

How to register a company in Bulgaria

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Member of Rafael Group | Bulgaria



Developments



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We would like to thank you for your trust, support and cooperation since the commencement of our business in Bulgaria.

We are pleased to announce that two of the companies of **Rafael Group I Bulgaria (Rafael Real Estates and Rafael Services)** have been established and they operate in order to offer our clientele all the necessary services in relation to selecting and purchasing a real

estate property and also creating, registering, maintaining and managing the companies that are related to their real estates and properties investments.

Below is a price list of our services:

Services to establish a new company for buying a plot, which includes: <ul style="list-style-type: none"> • Company's name reservation • The full procedure for registration of a new company including preparing all required documents from our lawyers until final stage • Company's ID number • Bank tax for registration • Bank tax for opening capital account • Bank tax for closing capital account • Stamp for one company • Bank tax for opening a pay-off account • Service for preparing all the documents for buying one plot 	<p>€800</p> <p>It includes the following:</p> <p>a. Fees for legal services at the amount of €500</p> <p>b. Out-of-pocket expenses (i.e. state and court taxes, official translation of documents, bank commission etc, which are paid from Rafael Services on behalf and in the name of the company under registration), which are approximately estimated at the amount of €300</p>
To establish a new company	A minimum deposit of 5,000 leva must be deposited in a bank account (this deposit can be withdrawn after the company registration is being completed)
For any changes in already existing company	Between €300 and €800
Services for buying any other plot under the existing company	According to the complexity of each case, approximately estimated at the amount of €300
Sales commission for buying or selling any plot	3%, calculated on the actual value of the property
To register any plot and obtain the title deed	<p>Expenses related to the transfer of real estate with notary deed for purchase:</p> <p>a) 2%- Purchase tax calculated under the price of the property stated into the notary deed (local tax under the Local Taxes and Feed Act)</p> <p>b) 0.1%- Property register entry fee</p> <p>c.) Notary fee- according to the Notary Fees Tariff, but not exceeding 3000 Bulgarian leva.</p> <p>The taxes are calculated on the value of the real estate showed in the notary deed, but not less than the tax assessment of the real estate.</p> <p>The above expenses amounts approximately to 2,5% from the price of the estate showed in the notary deed</p>
To regulate your plot	€2.50 per square meter for the service plus fee
Book keeping of your company including accountants' fee	€550 annually if you wish to keep your company documents in our custody. Otherwise kindly authorize us to forward to your good selves all relevant original documents by courier at your cost for €150
For additional services lawyer fees	€50 per hour (in Bourgas) plus any other expenses. Fees outside Bourgas shall be charged according to each case
Any other costs for required services not mentioned above	Discussed on a case by case basis

If you need any other specific services, please do not hesitate to contact us.

Bulgaria

Bulgaria is positioned at the crossroads of Europe and Asia in the south-east of the Balkan Peninsula; framed by Romania in the North, Greece and Turkey to the South; whilst the Black Sea encompasses the East and Serbia and Macedonia cover the western frontier. It is divided into 28 provinces each named after its capital.

The population currently stands at almost 8 million with the capital and largest city being Sofia. Bulgaria is a member of the European Union as of 1st January 2007 and is preparing to join the Euro zone.

The prevailing climate is continental with hot summer and cold winter making it a popular tourist destination. The Black Sea beach resorts are a mecca in the summer months with excellent skiing in the higher slopes during the winter.

The country has a developed domestic and international communications network; three

international airports and two commercial sea ports service the country. The official language is Bulgarian and uses the Cyrillic alphabet. Literacy rate in Bulgaria is very high and the country boasts a strong education system. Bulgaria is a vibrant cultural center rich with centuries of historical heritage, crafts, music, dance, literature and artistic traditions, which can be traced back to the Stone Age when the Thracians first settled in this region, evolving through tumultuous times and periods to where it stands today as a parliamentary Republic and Legislature.

Tourism plays an enormous role in today's economy of Bulgaria; with the country being voted the cheapest tourist destination in Europe 2006 and tourism responsible for 14% of the GDP of that same year. The choices of attractions are limitless throughout Bulgaria's diverse landscape and regions.

Bulgarian Real Estate a burgeoning environment

Bulgaria joined the European Union on the 1st of January 2007 which has seen the country work its way to the top of international property, foreign investment and tourism markets. This has also strengthened its position in order to establish itself as a secure business and investment environment as economic indicators are currently showing Bulgaria number one position of all the European countries in terms of property market growth. Coastal real estate in Bulgaria has grown significantly over the past several years. A long-term view of the property market in Bulgaria suggests property prices will rise by over 70% with strong growth in the Black Sea Region and coastal areas such as Bourgas, Sozopol, Sunny Beach, Golden Sands and Varna.

The increase in investment potential can be attributed to several factors including:

- Low cost of living and housing compared to other European markets
- Extensive World Bank funding which has been injected into
- Significant improvements of the country's infrastructure
- A burgeoning tourist market along with the population's
- Growing affluence and attractive returns on investment
- Corporate tax rate has been cut by five points to 10%

Other contributing factors for Bulgaria's popularity are:

- Deemed the cheapest tourist destination in Europe with tourism showing nearly 14% of the country's GDP in 2006
- Liberal foreign investment laws
- Increased airlines offering services to the Black Sea
- All-year round destination
- Competitive mortgage lending rates
- Lowering unemployment rate
- Untapped Agri and Eco tourism potential
- Low crime rate
- Democratic political stability
- NATO membership since 2004
- Religious and ethnical forbearance, peaceful coexistence of different nationalities and cultures
- A country steeped in ancient history
- Geographical positioning makes it only 1-2 hours flight from any European country
- Moderate climate conducive to good health and well-being
- Good choice of sea and snow-ski resorts
- Cosmopolitan shopping
- Excellent business opportunities



Purchasing property in Bulgaria- A brief outline

The process of purchasing property in Bulgaria is simple provided that persons engage a qualified professional legal advisor. Foreigners are entitled to purchase 'Freehold Title' property in Bulgaria in the way of completed structures.

Under Bulgarian Constitution and legislation foreign individuals are currently prohibited from owning land. However this is overcome as entitlement and purchase of land can be achieved by forming a Bulgarian registered company.

The preferred form of business is a Limited Liability company with the share capital owned by its members whose liability is limited to the amount of the capital subscribed. With this undertaking the purchaser is therefore, liable for the company's obligations to the value of his/her share in the company's registered capital and also governed by legislative jurisdiction in Bulgaria.

One or more persons, including foreign nationals may found a private limited liability company. The minimum foundation capital is 5,000 Bulgarian leva /2,600 Euro.

A Bulgarian bank account is required to be opened for the deposit of the initial capital.

Rafael Developments' legal consultants are qualified professionals on hand and available to advice our clients on all detail of Bulgarian law and property purchasing procedures; thereby simplifying the process of purchasing property in Bulgaria and performing all facets of property conveyancing along with legislative taxation and advice on all business and family legal matters.



Rafael Group | Bulgaria

The **Rafael Group | Bulgaria** is incorporated in Bulgaria and currently involves three divisions and eight individual subsidiaries, consisting of over 100 employees. **Rafael Group | Bulgaria** Headquarters are located within the central business district of the town of Bourgas in Bulgaria; other satellite offices and activities operate from sites in Silistra, Bulgaria and Limassol and Nicosia Cyprus.

The company's original roots and its first business division (**Rafael Wood Industries**) were concentrated in the processing, manufacture and export of timber products from its mill and processing plant in Silistra within the northeast of Bulgaria, exporting its products in Italy, Cyprus and Scandinavia. The two immediate strategic initiatives of the division are to expand and enrich our existing production line with the addition of a timber

drying kilns and to setup and operate a pellets production line.

In 2005, the **Rafael Group | Bulgaria** further expanded its business by creating its second business division, the **Rafael Developments** which is active in the real estate agency, property planning and development business. Despite its short life, the **Rafael Developments** has shown impressive results not only in the real estate agency business but also in the property investment and in the property development field.

The group has also recently taken the strategic decision to expand its business into the catering services, tourism and leisure business sector by creating a third division **Rafael Leisure & Entertainment**.

Rafael Developments

Rafael Developments is one of the three divisions of **Rafael Group | Bulgaria**. **Rafael Developments** was launched in 2005 as part of Rafael Group's expansion strategy to provide client support services and to enhance the image of the **Rafael Group | Bulgaria** as one of the most serious and considerable players in the real estate and property planning and development market in the Bulgarian Black Sea coast region and most specifically in the Bourgas region. The ultimate aim is to become one of the finest developers of mixed-use, special facilities residential and lifestyle properties in Bulgaria. **Rafael Developments** concentrates on a Bulgarian portfolio by providing real estate agency services and investing in land acquisition and developing master planned communities in strategic locations of the Black Sea region. Property transactions for the two-year period end 2006 amounted to over 100 transactions in property acquisition and sales with a turnover of over 45 million Euro. The company has also been instrumental in driving the growth of regional real estate in Bulgaria and promoting the country as a world-class destination, reinforcing the benefits of investing in the region.

Rafael Developments utilizes a strategic model that covers all the major areas of the

property planning and development business activity, from real estate selection and agency to property planning, development and management. This model gives us the chance to fully utilize and build on our core competencies and abilities and to maximize our financial results; it also gives the chance to the investor and client to select the best property and the best property stage /location/ type based on their investment strategy, the investment time spectrum, and their exit strategies and risks.

Currently, the **Rafael Developments** division has the following companies under its wings:

- **Rafael Real Estates Ltd**
- **Rafael Services Ltd**
- **Rafael Developments Ltd**
- **Rafael Pearl Project Ltd**
- **Rafael Laguna Project Ltd**
- **Rafael Forest Project Ltd**
- **Rafael Sun Project Ltd**
- **Rafael Spa Resort Ltd**
- **Rafael Star Project Ltd**
- **Rafael Izabele Project Ltd**
- **Rafael Property Management Ltd**



Nessebar



Sozopol



Sunny Beach



Bourgas



Rafael

Developments

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