4. (amend. - SG 82/09, in force from 16.10.2009) send to the Minister of Economy, Energy and Tourism the proposal referred to in Item 3 together with the enclosed documents referred to in Art. 18 within 30 days from their submission.

(2) (new - SG 16/13) The mayor of municipality shall:

1. assess the filed documents referred to in Art. 18, Para 5;

2. inform the investor of any non-compliance found and/or deficiencies of the documents referred to in Art. 18, Para 5 and provide a term for their remedy;

3. on the basis of the assessment under Item 1 draw up a reasoned proposal to the council of ministers for issue of a certificate for a class B investment or for refusal in the cases referred to in Art. 19a;

4. send to the municipal council the proposal referred to in Item 3 accompanied by the required documents under Art. 18, Para 5 within 30 days from their submission.

Art. 19a. (new – SG 42/07, in force from 30.08.2007) Class of investment certificate shall not be granted when:

1. the requirements of Art. 18 are not met, or

2. the investment does not meet the conditions under Art. 12, or

3. some of the circumstances under Art. 13a are available, or

4. the investment is made by a person under Art. 13, or

5. there is non-compliance and/or incompleteness of the presented documents under Art. 18 and it has not been eliminated within 6 months from the date of submission of the application.

Art. 20. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) (amend. - SG 82/09, in force from 16.10.2009) The Minister of Economy, Energy and Tourism or an official authorized by him shall:

1. (suppl. - SG 16/13) grant a certificate by which the class of investment is determined as class A, class B or as a priority investment project under Art. 22f on the basis of a decision of the Council of Ministers, under order determined in the regulations on implementation of the Law;

2. refuse to grant a certificate in the cases referred to in Art. 19a;

3. (amend. - SG 16/13) publish information for the certified and encouraged investments under the present Act on the website of the Ministry of Economy, Energy and Tourism or of the Agency.

(2) (amend. - SG 82/09, in force from 16.10.2009; amend. - SG 16/13) Upon request of the Minister of Economy, Energy and Tourism or the mayor of a municipality the Minister of Finance, the Minister of Labour and Social Policy and the other competent authorities shall provide information of the investments certified under this Act which are encouraged by the order of Art. 15, Para 4.

(3) (new - SG 16/13) The mayor of a municipality shall:

1. grant a class B investment certificate pursuant to a decision of the municipal council as referred to in Art. 22h and 22i;
2. refuse to grant a certificate for a class B investment in the cases of Art. 19a;
3. provide information for the certified and encouraged class B investments under the present Act on the website of the municipality together with the annual report under Art. 22i, Item 8.

Art. 20a. (new - SG 16/13) At the request of an investor the Minister of Economy, Energy and Tourism may extend once the term of validity of the certificate referred to in Art. 20, Para 1, Item 1 up to two years under procedure for its grant, where:

1. the administrative service was not provided within the time limits under Art. 21 for a reason independent of the will of the investor;
2. the measure referred to in Art. 22a was not implemented for a reason independent of the will of the investor;
3. the investment project was not fully or partially implemented due to force majeure reasons, indicated in a contract or agreement with the investor under the present Act, or under the applicable law of the European Union.

### **Section III.**

#### **Application of Investment Promotion Measures (new – SG 42/07, in force from 30.08.2007)**

Art. 21. (amend., SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007) (1) When a class of investment certificate is presented the central and territorial bodies of the executive authority shall provide administrative servicing of the investors in terms by one-third shorter than those specified in the normative acts unless in the cases of Para 2 – 5.

(2) The administrative servicing shall be provided by the competent authorities within 5 days from submission of the investor's request in the cases under:

1. Art. 140, Para 1 and Art. 144, Para 3, Item 1 of the Spatial Planning Act;
2. Art. 26, Para 3 of the Roads Act;
3. Art. 112a of the Environmental Protection Act.

(3) The administrative servicing shall be provided by the competent authorities within 14 days from submission of investor's request in the cases of:

1. (amend. - SG 41/09) Art. 141, Para 8, sentence one and Art. 144, Para 3, Item 2 of the Spatial Planning Act;
2. Art. 111 and 112 of the Environmental Protection Act;
3. Art. 62a, Para 1 of the Waters Act.

(4) (amend. - SG 41/09; amend. – SG 82/12, in force from 26.11.2012) The administrative servicing shall be carried out by the competent authorities within 30 days from submission of a request by the investor in the cases under Art. 62a, Para 3 of the Spatial Planning Act.

(5) (amend. – SG 69/08; amend. – SG 88/10, in force from 01.01.2011) According to their competence the authorities of the state sanitary control and the authorities for fire safety and population protection shall issue the necessary documents within 14 days in order administrative servicing of the investors holding class of investment certificates to be provided.

Art. 22. (revoked, SG 37/04, in force from August 8 2004; new – SG 42/07, in force from 30.08.2007) (1) The individual administrative servicing necessary for realizing class A investments shall be provided by employees of the Agency before all central bodies of the executive authority, and in the rest of the cases – by employees from the administration of the territorial bodies of the executive authority under Art. 22d, Para 1.

(2) For performance of individual administrative servicing the investor shall authorize the persons under Para 1 and shall provide the necessary documents to them.

(3) In performance of individual administrative servicing of an investor the persons under Para 1 shall be obliged to:

1. provide to the investor complete and accurate information on the necessary documents, terms and fees specified in the special laws;

2. assist in issuing and receipt from the competent authorities all necessary documents for realization of the investment in question and for performance of the economic activity related to it.

(4) The fees for issuing the documents referred to in Para 3, Item 2 specified in a normative act shall be at the expense of the investor.

(5) The order of individual administrative servicing shall be determined in the regulations on implementation of the Law.

Art. 22a. (new – SG 42/07, in force from 30.08.2007) (1) Upon request of an investor holding a class of investment certificate the competent authority may:

1. (amend. - SG 82/09, in force from 16.10.2009; amend. – SG 66/13, in force from 26.07.2013; amend. – SG 98/14, in force from 28.11.2014) perform sale of immovable property of private state ownership at the place of investment without auction, after assessment and with the written consent of the Minister of Economy, Energy and Tourism and of the Minister of Regional Development and Public Works, and regarding properties managed by the Ministry of Defence - without auction, after assessment and with the written consent of the Minister of Defence, after which the district governor shall issue an order for transferring the right of ownership and shall conclude a contract with the investor;

2. perform sale of immovable property of private municipal ownership at the place of investment without auction or contest, after assessment and decision of the Municipal Council; on the basis of the decision the mayor of municipality shall issue an order and conclude a contract with the investor;

3. (amend. - SG 82/09, in force from 16.10.2009; amend. – SG 66/13, in force from 26.07.2013; amend. – SG 98/14, in force from 28.11.2014) arrange for recompense limited real right in immovable property of private state ownership at the place of investment without auction, after assessment and with the written consent of the Minister of Economy, Energy and Tourism and of the Minister of Regional Development and Public Works, after which the district governor shall issue an order for arranging limited real right and shall conclude a contract with the investor;

4. arrange for recompense limited real right in immovable property of private municipal ownership at the place of investment without auction or contest, after assessment and decision of the Municipal Council; on the basis of the decision the mayor of municipality shall issue an order and conclude a contract with the investor.

(2) (amend. and suppl. - SG 41/09) The assessment referred to in Para 1 shall be performed by at least two independent assessors and the final market price shall not be lower than the average of the value according to the independent assessments performed. The

authority referred to in Para 1 may assign assessment of the compliance of the size of the property for the purposes of the completion of the investment project.

(3) (suppl. - SG 41/09; suppl. – SG 16/13) The failure to perform the investment project in respect of term and amount of investment shall be included in the contract as grounds for cancellation. Grounds for cancellation shall be also the failure to begin work on the investment project within two years from conclusion of the contract under Para 1. The investment shall be deemed as failed, where its amount is below the minimum determined in Art. 12, Para 2, Item 5, and the requirement of Para 13 has not been met, as established in the financial reports and a reference certified by a registered auditor according to the Independent Financial Audit Act. The costs related to the activities of the auditor shall be for the account of the investor.

(4) The contracts referred to in Para 1 shall be formed in writing and shall be registered by an order of the judge on registrations at the location of the property.

(5) The competent authority under Para 1 shall send to the Agency a copy of the contract within 7 days from its conclusion.

(6) (amend. - SG 82/09, in force from 16.10.2009) The information of the completed transactions with immovable properties of private state and private municipal ownership, and of the results of performance of the contracts shall be timely provided by the Agency to the Minister of Economy, Energy and Tourism and shall be entered in the annual report referred to in Art. 11b, Item 5.

(7) (amend. - SG 41/09) The investor and/or the person under Art. 17 may not dispose of the properties obtained by the order of Para 1 and may not transfer to third persons the limited real rights assigned in them before expiration of the term under Art. 12, Para 2, Item 8.

(8) (suppl. - SG 41/09) The contracts referred to in Para 1 shall be concluded under the conditions of the legislation in the field of the state aid in force and according to a procedure, specified in the regulations on implementation of the law.

(9) (new – SG 41/09) The rights in properties under Para 1 may be transferred or assigned for prices lower than those on the market, where the price shall not be lower than the tax assessment of the property, concerning priority investment projects under Art. 22f, provided that all requirements for applying the regional investment aid scheme under Regulation (EC) No 800/2008, specified in the regulations on implementation of the law, have been met.

(10) (new – SG 41/09; suppl. - SG 18/10, in force from 05.03.2010) Single member companies with state or municipal share or companies which capital is owned by single member companies with state share may sell, exchange or assign limited real rights for valuable consideration in properties without auction or contest:

1. (amend. - SG 82/09, in force from 16.10.2009) at the request of an investor that has been granted a class of investment certificate and with the permission in writing of the single owner of the capital and the consent in writing of the Minister of Economy, Energy and Tourism; an assessment according to the procedure of Para 2 shall be made and the requirements of Para 3 – 8 shall apply in such cases;

2. for priority investment projects under Art. 22f at lower than market prices, where the price shall not be lower than the tax assessment of the property, with the permission in writing of the single owner of the capital, provided that all requirements for applying the scheme for regional investment aid under Regulation (EC) No 800/2008, specified in the regulations on implementation of the law, have been met.

(11) (new – SG 41/09) Single member companies with state or municipal share may lease their own properties through direct negotiations, following an assessment by an independent assessor and permission by the single owner of the capital regarding priority investment projects under Art. 22f.

(12) (new – SG 41/09) No state fees shall be due in respect of private state property or private municipal property terrains made available by the competent authority under Art. 22, Para 1, and also terrains made available under the order of Para 10, Item 2, undergoing changes of the land purpose to allow the realization of priority investment projects. The same rights shall enjoy also the investors and the persons under Art. 22f, Para 1 and 4 in respect of terrains required to realize priority investment projects at the location of the investment, where this measure shall be part of the package of promotion measures under Art. 22f, Para 2.

(13) (new – SG 16/13) The rights in the properties referred to in Para 1 and Para 10, Item 2 may be assigned or arranged only if the amount of the planned investment as costs for long-term tangible assets exceeds 5 times the market value of the property referred to in Para 2. The failure to perform this requirement shall be indicated in the contract with the investor as grounds for its cancellation under Para 3.

Art. 22b. (new – SG 42/07, in force from 30.08.2007) (1) (amend. - SG 41/09; amend. - SG 82/09, in force from 16.10.2009) Upon proposal by the Minister of Economy, Energy and Tourism the Council of Ministers may grant funds for financial support of construction of technical infrastructure components – public municipal ownership or state ownership, from the closest component of the infrastructure already built to the borders of the real estate:

1. for realization of a class "A" investment;
2. for realization of two or more certified investment projects on the territory of a single industrial zone.

(2) (amend. - SG 82/09, in force from 16.10.2009) The Minister of Economy, Energy and Tourism may propose to the Council of Ministers to provide funds for financial support under Para 1 when the requirements of Art. 16 have been fulfilled.

(3) The relations regarding the construction of the technical infrastructure under Para 1 shall be arranged in the regulations on implementation of the Law in compliance with the legislation in the field of state aid in force.

(4) (amend. - SG 41/09) The investments under Para 1 realized in high-tech activities or within the administrative borders of economically unfavoured regions shall be encouraged with priority.

Art. 22c. (new – SG 42/07, in force from 30.08.2007) (1) (amend. - SG 41/09; amend. - SG 82/09, in force from 16.10.2009) Upon proposal by the Minister of Economy, Energy and Tourism the Council of Ministers may grant funds for financial support of the training for acquiring vocational qualification by persons, including trainees from universities in the country, who have occupied the new job positions created with the realization of a class A or class B investment, when:

1. (amend. - SG 41/09) the investment is realized in high-tech activities or entirely within the administrative borders of economically unfavoured regions;

2. (amend. - SG 41/09; amend. – SG 16/13) the employment created by the investment meets simultaneously all the requirements under Art. 12, Para 2, Item 7;

3. (suppl. - SG 41/09) the annual employment remuneration of the persons occupied under employment relationship in the enterprise is higher than the average in the country for the economical activity in which the investment project is realized according to data of the National Statistical Institute for the period of maintaining the employment under Art. 12, Para 2, Item 7.

(2) The investor-employer may carry out training for acquiring vocational qualification

through a training organization or independently within the limits of the funds under Para 1.

(3) (amend. - SG 41/09) The relations regarding to the training for acquiring vocational qualification shall be regulated according to Regulation (EC) No 800/2008 regarding training aid and by order determined in the regulations on implementation of the Law.

(4) (revoked – SG 16/13)

Art. 22d. (new – SG 42/07, in force from 30.08.2007) (1) In every central and territorial administration shall be determined officials who shall carry out administrative servicing of investors holding class of investment certificates or of representatives authorized by them for realization of their investment projects.

(2) All central bodies of the executive authority shall be obliged to render assistance to the employees of the Agency in performance of individual administrative servicing of the investors.

Art. 22e. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09; amend. - SG 82/09, in force from 16.10.2009; amend. – SG 16/13) (1) At the proposal of the Minister of Economy, Energy and Tourism, the Council of Ministers may provide funds for partial reimbursement, for a period not longer than 24 months from the opening of the working position, of the mandatory insurance payments for the state public insurance, for the additional mandatory pension insurance and for the mandatory health insurance of the employees on the newly opened employment positions, made by the investor for his account as an employer, where all of the following conditions have been met:

1. the investment has been granted a class A, class B or priority investment project certificate;

2. the employment created by the implementation of the investment project, determined as the average staff number, meets the requirements referred to in Art. 12, Para 2, Item 5 and Item 7, Letters "a" and "b";

3. the annual salary of the employed persons in the undertaking of the investor exceeds the average for the country for the respective economic activity, where the investment project takes place, according to data of the National Statistics Institute for the period of maintaining the employment under Art. 12, Para 2, Item 7, Letter "c";

4. the person implementing the investment referred to in Item 1 does not have obligations arising from failure to perform contracts under programmes, measures and trainings according to the Employment Promotion Act;

5. no funds have been received for the same expenses from other public financing sources.

(2) For implementation of the measure referred to in Para 1 the newly opened working places shall be occupied by Bulgarian citizens, nationals of another Member State of the European Union, or another state – party to the Agreement on the European Economic Area, of the Swiss Confederation or by person under Art. 18, Para 3 of the Employment Promotion Act.

(3) The investments referred to in Para 1, Item 1 made for high-tech activities or within the administrative boundaries of the economically unfavoured regions shall be encouraged with priority.

(4) The provision of funds referred to in Para 1 shall be carried out in compliance with the requirements of Regulation (EC) No 800/2008.

(5) The conditions and order for application of Para 1 – 4 shall be determined in the

regulations on the implementation of the Law.

#### **Chapter four.**

### **PRIORITY INVESTMENT PROJECTS AND INVESTMENT PROJECTS OF MUNICIPAL SIGNIFICANCE (DEL. - SG 37/04, IN FORCE FROM 04.05.2004; NEW – SG 41/09; TITLE AMEND. - SG 16/13)**

#### **Section I.**

#### **Priority Investment Projects of National and Regional Significance (New - SG 16/13)**

Art. 22f. (new – SG 41/09) (1) Priority shall have the investment projects regarding all sectors of the economy according to the requirements of Regulation (EC) 800/2008 and are particularly important for the economic development of the Republic of Bulgaria or the regions of the country. They shall meet one or more of the following requirements:

1. the investments amount shall exceed at least three times the minimum amount under Art. 12, Para 2, Item 5 for Class A, specified in the regulations on implementation of the law;

2. create employment in the sense of Art. 12, Para 2, Item 7 through investments in unfavoured regions or in high-tech activities, where the minimum number of employed persons shall be specified in the regulations on implementation of the law;

3. provide for the construction of industrial zones with the necessary technical infrastructure for attracting investments under conditions and order, specified in the regulations on the implementation of the law;

4. provide for the construction of technological parks with the required technical infrastructure for attracting investments to scientific research and/or training, and/or information technologies, including innovative activities for technological renovation of manufactured products and technologies under conditions and order, specified in the regulations on the implementation of the law.

(2) The priority investment projects may be encouraged by measures packages including:

1. (amend. – SG 16/13) the measures under Art. 15, Para 1 and 4 for class A and class B investments, including:

a) the financial aid for development of technical infrastructure under Art. 22b may apply to other components of the technical infrastructure, specified in the regulations on implementation of the law;

b) other regional aid measures, defined as transparent aid in the sense of Art. 5 of Regulation (EC) No 800/2008;

2. the measures under Art. 22a, Para 9 – 12;

3. institutional support or public-private partnership under Art. 22g.

(3) (amend. - SG 82/09, in force from 16.10.2009) The Minister of Economy, Energy and Tourism shall submit to the Council of Ministers a proposal for signing a memorandum or agreement between the government of the Republic of Bulgaria and an investor, whose investment intentions meet the requirements of Para 1.

(4) The proposal referred to in Para 3 shall be submitted to the Council of Ministers following a written request by an investor with an investment project under Para 1, Items 1 – 3, and in the cases of Para 1, Item 4 – by the investor and a university or other academic organization, as well as by interested authorities of the territorial executive and of the local self-government at the location of the investment.

(5) The promotion of priority investment projects shall be made under conditions and order, specified in the regulations on implementation of the law, according to Regulation (EC) No 800/2008 as a state aid scheme and/or in compliance with the requirements of the State Aid Act.

Art. 22g. (new – SG 41/09) (1) (amend. - SG 82/09, in force from 16.10.2009) Upon proposal by the Ministry of Economy, Energy and Tourism the Council of Ministers may create and inter-institutional working group to provide institutional support to a priority investment project, which may include representatives of the interested authorities of the central and territorial executive, of the academic society and the non-governmental organizations.

(2) Single member companies with state or municipal share and budget enterprises in the sense of the Accountancy Act may be co-founders of a trade company through direct agreement with an investor under Art. 22f following a decision of the competent authority.

## **Section II.**

### **Investment Projects of Municipal Significance (New - SG 16/13)**

Art. 22h. (new – SG 16/13) (1) For promotion of investments of municipal significance the municipal council shall adopt an ordinance specifying the conditions and order for grant of a class B certificate and the implementation of the measures according to the requirements of Chapter Three and the regulations on the implementation of this Act.

(2) The projects of municipal significance shall be encouraged as class B investments under Art. 14, Para 4, if they are implemented within the administrative boundaries of a certain municipality and meet the requirements of the ordinance referred to in Para 1. The projects:

1. may be implemented in all sectors of economy except those referred to in Art. 13a, Item 3; the economic activities shall be determined according to the current Statistical classification of economic activities in the European Community (NACE), respectively its direct implementation in the Republic of Bulgaria through the corresponding classification;

2. shall provide for an investment size exceeding the minimum amount of class B under Art. 12, Para 2, Item 5 set out in the regulations on implementation of this Act;

3. create employment in the sense of Art. 12, Para 2, Item 7 and the minimum amount of employed persons may be a criteria for the grant of a class B certificate together with the amount of investment.

(3) The investments of municipal significance that have been granted a class B certificate shall be encouraged for implementation of the investment project through:

1. reduced terms for administrative services provided by the municipality on the territory of the investment;

2. individual administrative services provided by the municipality of the territory of the investment;

3. acquisition of ownership or limited real rights in properties – private municipal property, as set out in Art. 22a, Para 1, Items 2 and 4 in compliance with the requirements under Art. 22a, Para 2 – 8 and 13; the measure shall be implemented if not applied for by an investor under Art. 18 in case of grant of a class A, class B or priority investment project certificate for the same property – private municipal property.

Art. 22i. (new – SG 16/13) The mayor of the municipality shall:

1. draw up pursuant to a decision of the municipal council and propose for adoption the ordinance referred to in Art. 22h, Para 1;
2. publish the ordinance referred to in Art. 22h, Para 1 on the website of the municipality within 14 days from its adoption by the municipal council;
3. grant or refuse to grant a class B investment certificate following a decision of the municipal council pursuant to Art. 20;
4. implement promotion measures under Art. 22h, Para 3 according to a procedure specified in the ordinance referred to in Art. 22h, Para 1;
5. in cases of implementation of the measure under Art. 22h, Para 1, Items 2 and 4 to properties – private municipal property, appoint the preparation of an assessment in the sense of Art. 22a, Para 2;
6. provide information to the regional governor of the received investment proposals, issued class B certificates and the implementation of the measure referred to in Art. 22a, Para 1, Items 2 and 4;
7. maintain on the website of the municipality:
  - a) an up-to-date list of available terrains and other immovable property for implementation of investments;
  - b) forms and samples for applications for grant of a certificate for a class B investment and use of the promotion measures according to the ordinance referred to in Art. 22h, Para 1;
  - c) information of the granted class B certificates by the municipality;
8. draw up an annual report of granted class B investment certificates and provided promotion measures, which shall be submitted to the regional governor and the executive director of the Agency and which shall form part of the annual investments report in the country referred to in Art. 11b, Item 5.

#### **Chapter five.**

#### **RIGHTS OVER REAL ESTATES(revoked, SG 37/04; in force from May 4/2004)**

Art. 23. (revoked, SG 37/04; in force from May 4 2004; new – SG 42/07, in force from 30.08.2007) In respect of foreign investments realized before amendments of the legislation establishing normative restrictions only to foreign investments shall apply the statute provisions which have been in force at the moment of realization of the investment.

Art. 24. (revoked, SG 37/04; in force from May 4 2004; new – SG 42/07, in force from 30.08.2007) (1) The foreign persons entitled to carry out commercial activity under their national legislation may establish their commercial representations in the country which shall be registered in the Bulgarian Chamber of Commerce and Industry.

(2) The representations under Para 1 shall not be deemed legal persons and may not carry out economical activity.

(3) The transactions concluded by the foreign person with local persons for the needs of a representation under Para 1 registered by them shall be carried out by the order of formation of transactions by local persons.

Art. 25. (revoked, SG 37/04; in force from May 4 2004; new – SG 42/07, in force from 30.08.2007) Any foreign natural person or partnership not considered a legal person, if registered with the right to carry out commercial activity under its national law, may establish a

branch. The branch shall be registered in the commercial register at the Registration Agency.

Art. 26. (revoked, SG 37/04; in force from May 4 2004)

#### **Chapter six.**

#### **SPECIAL PROVISIONS (Revoked, SG 37/04; in force from August 8 2004)**

Art. 27. (Revoked, SG 37/04; in force from August 8 2004)

#### **Chapter six.**

#### **"a".?CONTROL OF IMPLEMENTATION OF THE INVESTMENT PROJECTS (New – SG 16/13)**

Art. 28. (Revoked, SG 37/04; in force from August 8 2004; new – SG 16/13) (1) The control of the implementation of the class A and class B certificates shall be carried out by:

1. the Minister of Economy, Energy and Tourism or an official of his administration authorized by him or by another executive authority, providing a promotion measure;
2. authorized by the Minister of Labour and Social Policy official in respect of the performance of a contract with the investor for provision of funds for training and performance of the employment related parameters of the investment project.

(2) The control referred to in Para 1, Item 1 shall be carried out in respect of the implementation of the investment in terms of minimum amount and term in the corresponding economic activity.

(3) The amount of investments made shall be attested for the accounted period through a medium and annual financial reports as set out in the Accountancy Law, accompanied by a description of the assets of the primary economic activity and their value in a reference form. The financial reports and the reference shall be certified by a registered auditor according to the Independent Financial Audit Act. The expenses for the work of the auditor shall be for the account of the investor.

(4) The size of created employment shall be attested for the accounted period by a document of the National Revenue Agency and other documents indicated in the regulations on the implementation of the Law.

Art. 29. (Revoked, SG 37/04; in force from August 8 2004; new – SG 16/13) The control of the implementation of the priority investment projects shall be carried out by:

1. the authority appointed in a decision of the Council of Ministers, or
2. the Minister of Economy, Energy and Tourism or an official from his administration authorized by him or from another executive authority, providing the aid;
3. a person authorized by the Minister of Labour and Social Policy in respect of the implementation of the project in terms of the training and performance of the employment-related parameters of the investment project.

Art. 30. (amend., SG 110/9; Revoked, SG 37/04; in force from August 8 2004; new – SG 16/13) The control of the implementation of the investment projects of municipal significance shall be carried out by the mayor of the municipality or an official authorized by

him and shall be attested by the documents referred to in Art. 32a, Para 3 and 4.

Art. 31. (Revoked, SG 37/04; in force from August 8 2004)

Art. 32. (amend., SG 110/99; Revoked, SG 37/04; in force from August 8 2004)

### **Chapter seven. ADMINISTRATIVE AND PUNITIVE PROVISIONS**

Art. 33. (Revoked, SG 37/04; in force from August 8 2004)

Art. 34. (amend., SG 37/04, in force from August 8 2004) (1) (amend. – SG 42/07, in force from 30.08.2007) An official who violates or does not fulfil an obligation under art. 20, para 1, item 1 and art. 21 shall be punished by a fine of 500 levs unless the act represents a crime.

(2) (amend. – SG 42/07, in force from 30.08.2007) An official who violates art. 22, para 3 and art. 22d, para 2 shall be punished by a fine of 1000 levs, unless the act represents a crime.

(3) Who does not submit a requested information by the Agency, related to the servicing of an investment project, shall be punished by a fine or a material sanction from 200 to 2000 levs.

(4) For repeated commitment of the violation under para 1 – 3 the fine and the material sanction shall be in double size.

(5) (new – SG 16/13) Any official breaching or failing to perform their duties under Art. 22hm Para 3, Items 1 or 2 shall be imposed a fine amounting to BGN 200, if the act does not qualify as a crime.

Art. 35. (new, SG 37/04, in force from August 8 2004) (1) The acts for establishing committed offences under art. 34, para 1, 2 and 3 shall be issued by officials appointed by the executive director of the Agency and the penal provisions shall be issued by the executive director of the Agency.

(2) (new – SG 16/13) The acts establishing committed offence under Art. 34, Para 5 and the penal decrees shall be drawn up as set out in the ordinance referred to in Art. 22h, Para 1. The income from imposed fines shall be for the benefit of the municipal budget.

(3) (prev. text of Para 02 – SG 16/13) The establishing of the offences, the issuance, the appeal and the fulfillment of the penal provisions shall be carried out by the order of the Administrative Violations and Penalties Act.

### **Additional provisions (new, SG 37/04, in force from August 8 2004)**

§ 1. (new, SG 37/04, in force from August 8 2004) In the meaning of this Act:

1. "Foreign person" is:

a) a corporate body not registered in the Republic of Bulgaria;

- b) a company which is not a corporate body and which is registered abroad;
- c) an individual – a foreigner with a permanent place of residence abroad.

2. (amend. - SG 41/09) "Independent assessor" is a person according to the Independent Evaluators Act.

3. (amend. – SG 42/07, in force from 30.08.2007) "Individual administrative servicing" is every activity carried out by the employees of the Agency or by appointed officials from the administration of the territorial bodies of the executive authority, related to filing and receiving from the competent bodies of all documents necessary according to the current legislation for making an investment.

4. "Repeated" is the offence committed within one year from the enactment of the penal provision by which the perpetrator has been punished for the same kind of offence.

5. (amend. – SG 42/07, in force from 30.08.2007) "Informational services" is the act of providing by the Agency of oral and written information to a person interested in investing and willing to receive information on the investment climate or to receive information on potential partners in the country, as well as on all administrative procedures pertaining to the fulfillment of the investment.

6. (revoked – SG 41/09)

7. (new – SG 42/07, in force from 30.08.2007) "Site" means any inseparable totality of long-term assets connected physically and functionally for production of a certain product or products.

8. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) "Beginning of work on an investment project" means the beginning of construction works or ordering and delivery of long-term tangible and intangible assets except preliminary technical and economic examinations.

9. (new – SG 42/07, in force from 30.08.2007; revoked – SG 41/09)

10. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) "Economically unfavoured regions" means:

a) municipalities in which the level of unemployment is higher than the average for the country, or

b) districts in which the gross added value per capita is lower than the average for the country.

11. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) "High-tech activities" shall be those specified by EUROSTAT according to the Statistical Classifier of the Economic Activities in the European Community (NACE), respectively its direct implementation in the Republic of Bulgaria through the Classification of the Economical Activities, specified in the regulations on implementation of this Act, such as:

a) High Tech manufacturing industries;

b) services defined as Knowledge-intensive services (KIS) and High Tech Knowledge-intensive services (High-tech KIS).

12. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) "Industrial zone" means one or several neighbouring real estates of similar characteristics and for prevailing production purposes, specified in a valid detailed spatial plan according to the Spatial Planning Act.

13. (new – SG 42/07, in force from 30.08.2007; amend. - SG 41/09) "Technological park" means a park meeting the industrial zone requirements, where prevailing are scientific research and development activities and/or education, and/or information technologies, and also for innovation activities for technological renovation of manufacturing products and technologies. Supplementary investment activity in the processing industry or in another production sector shall be also admissible.

14. (new – SG 41/09) "Force majeure" means circumstances of extraordinary character that the investor has not and was not obliged to foresee or avoid despite the due care, including financial or economical crisis for the period of validity of Communication from the Commission – Temporary Community Framework for State Aid Measures to Support Access to Finance in the Current Financial and Economic Crisis (OJ, C 16/1 of 22 January 2009).

15. (new – SG 41/09) "Aid scheme", "individual aid", "regional aid", "training aid", "investment", "tangible and intangible assets", "large investment project", "admissible expenses", "working places", "employment directly created by an investment project", "small and medium enterprises" and "large enterprise" shall be terms in the sense of Regulation (EC) No 800/2008.

16. (new – SG 16/13) "Average number of the staff list" means the created and maintained employment for the respective financial year determined according to the methodology for calculation of the list and average staff list of the National Statistics Institute and described in the annual activity report as set out in the Statistics Act, the Corporate Income Taxation Act and the Income Taxes on Natural Persons Act.

§ 2. (new, SG 37/04, in force from August 8 2004; amend. – SG 42/07, in force from 30.08.2007; revoked – SG 41/09)

### **Transitional and concluding provisions**

§ 3. (prev § 1 – SG 37/04) This Act revokes the Act on Promotion and Protection of Foreign Investments (prom., SG, No 8 of 1992; amend. and suppl., No 92 and 102 of 1995, No 109 of 1996; corr., No 110 of 1996; amend., No 55 and 58 of 1997).

§ 4. (prev § 2 – SG 37/04) The following amendments are introduced in the Statistics Act:

1. In Art. 21 the words "five hundred to one thousand" are replaced by "80 000 to 600 000".

2. In Art. 22 the words "one thousand to one thousand and five hundred" are replaced by "600 000 to 2 000 000".

3. In Art. 23 the words "one thousand to two thousands" are replaced by "1 000 000 to 2 000 000".

4. In Art. 24 the words "five thousand to ten thousand" are replaced by "1 000 000 to 3 000 000".

§ 5. (prev § 3 – SG 37/04) Within two months from the enactment of the National Statistical Institute Act shall work out methodology according to which statistical information regarding foreign investments shall be produced, in compliance with the international standards.

§ 6. (prev § 4 – SG 37/04) The companies with foreign holding, which have carried out

import under the conditions of Art. 15a of the Act on Promotion and Protection of Foreign Investments, under (1, shall present to the customs authorities court decision for inclusion of the non-monetary deposit to the capital of the company within 6 months from the enactment of the law.

§ 7. (New - SG 29/98; prev § 1 – SG 37/04) In cases other than the cases under the preceding paragraph, Art. 14, 15 and 17 of the Act shall not apply for commodities which, by October 24, 1997 have been registered under the regime of temporary import."

§ 8. (prev § 5 – SG 37/04) In cases of using tax relief under other laws the provision of Art. 20 shall apply for the remainder of the 10-year period.

§ 9. (prev § 6 – SG 37/04) Within two months from the entry into force of the Act the Council of Ministers shall adopt regulations for the structure and activity of the Foreign Investments Agency.

§ 10. (prev § 7 – SG 37/04) Within one month from the entry into force of the Act the Council of Ministers shall publish a list according to Art. 18, item 3 which shall be updated annually.

§ 11. (prev § 8 – SG 37/04; amend. – SG 42/07, in force from 30.08.2007) The implementation of the Act shall be assigned to the Council of Ministers.

§ 12. (prev § 9 – SG 37/04) The Act shall be enacted on the day of its promulgation in the State Gazette.

The Act was adopted by the 38th National Assembly on October 16, 1997 and was affixed with the state seal.

The Act was adopted by the 38th National Assembly on October 16, 1997 and was affixed with the state seal.

### **Transitional and concluding provisions (SG 37/04)**

.....  
§ 26. (1) The Bulgarian Investment Agency is a legal successor of the Agency for foreign investments.

(2) Within one month from the enactment of this Act the Minister of Economy shall put forward in the Council of Ministers a draft decree for amendment of the structural regulation of the Agency for foreign investments.

§ 27. (1) Within one month from the enactment of this Act the heads of all

administrations shall appoint or assign functions to one or more persons in the respective administration for carrying out interaction with the employees of the Agency and assistance to the investors or to their authorized representatives, having obtained certificate for class of investment, and shall inform the Bulgarian Investment Agency for the appointed persons.

(2) The executive director of the Bulgarian Investment Agency shall appoint employees of the Agency for carrying out individual administrative services to investors, and within two months from the enactment of this Act, shall produce to the Minister of Economy a list of the names of the persons under para 1.

§ 28. Within up to three months from the promulgation of this Act in the State Gazette the Council of Ministers shall adopt regulations for its implementation.

.....

§ 34. This Act shall enter into force within three months from the day of its promulgation in the State Gazette with exception of § 20, 27 and 28 which shall enter into force on the day of promulgation of the Act in the State Gazette.

**Transitional and concluding provisions  
TO THE COMMERCIAL REGISTER ACT**

(PROM. – SG 34/06, IN FORCE FROM 01.10.2006)

§ 56. This Act enters in force from 1st of October 2006, except § 2 and § 3, which enter in force from the date of promulgation of the Act in the State Gazette.

**Transitional and concluding provisions  
TO THE CREDIT INSTITUTIONS ACT**

(PROM. – SG 59/06)

§ 36. The Act shall enter into force from the date of entry into effect of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union, except for § 35, item 2, which shall enter into force from the date of promulgation of the Act in State Gazette.

**Transitional and concluding provisions  
TO THE WATERS ACT**

(PROM. – SG 65/06, IN FORCE FROM 11.08.2006)

§ 145. The Act shall enter into force from the date of its promulgation State Gazette, except for the following provisions:

1. paragraph 18, item 3, which shall enter into force one year after the entry into force of this Act;
2. paragraph 48 – in the part concerning the provision of Art. 118, para 1, item 1, which shall enter into force from 22nd of December 2013;

3. paragraph 60, item 5, which shall enter into force from the 1st of March 2007;
4. paragraph 73 - in the part concerning the provision of Art. 155a, para 1, item 1, which shall enter into force one year after the entry into force of this Act.

### **Transitional and concluding provisions TO THE STATE AID LAW**

(PROM. – SG 86/06, IN FORCE FROM 01.01.2007)

§ 11. The Act shall enter into force from the date of entry into effect of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union

### **Transitional and concluding provisions TO THE ACT AMENDING AND SUPPLEMENTING THE INVESTMENT PROMOTION ACT**

(PROM. – SG 42/07, IN FORCE FROM 30.08.2007)

§ 34. Everywhere in the Act the phrase "and energy" shall be added after the words "the Minister of Economy" and "Minister of Economy".

§ 35. (1) The investment projects which have received a class of investment certificate under the hitherto existing order shall be encouraged until realization of the investment for a period not longer than three years, commencing on the date of granting a certificate.

(2) (amend. - SG 41/09) The investment plans under Para 1 of first class may be encouraged under the hitherto existing order of Art. 20 amended by this Act, if meeting the following conditions:

1. an application by the investor to be submitted before the Minister of Economy and Energy for use of the measure within three months from entry into force of this Act;
2. (amend. - SG 41/09) the conditions of European Commission Regulation (EC) No 800/2008 to national regional aid scheme under Art. 22b for granting aid for construction of the technical infrastructure components with funds of the republic budget, or;
3. an approval by the European Commission for conformity of the planned state aid by the order of the State Aid Law.

(3) (suppl. - SG 41/09) The first class investment plans referred to in Para 1 shall be encouraged by the hitherto existing order of Art. 18 amended by this Act according to the effective legislation in the field of the state aid for granting individual aid for construction of components of technical infrastructure from funds of the republic budget.

§ 36. The scope of the economic activities under Art. 12, Para 2, Item 2 and the products manufactured as a result of the investments in these activities shall be determined in the regulations on implementation of the Act according to the classification of the National Statistical Institute in compliance with the Statistics Act.

§ 37. The applications for granting a class of investment certificate submitted before entry into force of this Act shall be considered under the hitherto existing order.

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§ 39. This Act shall enter into force after three months from its promulgation in the State Gazette.

**Transitional and concluding provisions  
ON THE ACT AMENDING AND SUPPLEMENTING THE INVESTMENT PROMOTION ACT**

(PROM. - SG 41/09)

§ 22. The investment projects that have been granted a Class A or Class B investment certificate under the hitherto effective order shall be encouraged under the order of this Act, if the requirements of Regulation (EC) No 800/2008 have been met.

§ 23. By 31 December 2010 may apply temporary measures for state aid compatible with the common market on grounds of Art. 87, Paragraph 3, Letter "b" of the Treaty Establishing the European Community, if the Commission has been notified and all requirements of Communication from the Commission – Temporary Community Framework for State Aid Measures to Support Access to Finance in the Current Financial and Economic Crisis (OJ, C 16/1 of 22 January 2009) have been met.

§ 24. (1) The provisions of Commission Regulation (EC) No 1628/2006 of 24 October 2006 on the application of Articles 87 and 88 of the Treaty to national regional investment aid shall apply until entry into force of this Act, and Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid shall be in force by 31 December 2008.

(2) Aid granted before 31 December 2008 meeting the requirements of the Regulation referred to in Para 1 shall be compatible with the common market and shall be exempt from the notification obligation under Art. 88, Paragraph 3 of the Treaty Establishing the European Community.

§ 25. After entry into force of the training aid scheme and regional investment aid scheme a summary information shall be drawn up according to Art. 9, Paragraph 1 of Regulation No 800/2008 in electronic format for the purpose of informing the European Commission through the developed SANI system.

§ 26. Within 5 months from entry into force of this Act the Council of Ministers shall bring into compliance with it the subordinate acts on its implementation.

**Transitional and concluding provisions  
ON THE ACT AMENDING THE TOURISM ACT**

(PROM. - SG 82/09, IN FORCE FROM 16.10.2009)

§ 37. Everywhere in the Investment Promotion Act (prom. - SG 97/97; corr. - SG 99/97; amend. - SG 29 and 153/98, SG 110/99, SG 28/02, SG 37/04; corr. - SG 40/04; amend. 34, 59, 65, 80, 82 and 86/06, SG 42 and 53/07, SG 69/08 and 41/09) the words "the Minister of Economy and Energy", "Minister of Economy and Energy" and "the Ministry of Economy and Energy" shall be replaced respectively with "the Minister of Economy, Energy and Tourism", "Minister of Economy, Energy and Tourism" and "the Ministry of Economy, Energy and Tourism".

.....

§ 59. This Act shall enter into force from the day of its promulgation in the State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE PRIVATISATION AND  
POST-PRIVATISATION CONTROL ACT**

(PROM. - SG 18/10, IN FORCE FROM 05.03.2010)

§ 36. This Act shall enter into force from the day of its promulgation in the State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE MINISTRY OF INTERIOR ACT**

(PROM. – SG 88/10, IN FORCE FROM 09.11.2010)

§ 117. This Act shall enter into force from the day of its promulgation in the State Gazette, except for § 1-23, § 25, §27-30, § 32 – 34, § 40, § 41, § 43-55, § 63-89 and § 91 – 114, which shall enter into force from 1st of January 2011.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CIVIL SERVANTS ACT**

(PROM. - SG 38/12, IN FORCE FROM 01.07.2012)

§ 84. (In force from 18.05.2012) Within one month from the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall make the Classification of Offices in the Administration compliant with this Act;
2. the competent authorities shall make the structural acts of the respective administration compliant with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications

Act, the Financial Supervision Commission Act, the Act on Access to and Disclosure of the Documents and Announcing Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army , the Confiscation by the State of Proceeds of Crime Act, the Act on Prevention and Findings of Conflict of Interests, the Code of Social Insurance, the Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under terms and conditions of § 36 of the Transitional and Concluding Provisions of the Act Amending and Supplementing the Civil Servants Act (SG 24/06).

(2) The act of appointment of the civil servant shall:

1. determine the lowest rank for the position specified in the Classification of Offices in the Administration, unless the officer holds a higher rank;  
2. determine an individual basic monthly salary.

(3) The additional funds for insurance installments for the persons referred to in Para 2 shall be made available within the limits for expenses for salaries, remunerations and insurance installments in the budgets of the budget credit administrators.

(4) The Council of Ministers shall amend as required by this Act the non-budget account of State Fund "Agriculture".

(5) The governing bodies of the National Insurance Institute and the National Health Insurance Fund shall amend as required by this Act the respective budget credits.

(6) Any non-used days of leave under employment relations shall be preserved and shall not be subject to pecuniary compensation.

§ 86. (1) Within one month from entry into force of this Act the individual basic monthly salary of the officer shall be so calculated that the said salary, reduced by the due taxes and the mandatory insurance installments due by the insured person, if available, shall not be lower than gross monthly salary received before, reduced by the mandatory insurance installments due by the insured person, if available, and the due taxes.

(2) The gross salary referred to in Para 1 shall include:

1. the basic monthly salary or the basic monthly remuneration;  
2. the additional remunerations paid on permanent basis together with the due basic monthly salary or the basic monthly remuneration and dependent only on the working time.

§ 87. This Act shall enter into force from 1 July 2012 except for § 84, which shall enter into force from the day of the promulgation of the Act in the State Gazette.

### **Transitional and concluding provisions TO THE PUBLIC-PRIVATE PARTNERSHIP ACT**

(PROM. - SG 45/12, IN FORCE FROM 01.01.2013)

§ 16. This Act shall enter into force from 1 January 2013, except § 4, § 5, § 7, § 8, § 9, § 10 and § 13, which shall enter into force from 1 September 2012.

### **Transitional and concluding provisions TO THE PUBLIC FINANCE ACT**

(PROM. SG 15/13, IN FORCE FROM 01.01.2014)

§ 123. This Act shall enter into force on 1 January 2014 with the exception of § 115, which enters into force on January 1, 2013, and § 18, § 114, § 120, § 121 and § 122, which came into force on 1 February in 2013.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE INVESTMENT PROMOTION ACT**

(PROM. - SG 16/13)

§ 28. The provisions of Art. 12, Item 5, Letter "d" and Art. 22e shall not apply to investment projects certified and applied for certification before entry into force of the present Law.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE SPATIAL PLANNING ACT**

(PROM. - SG 66/13, IN FORCE FROM 26.07.2013)

§ 72. In the Investment Promotion Act (prom. SG 97/97; corr. SG 99/97; amend. SG 29 and 153/98; SG 110/99, SG 27/02, SG 37/04, corr. SG 40/04, SG 34, 59, 65, 80, 82 and 86/06; SG 42 and 53/07; SG 69/08; SG 41 and 82/09; SG 18, 88 and 100/10; SG 38, 45 and 82/12; SG 15 and 16/13) everywhere the words "Minister of Regional Development and Public Works" shall be replaced with "Minister of Regional Development".

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§ 117. The act shall enter into force from the day of its promulgation in State Gazette.

**Transitional and concluding provisions  
TO THE SPATIAL DEVELOPMENT ACT**

(PROM. – SG 98/14, IN FORCE FROM 28.11.2014)

§ 117. The Act shall enter into force from the date of its promulgation in the State Gazette.

**Relevant Acts of the European Legislation**

COUNCIL DIRECTIVE 86/653/EEC of 18 December 1986 on the coordination of the laws of the Member States relating to self-employed commercial agents.

COUNCIL DIRECTIVE 73/148/EEC of 21 May 1973 on the abolition of restrictions on movement and residence within the Community for nationals of Member States with regard to establishment and the provision of services.

COUNCIL DIRECTIVE of 30 July 1963 liberalising transfers in respect of invisible

transactions not connected with the movement of goods, services, capital or persons.