

Sofia Investment Agency is part of Sofia Municipality



invest  
**Sofia**



A map of Europe with the country of Bulgaria highlighted in a bright blue color. The rest of the map is in a light gray tone. The title 'BUSINESS ENVIRONMENT' is positioned to the right of the map.

## BUSINESS ENVIRONMENT

For more than 15 years, Bulgaria has been flourishing as a top tech destination in Eastern Europe.

With skilled and growing tech talent, favorable taxation and strategic geographical location, the country has attracted hundreds of companies seeking skillful tech resources for efficient expansion of their R&D divisions.

Along with companies from popular sectors such as eCommerce, FinTech, cybersecurity and gaming, media businesses have a high interest in the country as well. With the need to keep up with the digital trends, major global media brands have been gradually entering the market and establishing development centers in Bulgaria.

# WHAT BULGARIA OFFERS



## STABILITY

- EU, NATO & WTO member
- Currency board
- Low budget deficit and government debt

## EASY MARKET ACCESS

- European Union
- Turkey
- Middle East

## GOVERNMENT INCENTIVES

- Social security benefits
- Tax benefits
- Vocational education benefits

## REDUCED COST AND RISK

- Attractive taxation system
- Competitive cost of labor
- Favorable office rents and low cost of utilities

## SKILLED WORKFORCE

- 80 000 students abroad
- 25% of population hold university degree
- 49.5% of population speak at least one foreign language

# TAX AND LEGAL ENVIRONMENT

**Corporate tax rate of 10 %** - one of the lowest in the EU.

Possibility of increased depreciation rate of 50% for investments in new computers and software plus 5-year carry forward option of the accrued losses

**10% Flat tax on personal income**

– one of lowest in the EU

**No withholding tax** on capital gains from securities and government bonds on regulated securities markets in the EU/EEA provided in Bulgaria to associated entities based in EU

**10% withholding tax** on capital gains and technical services generated by foreign tax residents

**5% withholding tax** on dividends to non-resident companies or individuals (both resident or not)

**Up to full exemption of withholding tax** on interest and royalties paid to EU-based associated companies. 10% for other non-resident companies

# TRANSPORT NETWORK

Sofia is part of 3 Pan-European transport corridors.

The city is well connected with the rest of Bulgaria and the Black Sea Coast, the city and the port of Bourgas, as well as with the borders with Turkey, Greece (Thessaloniki) and Serbia through the Northern Speed Tangent road, Sofia Ring Road, Trakia Motorway (A1), Hemus Motorway (A2) and Struma Motorway (A3).



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## RAILWAY NETWORK IN BULGARIA



# TAX INCENTIVES

Incentives under the Investment Promotion Act



Common EU rules and procedures exist



Special Rules for Big Projects



Bulgaria, as a Member State of the EU, is required to apply the State aid regime

	THRESHOLD	Priority Class	Class A	Class B
INCENTIVES	€ 50.00 M 50 – 150 Jobs		€ 1.00 M – 5.00M 25 – 150 Jobs	€ 500 K – 2.50 M 10 – 100 Jobs
SHORT CUT ON ADMINISTRATIVE TERMS		✓	✓	✓
NO TENDER – NO COMPETITION FOR ACQUISITION OF STATE / MUNICIPAL LAND		✓	✓	✓
FINANCING VOCATIONAL TRAINING		✓	✓	✓
SOCIAL SECURITY CASH BACK		✓	✓	✓
INDIVIDUAL SERVICES		✓	✓	
FINANCING TECHNICAL INFRASTRUCTURE		✓	✓	
PUBLIC-PRIVATE PARTNERSHIP		✓		
NO TAX ON CHANGING LAND STATUS		✓		
BUYING PUBLIC LAND ON FAVOURABLE PRICES		✓		

# TAXES

With its 10% corporate tax Bulgaria is the country with the second lowest rate in the EU after Hungary.

The corporate tax rate in Bulgaria is more than two times lower than the EU-average of 20.9%.

Among the Fig. countries in SEE, Bulgaria ranks second, along with North Macedonia, Kosovo, and Bosnia and Herzegovina, which also have a 10% corporate tax.



Source: European Commission - European Economic Forecast

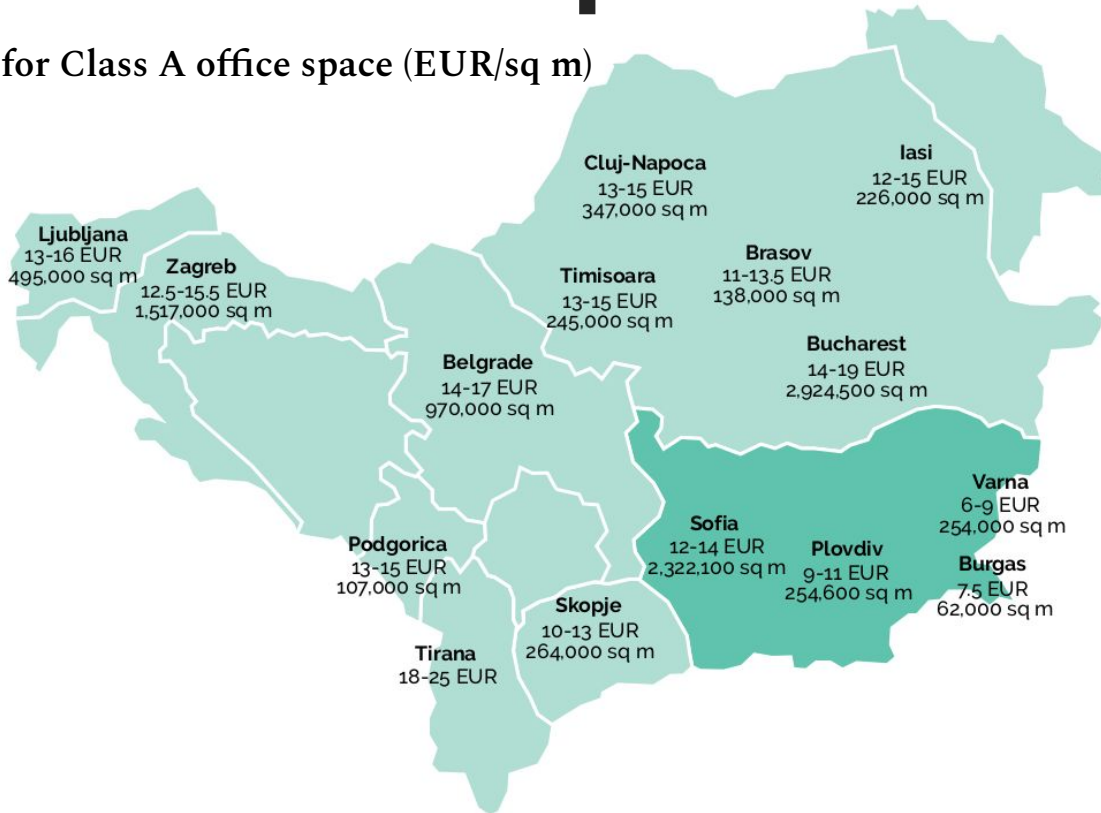


# Rent for Class A office space

Average monthly asking rent for Class A office space (EUR/sq m)

The sourcing sector is expected to continue to be one of the driving factors for office development in the short and medium term, despite the temporary drop in office space demand, caused by the extensive “work from home” organisation of the activities in the industry during the COVID-19 pandemic.

The primary new occupants of office space in major Bulgarian cities are companies from the banking, manufacturing and IT sectors opening shared service centres or nearshoring business activities, as well as BPO providers.



# Industrial spaces

The market is dominated by owner-occupied and built-to-suit facilities. However, more than half of the spaces currently under construction are speculative.

Most tenants are logistics, e-commerce and retail companies.



1.1-1.3M m<sup>2</sup>

Existing stock of industrial spaces



145-185K m<sup>2</sup>

Industrial spaces under construction



2.5-5 €/m<sup>2</sup>

Rental prices



2-7%

Vacancy rate



8.5-9.5%

Prime yields

Our services are  
**free of charge** and  
always tailored to  
meet your precise  
needs...



# MISSION & SCOPE

**end-to-end  
investment services,  
tailored according to  
your specific needs...**

## **One-stop service**

We assist international companies in finding business opportunities in Sofia and provide all relevant information and guidance for setting up.

01

## **Local contacts**

Our team will connect you with key local contacts, will help you assess the local business climate and will enhance the competitive advantages for your business in Sofia.

02

## **Innovative and Green city**

We support Sofia in creating, attracting, retaining and inspiring talented professionals – that will help turn the city into a center of innovation for high value-added industries.

03

## MISSION & SCOPE

**end-to-end  
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tailored according to  
your specific needs...**

### **Class “C” certification program**

Sofia Municipality through Sofia Investment Agency incentivizes foreign and local investors through Class “C” certification program.

04

### **Public Private Partnerships**

we support and facilitate PPP between Sofia Municipality and foreign and local businesses.

05

### **Business and Academia**

Bridging business and academia is our priority, reflecting in improved planning and availability of skilled and professional human capital.

06



With its ambition to become a **regional ICT centre** Sofia is home to more than 50 000 IT specialist.

Maria Hristova, Ph.D.

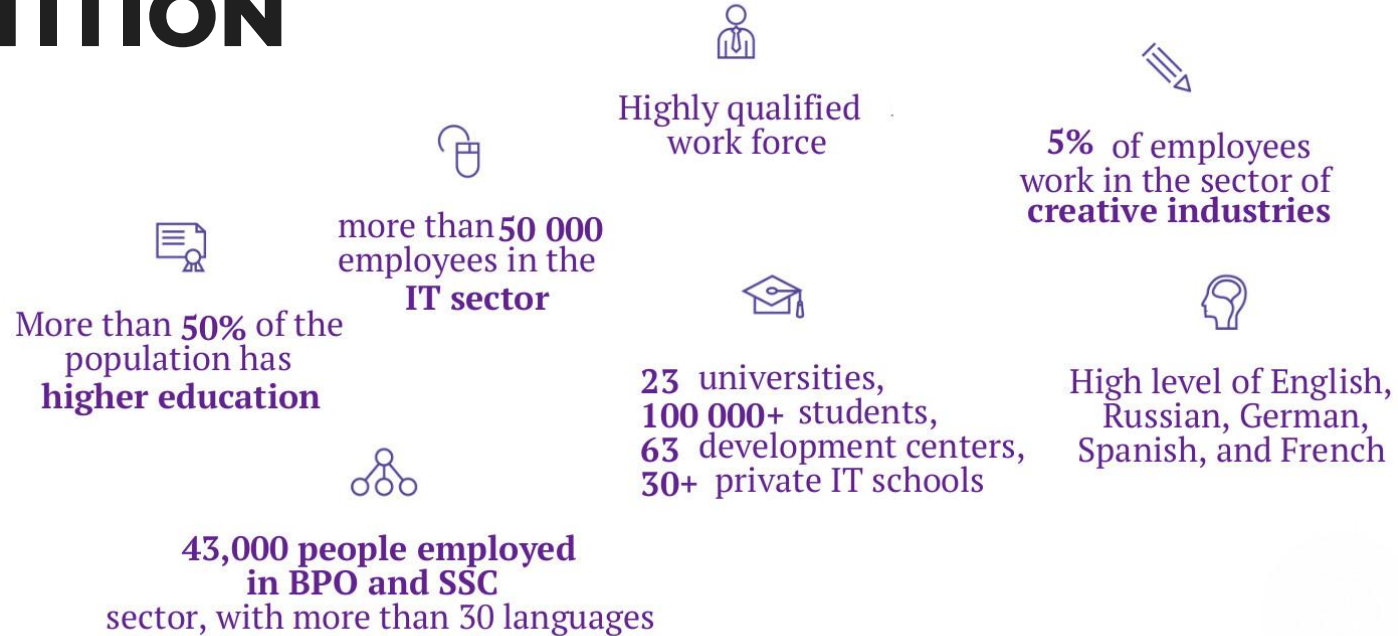
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Chief Executive Officer of  
Sofia Investment Agency

# CURRENT SITUATION ON TALENT COMPETITION



## TALENT CENTRE



# Sofia is home to 23 of Bulgaria's universities

The majority of the working-age population in the city, or 51.4%, hold a university degree



# Labour code

## Working time



**Working time**  
21 days per month  
250 days per year



**Annual paid leave**  
min. 20 days  
per year



**Public holidays in 2020**  
13 days

## Labour contracts



**Indefinite contract**  
**Duration:** indefinite  
**Probation period:** up to  
6 months  
**Termination notice:**  
1 month



**Term contract**  
**Duration:** up to 3 years  
**Probation period:** up to  
6 months  
**Termination notice:**  
3 months



**Overtime & Compensation**  
max.150 hours per year  
**On working days:** 50%  
**On weekends:** 75%  
**On national holidays:**  
100%

# Reasons Why Sofia is an **Exciting Tech Hub** of the Future

## **An easy place to set up**

As a major city in Southeastern Europe, Sofia is a perfect location for any young company with an eye on expansion. This is because Sofia offers direct links to other EU hubs such as Paris, London, and Berlin, but it also acts as a gateway for businesses looking to tap into Russian and Middle-Eastern markets.

## **An emphasis on diversity**

A major factor in Sofia's claim to being a tech capital of the future is its striking emphasis on diversity within the industry. Bulgaria is the EU country with the highest rate of gender diversity working in ICT, with women accounting for 31.2% of the workforce. Sofia is a modern city for a modern industry — while the rest of the EU continues to play catch-up.

# Reasons Why Sofia is an **Exciting Tech Hub** of the Future

## A focus on tech education

An increasing number of new university and private tech-ed programs have emerged to respond to the growing IT business demands in the country. As of 2021, more than 30 private software academies offer short to mid-term educational programs (six to 30 months), with courses ranging from programming and computer graphics to IT project management and sales.

## A cost-effective environment

Highly favorable tax rates for both businesses and individuals in Bulgaria, which have served to stimulate local business and invite international investment:

- 10% corporate tax & personal income tax
- 20% value-added tax (VAT)
- 18.92% employer social security contribution

The image features a modern building facade on the left side, characterized by a dark grey, horizontally-slatted exterior. Several windows are set into the wall, each framed by a bright orange, three-dimensional rectangular frame. Some of these frames are open, revealing the interior window panes and the blue sky and white clouds outside. The right side of the image is dominated by a bright blue sky filled with fluffy white clouds. Overlaid on this sky is the main title text in a large, bold, black, italicized sans-serif font.

***OPEN A  
BUSINESS IN  
SOFIA,  
BULGARIA***

# HOW TO REGISTER YOUR COMPANY IN BULGARIA

## STEP 1

### Bank Account Registration

You will be required to register a special escrow account in some Bulgarian bank for the purposes of the entity's equity and legal registration.

## STEP 3

### Registration in the Government Official Register

According to Bulgarian laws, every new business venture must be registered in the publicly available Official Commercial Register.

## STEP 5

### Name of the Company

You must pick a name of the company which will identify your venture on the market as well as before government institutions. Certain name parameters must be taken into account. The name itself could be chosen and occupied prior to the entire registration process.

## STEP 2


### Business Address

Registration setting up a company in Bulgaria. The address registration is the next mandatory step in the process of your company's setup. Your company will need to have a Bulgarian address.

## STEP 4

### Stamp Registration

Each newly registered business venture needs an official stamp that can be used for endorsement of its formal activities. Despite being an additional after-registration step, the stamp registration has basically an obligatory function for the business set up in Bulgaria.

A photograph of a modern glass skyscraper at sunset. The sun is low on the horizon, creating a warm orange and yellow glow that reflects off the glass facade. The building's structure is composed of dark metal frames and large glass panels. The sky is a mix of blue and orange. The overall scene is dynamic and architectural.

**The procedure for registration of a company in Bulgaria does not differ when local or foreign persons are part or owners of the company**



An aerial night photograph of Sofia, Bulgaria, showcasing modern architecture and a busy highway. The image features two prominent, curved skyscrapers with illuminated facades, one on the left and one on the right. A multi-lane highway with light trails from cars runs through the center. The city lights and a clear night sky are visible in the background.

*Start. Invest. Innovate.*  
*Grow. Sofia.*

# THE GLOBAL LEADERS IN DEVELOPMENT AND INFORMATION TECHNOLOGY ARE ALREADY IN SOFIA

Sofia is a regional ICT center. World leaders such as SAP Labs, VMWare, IBM, CISCO, Bosch, Coca-Cola, Financial Times, Uber already operate development centers, hire and develop thousands of highly-qualified professionals.

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# Etem Gestamp announced an investment of over 60 million euros

In Sofia, Etem Gestamp manufactures aluminum elements and profiles for the automotive industry and supplies products for major brands such as BMW, Jaguar, Land Rover, Audi, Porsche, VW and Daimler.

The production unit of the Greek-Spanish group is situated in Iliyantsi Industrial Zone and started operating in 2019 as an investment of the joint company between Etem Bulgaria, part of the Greek Viohalco, and the Spanish Gestamp.



# **Kin + Carta acquires the Bulgarian software developer Melon Group**

The price of the deal is worth 17.7 million pounds (21.3 million euros) and may reach 23.5 million pounds (28.2 million euros) in the coming years.

Melon Group is a fast-growing software engineering company based in Sofia and with offices in North Macedonia and Kosovo.

Kin + Carta's investment is part of its plans for expansion in South Eastern Europe, as the company looks to build a new European delivery hub.



# Launcher relocated its Ukraine staff to Sofia

The Bulgarian capital became the home of the new Launcher Europe office after the company opened an office and housed entirely at its own expense its employees and their families from the Ukrainian city of Dnipro.



# Invest Sofia presented Athos with a Green card

The French company Athos IT Solutions and Services Ltd has opened a new global Security Operations Center in Sofia.

The new center is designed to rapidly identify and limit the impact of security incidents for large organizations globally. Athos is a French multinational company and the European number one in cybersecurity, cloud, and high-performance computing.

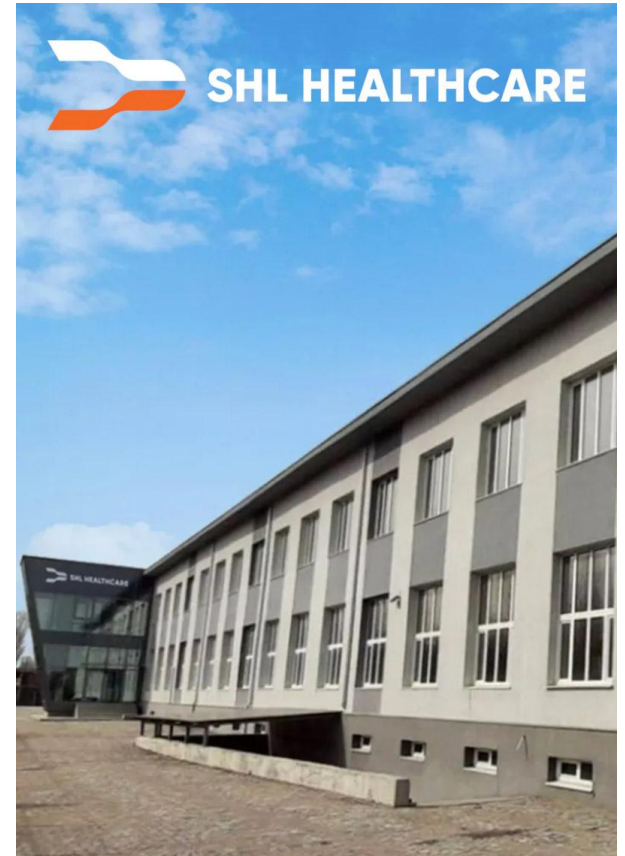


# SHL Healthcare AB's investment in Sofia

The Swedish MedTech manufacturer SHL Healthcare AB has chosen Sofia as the place to build its first production facility in Europe. The company currently has a manufacturing base in China.

The new base in Sofia will cover an area of 5,000 square meters and aims to provide the company's customers with further flexibilities for lead times, logistics and production.

By investing in expanded operations to tactical regions, we not only increase our manufacturing capacities but also demonstrate to customers our commitment in providing alternative production solutions for premium MedTech products and manufacturing services," says Erik Bolmgren, CEO of SHL Healthcare AB.





# Belgian Melexis has started expanding its team in Sofia

Belgian Melexis has started expanding its team in Sofia after building a second chip production factory in the Gorublyane district in Sofia with an investment of EUR 75 million. The new factory covers an area of 15,000 sq.m. It will carry out production, research, and development activities.

Melexis is a global engineering company and a world leader in designing, developing, and delivering solutions in microelectronics. The company entered the Sofia market in 2000 and, by consistent investments over the years, is constantly expanding its production capacity and team in our country.



# Acronis has raised \$ 250 million in funding

Singapore-based software company Acronis has raised \$ 250 million in funding and will use the funds to expand its group worldwide, including its Development Center in Sofia. The local office is planned to be the largest one for the company.

Acronis set foot in Bulgaria in 2018 with the acquisition of Sofia-based T-Soft and an investment of BGN 1.2 million. The team of Invest Sofia has partnered with the company throughout the whole process of establishing operations in the capital.



# BA Glass Bulgaria's plants in Sofia and Plovdiv

Nearly BGN 600 million will be invested in increasing the production capacity of BA Glass Bulgaria's plants in Sofia and Plovdiv. A second kiln is currently under construction at the plant in Sofia.

BA Glass Bulgaria is 100% owned by the Dutch-based Glasstank BV, which has glassworks in Portugal, Spain, Germany, Poland, Greece, and Romania. The company entered the Bulgarian market in 2017 with the acquisition of the local "Druzhiba" factory. The production units of BA Glass Bulgaria in Sofia and Plovdiv export to the markets in Greece, Romania, Great Britain, and other countries.







**THANK YOU FOR YOUR  
ATTENTION!**

Does **anyone** have any questions?