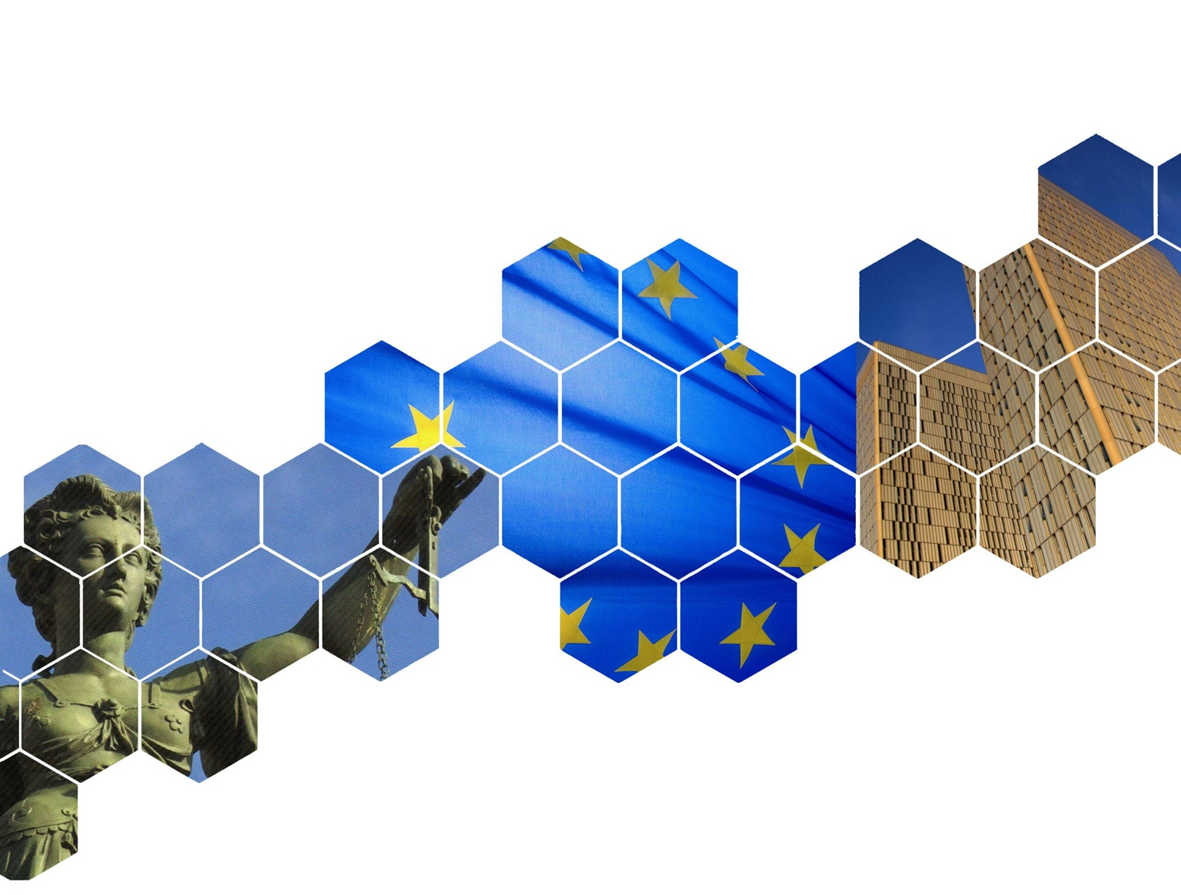


***Factual analysis of Member States Investors’ Schemes granting citizenship or residence to third-country nationals investing in the said Member State***

***Deliverable B.I Investors’ Citizenship Schemes in Bulgaria***

*JUST/2016/RCIT/FW/RIGH/0152 (2017/06)*

April 2018



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| ***Factual analysis of Member States Investors’ Schemes granting citizenship or residence to third-country nationals investing in the said Member State*** |

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**EXECUTIVE SUMMARY – INVESTORS’ CITIZENSHIP AND RESIDENCE SCHEMES IN BULGARIA**

***General background***

Investors’ schemes granting residence and citizenship to third-country nationals investing in Bulgaria were first introduced in the Bulgarian legislation in 2005. Since then, the investors’ schemes have been further developed by introducing amendments to the relevant legislation in 2009, 2013 and 2015. However, there is no public information available as to what prompted these amendments as there was no public debate at the time when the legal changes were adopted.[[1]](#footnote-1) The most probable reasons for the introduction of these changes are attracting potential investors and promoting economic activity in economically disadvantaged regions.

The main legal acts establishing and regulating the investors’ residence and citizenship schemes in the Republic of Bulgaria are the Bulgarian Citizenship Act[[2]](#footnote-2) (BCA) and the Foreign Nationals Act of the Republic of Bulgaria[[3]](#footnote-3) (FNA), and the secondary legislation on their implementation.

The main **competent authority** under the investors’ **residence** scheme is the Ministry of Interior, and more specifically, its **Migration Directorate**. Granting citizenship to third-country nationals is a decision of significance and, thus, it entails the work of multiple bodies: the decision-makers are the **Minister of Justice**, who is in charge of making a proposal to the **President of the Republic of Bulgaria** to issue a decree on the acquisition of Bulgarian citizenship. The President may choose to issue or not the said decree. The decision-making authorities are supported by the work of several administrative structures: (a) within the Ministry of Justice: the specialised **Bulgarian Citizenship Directorate** and (b) as independent consultative body, the **Council for Citizenship**; and (c) assisting as consultative body to the President’s Cabinet, the **Bulgarian Citizenship Commission**. The State Agency for National Security (SANS) provides its opinion on the applications on the basis the checks (security checks and checks on the origin of the funds) under both investors’ schemes.

***Investors’ Citizenship Schemes***

There are two investors’ citizenship schemes in Bulgaria: an **ordinary investors’ citizenship scheme** (**Article 12a** BCA) and a **fast-track investors’ citizenship scheme** (**Article 14a** BCA). While the former entails obtaining citizenship by virtue of waiving some of the naturalisation conditions in exchange of an economic disbursement but still requiring the investor to hold a permanent residence permit issued at least **5 years** ago, in the latter, the length of residence is reduced to **one year** if the investment requirement (**to increase the investment**) has been fulfilled.

To apply for Bulgarian citizenship, either through the ordinary or fast-track investors’ citizenship scheme, the foreign investor has to carry out an investment which is regulated in **Article 25, paragraph 1, items 6, 7, 8, 13 and 16 of the FNA**. The types of investment and their minimum financial threshold are shown in **Table 1** below. It should be noted that under the fast-track scheme only the investment under **items 6, 7 and 13** with the corresponding increase are eligible.

**Table 1 Types of investment to obtain citizenship**

| **Investment** | **Type of scheme** | |
| --- | --- | --- |
| **Type of investment** | **Ordinary** | **Fast-track** |
| **Art. 25(1) item 6 FNA:** Investment in shares, OR bonds and treasury bills, OR, ownership of company owned in more 50% by State/municipality under the Privatization and Post-Privatization Control Act, OR units or shares owned by State/municipality under the Privatization and Post-Privatization Control Act, OR Bulgarian intellectual property OR acquisition of rights under concession contracts | EUR 500,000 | Increase to EUR 1 million  **OR**  invested in the capital of a Bulgarian commercial company no less than EUR 500,000 for a priority investment project |
| **Art. 25(1) item 7 FNA:** Investment in a licensed credit institution under trustee agreement | EUR 500,000 |
| **Art. 25(1) item 8 FNA:** Investment in the capital of a Bulgarian trading company | EUR 3 million | N/A |
| **Art. 25(1) item 13 FNA:** Bulgarian commercial company awarded Class A, B[[4]](#footnote-4)or priority investment project | Depends on type of company | Have maintained, for at least one year since receipt of permanent residence permit on grounds of such investment, investments made and put into operation at above the minimum threshold for issuance of a Class A investment certificate under the Investments Promotion Act |
| **Art. 25(1) item 16 FNA:** Bulgarian commercial company owned in no less 50% by investor | EUR 250,000 | N/A |

Apart from the investment, the following **administrative fees** must be paid to the account of the Ministry of Justice for processing the application for Bulgarian citizenship: EUR 5 (for reviewing the application), EUR 50 (State fee), and EUR 500 (issuance of the permanent residence permit).

Regarding the **residence requirement**, although the Bulgarian legislation requires that the applicant has held a permanent residence permit for at least five years (ordinary investors’ citizenship scheme) or one year (fast-track investors’ citizenship scheme), there is **no requirement** for the investor **to physically stay** in the country once they have obtained a permanent residence permit. They are only required to **submit** the application for citizenship **in person** and to undergo the application **interview**. In terms of the interview, investor applicants for citizenship are exempt from the condition of being proficient in the Bulgarian language, they do not need to show knowledge of public life in Bulgaria and there is no other requirement to show a genuine link to Bulgaria.

* Regarding due diligence and security checks, a **clean criminal record certificate** and a document showing that no criminal proceedings are pending against the applicant have to be presented. The Migration Directorate and the SANS, according to their competence and on the basis of operational judgment, carry out **checks in the databases** to which they have access. There is **no publicly available information on the exact information databases** (e.g. Schengen Information System, Europol, Interpol)they check. Furthermore, the third country national must submit a **declaration of the origin of the funds** and once financial assets are transferred into Bulgarian financial institutions, the investment becomes subject to the general provisions for due diligence covered under the Law on Measures against Money Laundering.[[5]](#footnote-5) All financial operations and procedures (investments and transfers included) over BGN 30 000 (EUR 15 000) and over BGN 10 000 (EUR 5 000) are under obligation to be carried out by an identified client with a valid bank account. Additionally, the **Financial Intelligence Directorate** of SANS **makes additional check**s on all cash payments of over BGN 30 000 (EUR 15 000).

The **application procedure** under Articles 12a and 14a is similar. The application, **written in Bulgarian**, is filed **in person** at the Ministry of Justice or diplomatic or consular representation of the Republic of Bulgaria (Article 29 of the BCA)accompanied by a series of **documents** varying from those confirming **biographical data** (passport, birth certificate, ID, CV), providing **background information** (criminal record, certificate validating the possession of a permanent residence permit, medical certificate) and a list of **documents relating to the type of investment made** (mainly certificates from the competent authorities to validate that the investment has been carried out and it meets the legal conditions: e.g. certificate from credit institutions, document certifying the ownership of real estate, **certificate** from the Privatization and Post-Privatisation Agency,[[6]](#footnote-6) etc.).

After submitting the documents, the applicant is then **interviewed by a member of the administration of the Minister of Justice** (or, if the application has been submitted abroad, with a member of the diplomatic or consular mission). The files contained in the application are then considered by the **Council for Citizenship** which gives its **opinion** at the request of the Director of Migration Directorate and the SANS. Based on the opinion of the Council for Citizenship, the Minister of Justice proposes to the **President** to issue or refuse to issue a **decree on the acquisition of Bulgarian citizenship**.

**The refusal to issue a decree is final and cannot be appealed**. Refusal to issue a decree may be justified for reasons of **public order, public morality, public health and/or national security** (Article 19 of the BCA).

There is **no limitation on the number of admissions to citizenship by investment** in Bulgaria.

***Investors’ Residence Schemes***

There are two types of residence permits for third-country nationals to obtain via investors’ schemes depending on the investment they make:[[7]](#footnote-7)

* **Article 24 FNA: Extended residence permit** – with a term of validity of **up to one year**[[8]](#footnote-8)
* **Article 25 FNA: Permanent residence permit** – for an **indefinite period of time**,

**The prerequisite for an application for an extended residence or permanent residence permit** is that the third-country investor holds a **long-stay visa** (Article 15 of the FNA) for which they have to apply for at the **diplomatic and consular representations** **of the Republic of Bulgaria** not earlier than **three months before the date of the intended travel**,[[9]](#footnote-9) **personally or through an authorised agent**.[[10]](#footnote-10) This long-stay visa is **not necessary** when a third-country national has already received an **extended residence permit** and wants to apply for a **renewal** of the extended residence permit or for a permanent residence permit.

**If a third-country national who can and has entered the country for up to 90 days without a visa**[[11]](#footnote-11)wishes to apply for residence under the investors’ residence schemes, **they must exit the country**, **apply for a long-stay visa** and then submit their application for either type of residence permits (extended residence or permanent residence) that fall under these schemes.

To **apply for a residence permit** (whether extended residence or permanent residence) the foreign investor must present **in person**[[12]](#footnote-12) a number of general documents (passport, visa, Evidence for **regular, stable, foreseeable and sufficient means of subsistence, criminal record)**, as well as specific documents depending on the type of permit applied for. **Table 2** below shows the type of investment foreigners must carry out to obtain an **extended residence permit (Article 24(1) FNA)**. The types of investment for a **permanent residence permit (Article 25(1) FNA)** are in **Table 1** above.[[13]](#footnote-13) The **administrative fees** are the same as those of the investors’ citizenship schemes (see above).

**Table 2 Types of investment to obtain an extended residence permit**

| **Extended residence permit (Art. 24, par. 1 FNA)**[[14]](#footnote-14) | **Type of investment** | **Amount of the investment** |
| --- | --- | --- |
| **Item 19:** the investor makes the investment:  a) directly; or  b) through a company in which s/he owns more than 50% of the capital | Investment in **real estate** | EUR 300,000   * paid in full at the date of submission of the application to a licensed Bulgarian credit institution * if used borrowed funds: outstanding part of the loan must not exceed 25 per cent |
|
| **Item 20:** the investor is a partner or shareholder and owns 50% of the company’s capital | Investment in a **company that operates in economically disadvantaged region**[[15]](#footnote-15) in which **at least five job positions for Bulgarian citizens have been created and will be maintained for the duration of the intended stay (6 to 12 months).** | EUR 125, 000 (acquisition of tangible and intangible assets) |

Apart from the investment requirement, the investor must be **physically** in Bulgaria when applying for the appropriate residence permit.

Upon application, the third-country national is required to submit a **clean criminal record certificate** from the country of which the applicant is a national or their country of habitual residence. On the basis of the information provided in the application, the SANScarries out checks on the applicant’s **background** to ensure that s/he does not pose a threat to national security or public order. Once financial assets are transferred into Bulgarian financial institutions, the investment becomes subject to the general provisions for due diligence covered under the Law on Measures against Money Laundering.[[16]](#footnote-16) The administrative control services within the Migration Directorate carry out a **mandatory ex-post check** to certify the fulfilment of the criteria for obtaining residence permits. There is **no mechanism** for measuring the economic and financial efficiency of the investments made in exchange for receiving residence permits.

The **official legal deadline** for examining the applications is **14 days following the submission** for e**xtended residence, and two months following the submission** for **permanent residence**. The **extended residence permit** may be issued for a period of 6 or 12 months. The length of the duration of the permit is usually determined by the term of the lease, insurance, or other conditions that ensure that applicants meet the requirements for their stay in Bulgaria.

The **extended residence permit** may be **renewed** for a further **12 months** and there is not limit on the amount of times applications for renewal may be submitted. For the renewal of the permit the legal conditions that apply at the time of the first-time issued permit must continue to concur. Therefore, there is no need to carry out a new investment but the initial one must still be active. There are no conditions for extension or renewal of the **permanent residence permit** as it is not time-bound.

Applications may be **turned down** on grounds of threat to national security of various natures, criminal activity, incompleteness of the application. Appeals may be lodged under the general law on administrative procedure.

There is **no cap** on the number of applications for the schemes (both the extended and the permanent residence).

Third-country nationals who have obtained an extended residence permit or a permanent residence permit have **all the rights and obligations** granted to or imposed on the Bulgarian citizens, with the exception of the rights and obligations for which Bulgarian citizenship is required,[[17]](#footnote-17) as explicitly stated in both Article 3 of the Foreign Nationals act and Article 26, paragraph 2 of the Constitution of the Republic of Bulgaria,[[18]](#footnote-18) those rights being the right to be elected as a Member of Parliament and the right to be elected president. This applies for **all third-country nationals legally residing** on the territory of the Republic of Bulgaria. No special tax regimes were identified as aaccording to the Law on Taxation of Individuals,[[19]](#footnote-19) third-country nationals holding residence permits are considered “local individuals regardless of nationality” and as such they pay the same type and amount of taxes as any Bulgarian citizen.

***Link between the residence and citizenship investor schemes***

Foreign investors, as any other third-country nationals, may be naturalised under the general rules of Article 12 BCA.[[20]](#footnote-20)

Successful applicants in investors’ citizenship schemes may obtain the Bulgarian citizenship more directly as general naturalisation rules on sufficient subsistence means, command of the Bulgarian language and renunciation of other citizenships are waived in exchange for the investment made. Furthermore, the condition on the prior residence (of 10 years) is also considerably alleviated. This same general naturalisation rules waived for foreign investors to obtain the Bulgarian citizenship are waived when applying for permanent residence.

Furthermore, since foreign investors may directly apply for permanent residence under investors’ residence schemes the total length of the prior residence requirement for naturalisation is reduced by five years (ordinary citizenship scheme) or by nine years (fast-track citizenship scheme). In addition, the physical presence of the foreign investor is not required, unlike in naturalisation procedures where the continuous physical presence of the third-country national is required.

***Numbers involved***

Information on the number of persons who successfully obtain citizenship, refusals or total number of applications is compiled in private databases of the Migration Directorate and the Presidency. The only public information is found in Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee at the President’s office[[21]](#footnote-21) – those reports only feature the total number of issued citizenships, and do not give details as to the legal basis on which citizenship is granted. The Ministry of Economy has no overall information on the number of citizenship certificates issued to foreign investors either. According to public information from the Presidency of Bulgaria, 12 applications were successful for investors’ citizenship under the fast-track scheme in 2017.[[22]](#footnote-22)

Stakeholder consultations revealed that there is **no mechanism** for measuring the **economic and financial efficiency** of the investments made in exchange for receiving residence permits or Bulgarian citizenship. It cannot be determined whether in practice investors’ schemes have met the expectations for which they were created as those expectations have not been made public.

However, taking into consideration the statistics obtained on extended residence and permanent residence, some calculations on the income generated can be drawn (see **Table 3** below).

**Table 3 Number of successful applications for extended residence (Article 24(1)(19 and 20) and permanent residence (Article 25(1), 6, 7, ,8, 13 and 16) and the income generated (2012 - 2017)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Art. 24(1)19 | Art. 24(1)20 | Art. 25(1)6 | Art. 25(1)7 | Art. 25(1)8 | Art. 25(1)13 | Art. 25(1)16 |
| 2012 | 0 | 0 | 18 | 31 | 1 | 2 | 0 |
| 2013 | 0 | 1 | 31 | 15 | 1 | 2 | 0 |
| 2014 | 1 | 0 | 37 | 4 | 0 | 9 | 3 |
| 2015 | 3 | 0 | 23 | 8 | 1 | 4 | 6 |
| 2016 | 5 | 0 | 58 | 4 | 0 | 4 | 3 |
| 2017 | 11 | 1 | 55 | 1 | 0 | 13 | 7 |
| TOTAL | 20 | 2 | 222 | 63 | 3 | 34 | 19 |
| * Total income | EUR 6 million | EUR 250 000 | EUR 111 million | EUR 31,5 million | EUR 9 million | \*no minimum amount | EUR 4,75 million |

Taking into consideration the 12 successful applications for citizenship under Article 14a (fast-track) in 2017 and the concrete thresholds in the law, a minimum of EUR 12 million would have been invested under the citizenship fast-track schemes in that year.

In general, the investors’ residence and citizenship schemes have been criticised for being **slow** and with a lot of **administrative burden**, and Bulgarian authorities are working towards making them more efficient - recently **amendments to** the BCA Implementation Ordinance have been adopted, and they will enter into effect as of **1 July 2018**. The amendments to the Ordinance aim at relieving the administrative burden by **reducing the required documents** from the applicants in the schemes and introducing the official collection of documents and **optimizing the timing**.[[23]](#footnote-23)

**PART I: INVESTORS’ CITIZENSHIP SCHEMES IN BULGARIA**

1. GENERAL BACKGROUND

* ***Legal background***

Investors’ schemes granting permanent residence and citizenship to third-country nationals investing in Bulgaria were first introduced in the Bulgarian legislation in 2005. Since then, the investors’ schemes have been further developed by introducing amendments to the relevant legislation in 2009, 2013 and 2015. This report only covers investors’ citizenship schemes.

The legal provisions governing investors’ schemes granting citizenship (and permanent residence) to third-country nationals investing in Bulgaria are set forth in several laws and the secondary legislation on their implementation. Relevant pieces of legislation include in particular:

1. the Bulgarian Citizenship Act[[24]](#footnote-24) (also referred to below as “**BCA**”) and the secondary legislation on its implementation (including inter alia *Ordinance No. 1 of 1999 on the Implementation of Chapter Five of the BCA[[25]](#footnote-25)* (also referred to below as the “**BCA Implementation Ordinance**”)), which govern the terms and procedure for acquisition, retention and loss of Bulgarian citizenship;
2. the Foreign Nationals in the Republic of Bulgaria Act[[26]](#footnote-26) (also referred to below as “**FNA**”) and the secondary legislation on its implementation, which govern, among other matters, the grounds and the terms and procedure for granting of permanent or long term residence permits to foreign nationals, and
3. the Investments Promotion Act[[27]](#footnote-27) and the secondary legislation on its implementation, which govern, among other matters, the procedures for certification of various types of investments.

Among the above referred acts, the Bulgarian Citizenship Act is the main act regulating investors’ citizenship schemes. Within said act, the specific provisions that govern such schemes are Articles 12a and 14a, which were introduced at the beginning of 2013.

In general, pursuant to the Bulgarian Citizenship Act, a non-Bulgarian citizen may obtain Bulgarian citizenship by naturalization if as of the date of submission of the application for Bulgarian citizenship the person complies with the following requirements:

* + 1. having attained the age of 18 years; and
    2. holding a permit for permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago; and
    3. he/she has not been sentenced by a Bulgarian court for a wilful crime prosecuted *ex officio* by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated; and
    4. he/she possesses an income or occupation allowing him/her to subsist in Bulgaria; and
    5. he/she has a command of the Bulgarian language subject to verification according to a procedure established by an ordinance of the Minister of Education and Science (this requirement may be avoided in certain limited cases specified by the law), and
    6. he/she has been released from his/her previous citizenship or will be released therefrom at the time of acquisition of Bulgarian citizenship (this requirement may be avoided in certain limited cases specified by the law).

Under the premises of this Report, two investors’ citizenship schemes have been identified: an **ordinary investors’ citizenship scheme** (Article 12a BCA) and a **fast-track investors’ citizenship scheme** (Article 14a BCA). While the former entails obtaining citizenship by virtue of waiving some of the abovementioned naturalization conditions in exchange of an economic disbursement but still requiring the investor to hold a permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago, in the latter, the length of residence is reduced to one year if the investment requirement has been fulfilled.

Pursuant to **Article 12a** of the Bulgarian Citizenship Act, a non-Bulgarian citizen who has (i) obtained a permit for permanent residence in Bulgaria on the grounds of making certain type of investments (specifically set forth by said law) and (ii) maintained the validity of such permanent residence permit for at least 5 years from the date of its issuance, may obtain a Bulgarian citizenship through naturalization if he/she complies with less burdensome requirements. In particular, such a person may obtain Bulgarian citizenship, without fulfilling the requirements relating to command of Bulgarian language and release from the person’s previous citizenship (discussed in items (v) and (vi) in the paragraph above). However, such person has to comply with the remaining requirements under items (i) to (iv) inclusive from the above paragraph. Thus, the procedure set forth in Article 12a of the Bulgarian Citizenship Act shall be considered under the premises of this Report as an “**Ordinary Investors’ Citizenship Scheme**”.

Pursuant to **Article 14**a of the Bulgarian Citizenship Act (adopted at the beginning of 2013 and amended in 2015), a non-Bulgarian citizen fulfilling the requirements set out in items (i) and (iii) of the paragraph above (i.e. having attained the age of 18 years, and not having been sentenced by a Bulgarian court for a wilful crime prosecuted *ex officio* by the state, and not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated) may acquire Bulgarian citizenship by naturalization much easier than in the case of the Ordinary Investors’ Scheme, if the person has obtained a permanent residence permit at least a year ago on one of the grounds of making certain types of investments (set forth in the Bulgarian Citizenship Act and encompassing fewer types of investments compared to the case of the Ordinary Investors’ Scheme) and has increased his/her investment up to certain levels as provided for by the law. Thus, the procedure set forth in Art. 14a of the Bulgarian Citizenship Act represents a “**Fast-Track Investors’ Citizenship Scheme**”.

As a general comment, the national regulation of investors’ citizenship schemes is scattered across different legal provisions in different laws, as briefly summarized above. The reason behind this seems to be the numerous legislative amendments made over the years and the sometimes inconsistent and scattered legislative technique.

* ***Competent authorities***

The main authorities involved in the investors’ citizenship schemes are the **same ones that are involved in the naturalisation programmes**. There is no separate governmental authority dealing with investors’ citizenship schemes.

These authorities may be divided into **two groups**: (i) authorities that have direct decision-making capacities, and (ii) authorities that have consultative capacities.

A general description of these authorities and their powers is provided below.

(i) The important **decision-making authorities** are:

* + The **Migration Directorate** (a structure within the Ministry of Interior) is responsible for processing the applications for residence permits.
  + The **Minister of Justice** is in charge of making a proposal to the President of the Republic of Bulgaria to issue a decree on the acquisition of Bulgarian citizenship. According to Bulgarian legislation, the Ministry is an administrative structure consisting of a set of specialized services, managed by a Minister, who is the actual authority with special competence[[28]](#footnote-28). In principle, these specialized services, subordinate to the Minister, examine the files and propose to him a draft decision or proposal. The decision/proposal itself is an act of the Minister. The Minister of Justice makes the proposal based on the opinion of the Council for Citizenship, which includes representatives from various government institutions.
  + The **President** of the Republic of Bulgaria issues a decree or refuses to issue a decree for acquisition of Bulgarian citizenship.

(ii) The **supporting consultative authorities** are:

* + The **Council for Citizenship** is an independent consultative body with the Ministry of Justice bringing together representatives of different departments. It is responsible for issuing opinions on the applications and proposals related to Bulgarian citizenship. The Council is composed of a Chairperson - Deputy Minister of Justice, and members - one representative of the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Interior, the Ministry of Regional Development and Public Works, the Ministry of Labour and Social Policy, the Ministry of Health and the State Agency for National Security, the State Agency for Bulgarians Abroad and the State Agency for Refugees. The Minister of Justice appoints the members based on the proposal of the heads of the relevant bodies according to Article 33 of the Bulgarian Citizenship Act. The representative of the Ministry of Interior is a Migration Directorate employee.
  + The **Bulgarian Citizenship Directorate**: is a specialized structure of the Ministry of Justice charged with the following tasks[[29]](#footnote-29):
    - * checks the applications and proposals for change of citizenship and the documents attached thereto for their compliance with the normative requirements and appoints an interview with the candidates;
      * forms files on the regular requests and proposals after conducting an interview with the applicant;
      * prepares and organizes the sessions of the Council for Citizenship, sends the draft minutes to the Chairman and the members of the Council as well as the representative of the President of the Republic of Bulgaria;
      * draws up a final report with the opinion of the Council for Citizenship on each case and submits it to the Chairman of the Council;
      * prepares draft proposals of the Minister to the President of the Republic of Bulgaria for the issuance of a decree or for refusal to issue a decree on the acquisition, restoration, release or deprivation of Bulgarian citizenship, as well as for the annulment of naturalization.
  + The **Bulgarian Citizenship Commission**: a consultative assisting body of the President’s Cabinet that gathers the necessary information to clarify the facts and circumstances in support of proposals made by the Minister of Justice.

In the procedure for granting Bulgarian citizenship, the Minister of Justice makes a proposal on the basis of the opinion of the Council for Citizenship.

Specific for the **investors’ citizenship schemes** is that in the cases when the law requires that the particular **type of investment**, on the grounds of which the foreigner is eligible to participate in the scheme, should be **certified by the Investments Promotion Act**, such certificate is issued by the Invest Bulgaria Agency, an executive agency to the Bulgarian Minister of Economy (referred to below as the “**Invest Bulgaria Agency**”). The Invest Bulgaria Agency supports the Bulgarian Minister of Economy in the application of the state policy in the field of encouragement of foreign investments.

1. PROCEDURES, COMPETENT AUTHORITIES AND APPLICABLE CRITERIA
2. Application Phase
   1. Procedures

In general, in order for a foreign national to obtain Bulgarian citizenship in investors’ schemes, the following **steps** have to be accomplished in consecutive order by the investor:

1. Pursuant to Article 25 of the FNA, a permanent residence permit may be granted to a foreigner on a number of grounds related to investments. Such grounds are listed in the table in Section 2.1 below. Thus, for the purposes of obtaining permanent residence permit, the foreign national has to first **make the investment**;
2. The foreign national shall obtain a **long-term residence visa** (type “D” visa) on the grounds of such investment (see Section 1.1.1(i) below),
3. After entering Bulgaria on the grounds of the type “D” visa, apply for and obtain a **permanent residence permit** (see Section 1.1.1(ii) below); and
4. After obtaining permanent residence status, **apply for Bulgarian citizenship** following either the Ordinary Investors’ Scheme after maintaining the permanent residence status for at least 5 years, or the Fast-Track Investors’ Scheme after maintaining the permanent residence status for at least 1 year and increasing the investment as required by the law.

These steps are discussed in detail below.

Obtaining Permanent Residence Permit on the grounds of Investment

1. Long-term Residence (Type D) Visa

The type “D” visa is **valid** up to **6 months** as of the date of its issuance and entitles its owner to **stay in Bulgaria for up to 180 days** and to leave and enter Bulgaria within the term of the validity of the visa repeatedly.

The **application** for the issuance of a long term residence visa has to be **submitted personally** to the **Bulgarian embassy** in the country of the investor’s permanent residence not earlier than **three months prior to the intended entry in Bulgaria**. In certain limited cases provided for by the law, the visa application may be submitted in the Bulgarian embassy in a country different from the country of the applicant’s permanent residence.

The **documents** required for obtaining type D visa include the following:

* Standardised[[30]](#footnote-30) application form filled in writing (no notary certification is required);
* Colour photos of current date (passport format) - the photos can be taken upon submitting the application;
* Valid international passport;
* Copies of the pages of the international passport with the personal data and visas stamped and/or photocopies of the owned residence permits;
* Evidence for sufficient financial means of subsistence for both the duration of the intended stay in Bulgaria and the return to the applicant’s country of origin or residence[[31]](#footnote-31);
* Evidence for accommodation for the period of stay in Bulgaria;
* Insurance policy, valid on the territory of the Republic of Bulgaria, with minimum cover amounting to EUR 30,000, covering all expenses for repatriating and urgent medical care and hospital treatment for the residence period;
* Document, evidencing paid state fee, amounting to EUR 100 – to be paid at the respective Bulgarian embassy;
* Clean criminal record certificate – to be obtained in original or as a notary certified copy and stamped with apostille;
* Documents evidencing the legal grounds on which type D visa is sought. Detailed information about the type of documents, by which the respective type of investment shall be proved, is provided in Section 2.1 below (such as certificate issued by the Invest Bulgaria Agency in evidence of the investment made).

The **decision for the issuance** of type “D” visa to the applicant is adopted within a term of **35 business days from the date of submitting the application**. In case of a positive decision, the investor’s long term residence visa is issued by the respective Bulgarian embassy. The applicant has to collect the visa directly in person at the respective Bulgarian embassy. If the applicant does not collect his visa within a month as of the starting date of the visa’s validity, the applicant shall be deemed to have renounced to the visa application.

**Refusals** to issue a visa may be appealed as regards to their legality under the procedure of the **Bulgarian** [**Administrative Procedure Code**](apis://Base=ANGL&DocCode=2024&Type=201).[[32]](#footnote-32)

1. **Permanent Residence Permit**

After being granted a type “D” visa, the foreign national has to enter into Bulgaria on the grounds indicated in the type D visa and apply for the issuance of a permanent residence permit. The **authority competent** to issue permanent residence permits is the **Migration Directorate** of the Ministry of Interior. The set of documents required to be submitted for the purposes of issuance of a permanent residence permit are essentially the same as the ones required for a type D visa.

In particular, for the purposes of issuance of such permit, the following **documents** must be **personally submitted** by the investor before the Migration Directorate to the Ministry of Interior:

* standardised application form[[33]](#footnote-33);
* document evidencing paid state fee for reviewing the application, amounting to BGN 10 (approximately EUR 5);
* a copy of the investor’s international passport, including the pages with the photo and personal data, visas stamped and the stamp for the last entry in Bulgaria;
* evidence for accommodation for the period of stay in Bulgaria (the same as the ones presented for the type “D” visa);
* evidence for sufficient financial means of subsistence for the period of stay in Bulgaria (the same as the ones presented for the type “D” visa);
* clean criminal record certificate issued by the competent authorities in the country of citizenship (depending on the validity term of the certificate and the period of time that has lapsed, the same certificate used for the purposes of obtaining the “D” visa may be used);
* Documents evidencing the legal grounds on which type D visa is sought. Further information about the type of documents, by which the respective type of investment shall be proved, is provided in Section 2.1 below (such as certificate issued by the Invest Bulgaria Agency in evidence of the investment made).

The above documents have to be **submitted** before the Migration Directorate **not later than two months prior to expiry of the type “D” visa**.

The **decision for granting** permanent residence status is adopted within a term of **three months** from the date of submission of the application. Provided that the case is of great legal or factual complexity or in case some additional documents would need to be presented this term may be prolonged by two months.

The Bulgarian authorities will inform the applicant about the decision taken. In case of a positive decision the investor will have to pay state fee amounting to BGN 1,000 (approximately EUR 500) for the issuance of a permanent residence permit. The applicant has to collect the permanent residence permit in person from the Migration Directorate.

Obtaining Bulgarian Citizenship

As discussed in Section I above, the Bulgarian Citizenship Act provides for an Ordinary Investors’ Citizenship Scheme and for a Fast-Track Investors’ Citizenship Scheme.

The table below shows an overview of the requirements that have to be met under each of the two schemes.

|  |  |  |
| --- | --- | --- |
| Requirements | Ordinary Investors’ Scheme | Fast-Track Investors’ Scheme |
| Permanent residence permit issued on any of the eligible grounds relating to investment envisaged by Article 25 of the Foreign Nationals in the Republic of Bulgaria Act (for details about the eligible grounds in each of the schemes, please refer to Section 2.1 below. | Yes | Yes |
| Minimal period for maintaining a valid permanent residence permit before applying for citizenship | 5 years | 1 year |
| Additional investment to the initial one | No | Yes |
| Requirement for physical presence in the country | Only when submitting application | Only when submitting application |
| Required full legal age of at least 18 years of age | Yes | Yes |
| Lack of conviction by a Bulgarian court for a wilful crime prosecuted ex officio by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated | Yes | Yes |
| Requirement for possession of an income or occupation allowing the foreign national to subsist in Bulgaria | Yes | No |

The **application** procedure in both schemes is similar. The application is **filed in person** at the **Bulgarian Ministry of Justice** or the diplomatic or consular office of the Republic of Bulgaria according to Article 29 of the BCA. In both schemes, the foreign national must attach to the application for the acquisition of Bulgarian citizenship, written in Bulgarian, the following **documents**:

* A copy of the birth certificate or duplicate birth certificate;
* Certificate issued by the Ministry of Interior for permanent residence in the Republic of Bulgaria. It must specify the date of issue of the authorization and the legal basis on which it was issued.
* A criminal record certificate issued by the country of nationality of the foreigner.
* A medical document issued by a medical advisory commission to the medical institution serving the person at the place of residence certifying that they do not suffer from acute infectious diseases (Article 61, para 1 of the Health Act), or mental disorders (Article 146, para 1, items 1 and 2 of the Health Act). In the absence of a medical advisory commission, the document is issued by the general advisory commission of the respective hospital.
* Sample form declaration (as per the template representing Appendix 4 of the BCA Implementation Ordinance).
* Official document certifying the change of names, if any, and an official identity document of a person with different names.
* Curriculum vitae.
* Current photo in passport format;
* Receipt for paid state administrative fee for processing of the application of BGN 100 (EUR 50) to the account of the Ministry of Justice.

Under the **Ordinary Investors’ Citizenship Scheme**, in addition to the above documents, the applicant must provide **proof of possession of an income or occupation** allowing the foreign national to subsist in Bulgaria without being a burden to the Bulgarian social security system. The BCA Implementation Ordinance specifies the documents that shall be provided as such proof. These documents include in particular: (i) a certificate issued by the Invest Bulgaria Agency or by the Bulgarian Ministry of Economy about the investment made, and (ii) a certificate from the employer that the person works under an employment or civil contract, or if the person is self-employed - a certificate issued by the tax authorities evidencing the income of the foreigner declared in his/her annual tax return for the previous year, as well as a document certifying the payment of the compulsory social security contributions (effective as of 1 July 2018, a document evidencing the payment of such contributions shall not be required). The BCA Implementation Ordinance does not explicitly require that the documents under item (ii) relate to occupation carried out in Bulgaria or income with source from Bulgaria.

Under the **Fast-Track Investors’ Citizenship Scheme**, proof of possession of an income or occupation is not required. However, in addition to the documents listed under the nine bullet points above, the applicant must provide certain **documents issued by the Invest Bulgaria Agency or by the Bulgarian Ministry of Economy (as the case may be) proving the required increase of the investment made**. These documents are specifically provided for by the Bulgarian Citizenship Act and are discussed in Section 2.1 below.

Upon the **citizenship application being accepted and registered** by the **Bulgarian Citizenship Directorate**, the **applicant is interviewed** by a member of the administration of the Minister of Justice, provided that all necessary documents have been submitted. Where the application is filed through the diplomatic or consular office of the Republic of Bulgaria abroad, the interview with the applicant is conducted by an employee of the respective office at the time of filing the application. Further details about the interview are provided in Section 2.3 below.

**The citizenship application is considered by the Council for Citizenship** at the Ministry of Justice. The Council for Citizenship gives an **opinion** on the applications and proposals related to Bulgarian citizenship, following written submissions from the Ministry of Interior and the State Agency for National Security.

The Council of Citizenship must come up with its position whether Bulgarian citizenship is to be granted or rejected in **six months** from the submission of the citizenship application and the set of accompanying documents.

Based on the opinion of the Council for Citizenship, the **Minister of Justice proposes to the President of the Republic of Bulgaria to issue or refuse to issue a decree for granting of Bulgarian citizenship**. In the President's office there is a Bulgarian Citizenship Commission, which is a consultative assisting body that gathers the necessary information to clarify the facts and circumstances in support of proposals made by the Minister of Justice.

If the President **refuses** to grant Bulgarian citizenship, the refusal is final and **cannot be appealed**. Refusal to issue a decree may be justified for reasons of public order, public morality, public health and/or national security (Article 19 of the BCA). Those reasons could include initiated criminal proceedings for an intentional crime of a general nature or a verdict of such crime without rehabilitation; presence of an active (undeleted) signal in Interpol; withdrawal of the right of permanent residence in the Republic of Bulgaria; unfulfilled requirements under the BCA.

* 1. Competent authorities and Non-PUBLIC BODIES

The authorities competent to grant a permanent residence permit and citizenship are discussed in Section 1.1 above.

There are **no non-public bodies** officially involved in the schemes. Applicants may choose to employ consultants or lawyers to offer advice during the preparation of the documents, but these are not part of the procedure.

* 1. Monitoring of the proceedings and the authorities involved

There is **no limitation on the number of admissions to citizenship by investment** in Bulgaria.

No scrutiny is placed upon the number of persons who successfully obtain citizenship nor is there a coherent monitoring mechanism. Citizenship is granted by a Presidential Decree which is **not subjected to monitoring**, as Presidential Decrees enter into force at the moment of their issuance and are not subject to judicial review. **Statistical information is compiled in private databases of the Migration Directorate and the Presidency**.

In general, the only public information is found in Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee at the President’s office[[34]](#footnote-34) – those reports only feature the total number of issued citizenships, and do not give details as to the legal basis on which citizenship is granted.

The first official report on citizenship granted under the Ordinary Investors’ Citizenship Scheme is due some time in 2018. As of the date of this study, the report has not been issued yet.

* 1. Information on applications

Based on information in newspapers, there are between 250 and 300 cases annually of application for citizenship based on investment. However, there is very **few publicly available official statistics** about the number of filed applications and the number of approved applications.

For the period 1 January 2012 - 25 May 2017, a total of 89,218 applications for the acquisition, release or restoration of Bulgarian citizenship were registered at the Ministry of Justice.[[35]](#footnote-35) However, there is **no publicly available information what portion of such applications have been on the grounds of investors’ citizenship schemes**.

According to public information from the Presidency of Bulgaria, from 22 January to 31 December 2017 Bulgarian citizenship was granted by decree of the Vice-President of the Republic of Bulgaria **on the grounds of the Fast-Track Investors’ Citizenship Scheme to 12 persons**.[[36]](#footnote-36)

Further data on the number of applicants and of the number of turned down applicants under the investors’ schemes should be available to the respective authorities but was not provided upon sending an official letter of request for this information. A formal inquiry was sent to the Migration Directorate (Ministry of Interior),[[37]](#footnote-37) but no statistics concerning investors’ citizenship schemes were provided.

However, data for the number of permanent residence permits issued under Article 25 of the FNA was provided.[[38]](#footnote-38) This data may serve as indication only, as the possession of such permit is required both in the Ordinary Investors’ Citizenship Scheme and in the Fast-Track Investors’ Citizenship Scheme. The total number of permanent residence permits issued is as follows: 51 (2012); 49 (2013); 53 (2014); 72 (2015); 69 (2016); 76 (2017).

* 1. Information on naturalisation of family members

Pursuant to the Bulgarian Citizenships Act, within the **Ordinary Investors’ Citizenship Scheme**, a **member of the family** of a foreign national who applies for Bulgarian citizenship following the that scheme, is also **eligible to apply for a Bulgarian citizenship**, provided that the family member satisfies the remaining requirements relating to full legal age, lack of criminal record, holding a permanent or long-term residence permit for at least 5 years and having sufficient income or occupation (as discussed in Section 1.1.2 above).

The FNA defines the term ‘**family members**’ as the persons who live with him [the foreign national] in one household and are the:

* + spouse;
  + children of the alien and of his/ her spouse, including the adopted, who have not reached the age of 18 and have not married;
  + the children, including the adopted ones, of the alien who have not reached the age of 18 and have not married when he or she has the parental rights and the children are dependent on him/her;
  + children, including those adopted, of the spouse who have not reached the age of 18 and are not married when he or she has custody and the children are dependent on him/her.

Children of the foreign national or their spouse who are over 18 years old and have not been married are also considered family members when serious health reasons require personal care for them or for such reasons they are objectively unable to provide their own support.

In the application procedure, in addition to the set of documents discussed in Section 1.1.2 above, the family member has to present a **document (such as a marriage certificate or a birth certificate) proving their connection to the foreign national**.

If the family member applies for Bulgarian citizenship on the grounds of being a member of the family of a foreign national applying for Bulgarian citizenship in the Ordinary Investors’ Citizenship Scheme, **no separate or additional investment is required by law in respect of the family member**.

The Bulgarian Citizenship Act does not contain explicit legal rules relating to family members in the case when the foreign national applies for a Bulgarian citizenship in the **Fast-Track Investors’ Citizenship Scheme**. However, it could be concluded that the legal rules explicitly provided for with respect to family members in the Ordinary Investors’ Citizenship Scheme should be applied by analogy with respect to family members in the Fast-Track Investors’ Citizenship Scheme[[39]](#footnote-39). Thus, by analogy it could be concluded that no separate or additional investment should be required with respect to the family members in the case when the foreign national applies for a Bulgarian citizenship in the **Fast-Track Investors’ Citizenship Scheme**.

There are **no statistics on issued decrees for granting Bulgarian citizenship to family members of investors**. In the Migration Directorate at the Ministry of the Interior’s database, in connection with the presentation of a right of residence, this category of persons is part of the statistics on the criterion of "family member" without taking into account the basis of residence of the main holder of the right of residence.[[40]](#footnote-40) Therefore, it is not possible to provide statistics on the number of successful applications for naturalisation of family members.

1. Applicable criteria and verification procedures
   1. Type of investment[[41]](#footnote-41)

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of investment required** | **Applicability of financial threshold** | **Procedure to verify the fulfilment of the investment criterion** | **Competent authorities and non-public bodies** |
| ***In the Ordinary Investors’ Citizenship Scheme*** *(Article 12a of the BCA)*, the type of investment which is required is any one of the investments summarized under items 1, 2, 3, 4 and 5 below (i.e. only one of these investments has to be made; they are not cumulative but alternative).  ***In the Fast-Track Investors’ Citizenship Scheme*** *(Article 14a of the BCA)*, the type of investment which is required is any of the investments summarized under items 1, 2 and 4 below. In addition, in the case of the Fast-Track Investors’ Citizenship Scheme, an additional investment is required, as discussed below.  The types of eligible investments are listed alternatively, i.e. they should not be fulfilled cumulatively.  **Item 1**   * **Shares** of Bulgarian commercial companies traded on a Bulgarian regulated market (Article 25, paragraph 1, item 6a FNA); **OR** * **Bonds and treasury bills** as well as derivative instruments issued by the State or by municipalities with a residual maturity of no less than six months (Article 25, paragraph 1, item 6b FNA); **OR** * **Ownership of a separate part of the property of a Bulgarian commercial company** with more than 50 per cent State or municipal participation in the capital under the Privatization and Post-Privatization Control Act; (Article 25, paragraph 1, item 6c FNA); **OR** * **Shares owned by the State or municipalities** in a Bulgarian commercial company under the Privatization and Post-Privatization Control Act (Article 25, paragraph 1, item 6d FNA); **OR** * **Bulgarian Intellectual Property** - objects of copyright and related rights, patent-protected inventions, utility models, trademarks, service marks and industrial design; (Article 25, paragraph 1, item 6e FNA); **OR** * **Rights under concession contracts** on the territory of the Republic of Bulgaria; (Article 25, paragraph 1, item 6f FNA); **OR**   **Item 2**   * **Investment of BGN 1,000,000 (approx. EUR 500,000) in a licensed credit institution** in Bulgaria under a trustee agreement with a term of no less than five years and for the same period the deposit is not used for securing other monetary credits from a credit institution in Bulgaria; (Article 25, paragraph 1, item 7);   **OR**  **Item 3**   * **Investment in the capital of a Bulgarian trading company** whose shares are not traded on a regulated market in the amount of no less than BGN 6,000,000 (approx. EUR 3,000,000); (Article 25, paragraph 1, item 8 FNA); **OR**   **Item 4**   * **Investment in a Bulgarian commercial company**, which has been awarded a Class A, Class B,[[42]](#footnote-42) or a priority investment project (Article 25, paragraph 1, item 13 FNA); **OR**   **Item 5**   * **Investment by transferring to the capital of a Bulgarian commercial company no less than BGN 500,000** (approx. EUR 250,000), the foreign national being a partner or shareholder with registered shares and holding no less than 50 percent of the capital of the company (Article 25, paragraph 1, item 16 of the FNA)   **In the Fast-Track Investors’ Citizenship Scheme, an additional investment is required, as follows:**  If the initial investment is under item 1 or 2 above, the investor is required to: (i) increasetheir investment under the same terms of the law to a value of at least BGN 2 million (EUR 1 million); or (ii) have invested in the capital of a Bulgarian commercial company no less than BGN 1 million (approx. EUR 500,000) for a priority investment project implemented by the company, certified under the Investments Promotion Act.  If the initial investment is under item 4 above, the investor is required to have maintained, for at least one year since receipt of permanent residence permit on grounds of such investment, investments made and put into operation at above the minimum threshold for issuance of a Class A investment[[43]](#footnote-43) certificate under the Investments Promotion Act, which is certified by the Ministry of Economy. In addition, in the latter case the Bulgarian company must not: (i) have been declared in bankruptcy or been in an open insolvency proceeding or have concluded an out-of-court settlement with its creditors; (ii) be in liquidation proceedings; (iii) have monetary liabilities to the State or to a municipality established by an act of a competent authority which has entered into force, unless a rescheduling or deferral of duties is allowed; and (iv) have unpaid salaries to employees established by a punitive decree. | Under Item 1 - **BGN 1,000,000 (approx. EUR 500,000)**  Under Item 2- **BGN 1,000,000 (approx. EUR 500,000)**  Under Item 3 - **BGN 6,000,000 (approx. EUR 3,000,000)**  Under Item 4 – the financial thresholds and other requirements which should be fulfilled for an investment to be certified as a Class A, Class B or a priority investment project are numerous and are set forth in the Investments Promotion Act[[44]](#footnote-44) and the secondary legislation on its implementation.  Under Item 5 **- BGN 500,000 (approx. EUR 250,000)** | **1. Within the procedure for obtaining a permanent residence permit** (discussed in Section 1.1.1 above):  The **documents** to be submitted as proof of investment (submitted alongside the application) would include any or some of the following, depending on the type of investment:   * a contract for transactions with financial instruments; * verification document or statement of held securities; * a certificate from the Ministry of Culture or a certificate issued by the Patent Office of the existence of the relevant circumstance and evaluation of the objects of intellectual property, issued by an independent assessor under the Independent Assessors Act;[[45]](#footnote-45) * a contract with a licensed credit institution for a trustee agreement; * a certificate from the Ministry of Economy.   ***Changes*** *in the investment made:*  For the investment under **Items 3, 4, and 5**, foreign nationals with right of residence must declare to the Migration Directorate any change in the investment made, leading to its termination or transfer or reduction of its amount (Articles 39, 39a and 44 of the Regulations for the Application of the FNA).  The right of residence is withdrawn when the grounds of the investment under Items 1-5 are no longer present (Article 40 paragraph 1 of the FNA).  ***Notifications*** *to the authorities:*   * The "Migration” Directorate must notify the Invest Bulgaria Agency about the permanent residence permits issued under Items 1 and 2 (Article 39 of the Regulation for the Implementation of the FNA). * The Invest Bulgaria Agency must notify the “Migration” Directorate about any change in the circumstances leading to the non-fulfilment of the requirements for issuing the permit, which is a reason for withdrawing the right of residence, at the moment when they became known to the Agency. * The Migration Directorate notifies the Ministry of Economy of the permits issued for permanent residence on the basis of the certificates mentioned above. * The Ministry of Economy notifies the Migration Directorate of any change in the circumstances of the issued certificate leading to the non-fulfilment of the requirements for issuance of the certificate, which is the grounds for withdrawal of the granted right of residence established at: * verification of the entered circumstances and the announced acts in the commercial register; * verification of reports provided by the companies in the Ministry of Economy in connection with the implementation of contracts for granting of incentives under the Investment Promotion Act; * verification of the information provided by the companies in the Invest Bulgaria Agency (Article 44 of the Regulation for Implementation of the FNA).   **2. Within the procedure for obtaining citizenship:**  *2.1. Within the Ordinary Investors’ Citizenship Scheme:*  The investor shall present a document (a certificate issued by Invest Bulgaria Agency or any other applicable document of the types, discussed in Section 1 of this table above) proving the investment made under any of the types discussed under Items 1-5.  *2.2 Within the Fast-track Investors’ Citizenship Scheme:*  The investor shall present a document (a certificate issued by Invest Bulgaria Agency or any other applicable document of the types, discussed in Section 1 of this table above) proving the investment made under any of the types discussed under Items 1, 2 or 4.  **3. Subsequent control over the investments made and anti-money laundering requirements**  For the preparation of a document establishing the relevant circumstances under **Items 1 and 2**, the foreign national submits a request to the Invest Bulgaria Agency to which he applies a declaration of the origin of the funds under the Law on Measures against Money Laundering[[46]](#footnote-46) (Article 39, paragraph 6 of the Regulations for the Application of the FNA).  Foreign nationals who have been granted right of residence must **submit annual declarations** regarding the presence of the circumstances mentioned in the first column of this table, accompanied by the relevant supporting documents.  The **control over investment projects**, which have received a certificate of Class A and B, must be carried out by the Minister of Economy or a person authorized by him from the administration (Article 28 of the Investment Promotion Act). The amount of the investments made is certified for the reporting period through **interim and annual financial statements**, accompanied by a description of the assets for the main economic activity and their value.  The verification and control of all the circumstances and conditions around the investment made under **Item 4** is carried out on the basis of an **audit** by an auditor of the annual financial statements and management reports, reports from the National Revenues Agency, reports from the municipalities and other relevant documents submitted by the person under Article 14a, paragraph 1of the BCA or collected ex officio. There is no explicit wording in the BCA providing for money laundering measures in regard to the second investment. In any case, the Law on Measures against Money Laundering applies as the BCA provides that the increase in the investment shall be in compliance with the same conditions of the law as the initial investment (see Section II.2.4 of this Report on due diligence). | **Main:**  1.Ministry of Interior, Migration Directorate  2.Minister of Justice  3. Ministry of Economy  **Supporting:**  1.Council for Citizenship (includes representatives from MoI, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)  2.Ministry of Justice, Bulgarian Citizenship Directorate  3. Invest Bulgaria Agency |

* 1. Residence of the investor in the country

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| --- | --- | --- |
| **Residence criterion** | **Procedure** | **Competent authorities and non-public bodies** |
| **In the Ordinary Investors’ Citizenship Scheme** The person must have been granted a **permanent residence permit** for at least **five years**.  **In the Fast-Track Investors’ Citizenship Scheme -** The person must have been in possession of a permanent residence permit for at least **one year**.  Under a permanent residence permit the foreign national is **not required to physically stay in the country**. Formally holding such permit is sufficient to meet the residence criterion. Moreover, this category of persons is expressly excluded from the possibility of having their right of residence withdrawn if they have not settled in the territory of the country within one year of receiving the permit (Article 40, item 5 of the BCA). The **formal possession of a permit is enough**.  In order to apply for a citizenship in both schemes, it is not required that the investor resides in Bulgaria**. The investor should be physically present only upon submission of his/her citizenship application**, if it is filed with the Bulgarian Ministry of Justice. **Once the Bulgarian citizenship is granted, it is not required that the investor resides in Bulgaria** or meets any other formal residence criteria, such as having a residential address or other. | The procedure for granting a permanent residence permit is discussed in Section 1.1.1 above. | **Main:**  1.Ministry of Interior, Migration Directorate  2.Minister of Justice  3.President of the Republic of Bulgaria  **Supporting:**  1.Council for Citizenship (includes representatives from MoI, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)  2.Ministry of Justice, Bulgarian Citizenship Directorate  3.President’s office, Bulgarian Citizenship Commission |

* 1. Genuine link

|  |  |  |
| --- | --- | --- |
| **Genuine link criterion** | **Procedure** | **Competent authorities and non-public bodies** |
| In principle, there is **no genuine link criterion or requirement** in the investors’ citizenship schemes in Bulgaria.  In both schemes, **command of the Bulgarian language is not required**.  However, all applicants for Bulgarian citizenship by investment are interviewed upon submission of the application (Article 3 of the BCA Implementation Ordinance). The interview is conducted in Bulgarian language under a model questionnaire approved by the Minister of Justice. In case the applicant does not have command of Bulgarian language, an interpreter is appointed. The model questionnaire however is not publicly available. According to information in the press, the interview aims to assess whether the applicant has knowledge in different areas related to public life in Bulgaria, however these is no legal requirement that the applicant has knowledge of public life in Bulgaria. There is no publicly available information about the statistics outcome of the interview or failure of applicants to pass the interview. | An interview is conducted when applying for Bulgarian citizenship. | 1.Council for Citizenship (includes representatives from MoI, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)  2.Ministry of Justice, Bulgarian Citizenship Directorate  3.President’s office, Bulgarian Citizenship Commission |

* 1. Due diligence criteria and security considerations

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| --- | --- | --- | --- |
| **Due diligence and security considerations** | **Procedure** | **Competent authorities and non-public bodies** | **Abuse and ex-post checks** |
| A **clean criminal record certificate** (see Section II.1.1.1 of this Report) and a document showing that the person has no criminal proceedings have to be presented (Article 4, item 3 and 4 of Ordinance No. 1 of 1999 on the application of Chapter Five of the Bulgarian Citizenship Act).  The **Bulgarian Citizenship Directorate** checks whether the application for acquisition of Bulgarian citizenship and the documents attached thereto are in accordance with the applicable law. In case of irregularities, the Bulgarian Citizenship Directorate and the **Bulgarian Citizenship Commission** have the authority to request that the facts and circumstances are clarified and the established irregularities are corrected.  The **Council for Citizenship** gives an **opinion** on citizenship requests, following a written statement by the Ministry of the Interior and the State Agency for National Security, which carries out checks within the scope of its competence (Article 33, paragraph 3 of the BCA) on all applicants for Bulgarian citizenship, including those applying through investors’ schemes, such as police intelligence or police record databases.[[47]](#footnote-47) There is no publicly available information on which information systems are being checked.  The **Migration Directorate** at the Ministry of Interior and the State Agency for National Security (“**SANS**”), according to their competence and on the basis of operational judgment, carry out criminal and security **checks in the databases** to which they have access.  There is **no publicly available information about the exact information databases which they are checking**. The internal regulations stipulating which specific databases should be checked are classified. The competences of SANS include counter-terrorism, counter-intelligence, countering organised crime and corruption. [[48]](#footnote-48)  In the procedure for obtaining permanent residence, for the preparation of a document establishing the relevant circumstances under Article 25, paragraph 1, item 6 and 7 of the FNA, the foreign national submits a **request to the Invest Bulgaria Agency to which he applies a declaration of the origin of the funds under the** **Law on Measures against Money Laundering** (Article 39, paragraph 6 of the Regulations for the Application of the FNA). In each application procedure the investors provide such declarations. They provide a declaration for the additional investment under Article 14a as well. The Citizenship Directorate and the Commission check whether those documents are valid, and the Law on Measures against Money Laundering[[49]](#footnote-49) applies as described in the following paragraph.  Once financial assets are transferred into Bulgarian financial institutions, the investment becomes subject to the general provisions for due diligence covered under the Law on Measures against Money Laundering. All financial operations and procedures (investments and transfers included) over BGN 30 000 (EUR 15 000) under Article 3 (2), (3), and over BGN 10 000 (EUR 5 000) under Article 3 (2) items 1-4, 9-11, 13, 28, 32 are under obligation to be carried out by an identified client with a valid bank account. Additionally, **SANS Financial Intelligence Directorate makes additional check**s on all cash payments of over BGN 30 000 (EUR 15 000), as stipulated in the Rules of Procedure for Implementing the Law for SANS. | The checks are carried out in the process of drafting an opinion from the Council for Citizenship.  The person is required to not have been convicted, regardless of the type of crime. | 1.Ministry of Interior, Migration Directorate  2.Minister of Justice  3. SANS | If data of irregularities are obtained, **naturalization may be revoked**, or the person may be deprived of Bulgarian citizenship.  According to Article 22 of the BCA, naturalization, on the basis of which Bulgarian citizenship has been acquired, may be revoked if the person:   1. has provided data or facts that have become grounds for acquiring Bulgarian citizenship, for which it has been established by law that they are untrue and/or 2. has concealed data or facts which, if known, would be grounds for refusing to grant Bulgarian citizenship, and/or 3. has not maintained the investments, which have become grounds for acquiring Bulgarian citizenship, for at least two years from the date of naturalization - in the cases under Article 14a, paragraph 1.   The abolition of naturalization is admissible only until the expiration of ten years from the acquisition of the Bulgarian citizenship unless the data and the facts under items 1 and 2 refer to the person's participation in terrorism and provided that the person does not remain stateless.  The abolition of the naturalization of one spouse does not invalidate the naturalization of the other spouse and the children unless they have received Bulgarian citizenship on the basis of the same false or concealed data or facts (Article 23 of the BCA).  According to Article 24 of the BCA, a person who has acquired Bulgarian citizenship by naturalization, **may be deprived** of it if a conviction against them of a serious criminal offence against the Republic enters into force, provided that they are abroad and do not remain stateless.  Deprivation of the citizenship of one spouse does not change the citizenship of the other spouse and the children. |

1. Economic and financial efficiency of awarding citizenship to foreign investors

An interview with the Head of Investment Promotion and Investment Projects Department at the Economic Promotion Policies Directorate of the Ministry of Economy[[50]](#footnote-50) revealed that the **Ministry of Economy has no information on how many of the certificates issued for investment applications for Bulgarian citizenship are successful**. The statistics, which are published annually in a report on the activities of the Bulgarian Citizenship and Bulgarians Abroad Committee at the Presidency of the Republic of Bulgaria, are common to the acquisition of citizenship by naturalization and **there are no statistics only on citizenship by investment**. However, the report for 2018 is not available yet. Further, there is **no publicly available analysis made by the Ministry of Economy on the cost-effectiveness of investments made in order to obtain citizenship**.

In respect of the Fast-Track Investors’ Citizenship Scheme, the number of successful applications for 2017 was 12. No information about the particular cases is made public. The requested data was not provided after sending out an official letter of request to the competent authorities.

In general, according to publications in the press, the economic and financial efficiency of the citizenship investors’ schemes is not high, because of the slow administrative procedures.

1. OTHER COMMENTS

In general, the investors’ citizenship schemes have been criticized for being **slow** and with a lot of **administrative burden**.

In terms of timing, for most steps in the schemes the applicable law provides deadlines, however for such steps no particular deadline is set forth by the law. In particular, the Bulgarian Citizenship Act sets deadlines for the Ministry of Interior and State Agency for National Security (SANS) to give their views on the applications, as well as the time limit for the Minister of Justice to make a proposal to the President. However, regarding the deadline for issuing a decree, there is no time limit set forth by the law. In addition, the Presidency has a Bulgarian Citizenship Commission, which is an advisory body. In the course of the Commission's work, after submitting the proposals, each of them is reviewed and, if necessary, additional data are gathered. The Commission can further send inquiries into competent authorities. This, in practice, to a certain extent repeats the work of the Citizenship Council.

Another element from the schemes is that **judicial review is not available**. Both the opinion of the Minister of Justice and the President's decree on granting citizenship, or refusal to grant such, are not subject to appeal. Thus, in practice, there is no mechanism for judicial review of the procedure. Those whose application is denied do not get official reasoning, as the information that the SANS and Migration Directorate checks might be from a confidential database.

In terms of recent developments, recently **amendments to** the BCA Implementation Ordinance have been adopted, and they will enter into effect as of **1 July 2018**. The amendments to the Ordinance aim at relieving the administrative burden by **reducing the required documents** from the applicants in the schemes and introducing the official collection of documents and **optimizing the timing**.[[51]](#footnote-51) In particular, the requirement for the applicants to provide a certificate issued by the Ministry of the Interior for an authorized permanent residence in the Republic of Bulgaria and a document certifying the payment of the compulsory social security contributions is waived. This information will be provided by the respective governmental authority *ex officio*.[[52]](#footnote-52)

As a final comment, it could be concluded that the Bulgarian authorities are working towards making the investors’ citizenship schemes more efficient in terms of timing and administrative burden.

**PART II: INVESTORS’ RESIDENCE SCHEMES IN BULGARIA**

1. **GENERAL BACKGROUND**

* ***Legal background***

The Foreign Nationals Act of the Republic of Bulgaria (FNA)[[53]](#footnote-53) provides for three types of residence permits for third-country nationals:[[54]](#footnote-54)

* **Extended residence permit** – with a term of validity of **up to one year[[55]](#footnote-55)**
* Long-term residence permit – for initial period of five years and option for renewal
* **Permanent residence permit** – for an **indefinite period of time**,

This Report examines the separate procedures for obtaining an extended residence permit and a permanent residence permit as they are the only options concerning third-country investors.

**The prerequisite for an application for an extended residence or permanent residence permit** is that the third-country investor holds a **long-stay visa** under Article 15 of the Foreign Nationals Act. The procedure to apply and obtain this visa is explained in Section II.1 of this Report.

Therefore, for the initial request for a residence permit (whether extended or permanent), the third-country national is required to follow the procedure of either:

* gets long-stay visa => receives an extended residence permit, or
* gets long-stay visa => receives a permanent residence permit.

This long-stay visa is **not necessary** when a third-country national has already received an **extended residence permit** and wants to apply for a **renewal** of the extended residence permit or for a permanent residence permit.

**If a third-country national who can and has entered the country for up to 90 days without a visa based on the Council Regulation (EC) No 539/2001 (short-stay visa)[[56]](#footnote-56)** wishes to apply for residence under the investors’ residence schemes, **they must exit the country**, **apply for a long-stay visa** and then submit their application for either type of residence permits (extended residence or permanent residence) that fall under these schemes.

The **extended residence permit** is stipulated in Article 24 of the Foreign Nationals Act of the Republic of Bulgaria, and in 2013 the law was amended, giving third-country nationals the possibility to obtain the permit in exchange for an investment in economically disadvantaged regions or property investment.

The **permanent residence permit** is stipulated in Article 25 of the Foreign Nationals Act of the Republic of Bulgaria. This permit was **first introduced for foreign investors in 2005** allowing only foreigners who invested in the country over $ 500,000 (**EUR 420 000** or BGN 840 000) the possibility to obtain a permanent residence permit under the statutory order of Article 25, paragraph 1, item 6 (described in Table 1). In **200**9, the law was **amended**, giving more options to investors as well as several financial thresholds (described in Section II.2 of this Report).

There is no public information available as to what prompted these amendments. There was no public debate at the time when the legal changes were adopted as these changes were proposed by members of parliament in-between the first and second reading at Parliament which negates the possibility for public discussions.[[57]](#footnote-57) The most probable reasons for the introduction of these changes are attracting potential investors and promoting economic activity in economically disadvantaged regions.

The procedure is detailed in the Foreign Nationals Act and in the Rules of Implementation of the Foreign Nationals Act (Rules of Implementation).[[58]](#footnote-58) The Rules of Implementation also include information regarding the necessary documentation which the third-country national must present, as well as the legal deadlines for consideration of applications.

* ***Competent authorities***

The main **competent authority** in the procedures under Articles 24 (extended residence permit) and 25 (permanent residence permit) of the Foreign Nationals Act is the **Ministry of Interior**. In the procedure for **extended residence** the **Directors of the regional directorates of the Ministry of Interior** or the officials empowered by them **and** the **Director of Migration Directorate** examine the application documents of the third-country national for granting a right of residence upon receipt of a written statement from the State Agency for National Security providing the Agency’s opinion on the application. In the procedure for **permanent residence** the Directors of the regional directorates of the Ministry of Interior forward the documents of the third-country national to the **Director of Migration Directorate**, who examines them upon receipt of a written statement from the State Agency for National Security providing the Agency’s opinion on the application.

There are **no non-public bodies officially involved** in this procedure. Applicants may choose to employ consultants or lawyers to offer council during the preparation of the documents, but those are not part of the procedure.

1. **PROCEDURES, COMPETENT AUTHORITIES AND APPLICABLE CRITERIA**
2. Application Phase
   1. **Procedures**

* ***Who can apply for residence***

Any third-country national who makes an investment in the amounts and conditions described below in this Section may apply for an extended residence permit[[59]](#footnote-59) or a permanent residence permit[[60]](#footnote-60), depending on the investment made.

* ***Procedure and condition(s) for granting residence to investors***

***Application for a long-stay visa***

Before entering Bulgaria and applying for residence (whether extended residence or permanent residence) under the investors’ scheme, foreign investors must first obtain a long-stay visa.[[61]](#footnote-61)

The **application** for the long-stay visa is submitted to the **diplomatic and consular representations** **of the Republic of Bulgaria** in the applicant's country of permanent residence. Persons residing lawfully in a third country other than their country of permanent residence may, exceptionally, apply in that third country after justification of the reasons and if their return to their country of permanent residence is guaranteed. In **examining the application**, the diplomatic and consular representations may ask the applicant to a **personal interview** to clarify or provide any additional information that is necessary for completing the application[[62]](#footnote-62) and may also **coordinate with commercial intermediaries[[63]](#footnote-63)** for the same purposes.[[64]](#footnote-64)

The application must be submitted not earlier than **three months before the date of the intended travel**[[65]](#footnote-65), **personally or through an authorized agent**.[[66]](#footnote-66)

When applying for a long-stay visa, the applicant shall submit **in person** the following documentation:[[67]](#footnote-67)

* + **Application** for a long-stay visa;[[68]](#footnote-68)
  + Regular **travel document (passport)** which has more than two empty pages left, has been issued in the last 10 years and its expiration date is at least three months after the time of departure from the territory of the Republic of Bulgaria;
  + Copies of the pages of the travel document with personal data and visas and/or photocopies of the residence permits held
  + Current **colour photo** - passport format;
  + Documents justifying the application for a long-stay visa[[69]](#footnote-69) in accordance with the Foreign Nationals Act and the Rules of Implementation of the Foreign Nationals Act. In this case, the application for a long-stay visa is justified as the applicant intends to access the Bulgarian investors’ residence schemes. The documents herein referred to will be those providing information about the respective type of investment and proving the investment. Such documents are provided below in this Section.
  + Documents proving the possession of **funds for subsistence and accommodation** - originals and copies thereof.

The legislation does not set the time-frame within which the competent authority must examine the application and issue a decision. The application will be refused when the legal requirements are not met;[[70]](#footnote-70) and, if granted, a long-stay visa will be issued.[[71]](#footnote-71)

After the foreign investor has obtained a long-stay visa, s/he may apply for a residence permit, whether it is for extended residence (Article 24 FNA) or for permanent residence (Article 25 FNA).

***Application for a residence permit***

To apply for a residence permit (whether extended residence or permanent residence) the foreign investor must present **in person[[72]](#footnote-72)** a number of general documents, as well as specific documents depending on the type of permit applied for.

***General documents (both for extended and permanent residence)***

**Along with the application** for a residence permit (whether extended residence or permanent residence) the third-country investor must submit the following **documents**:

* A copy of a **regular passport** (or of an equivalent document);[[73]](#footnote-73) the original must also be presented at the time of filing the application in order to confirm the authenticity of the copy.
* **Visa** on the basis of which they have entered the Bulgarian territory (in this case, a long-stay visa).
* Evidence that the applicant has secured an **accommodation** for the whole duration of the intended stay (e.g. documents of ownership or lease). [[74]](#footnote-74).
* Evidence for **regular, stable, foreseeable and sufficient means of subsistence** without resorting to the social assistance system, not less than the minimum monthly salary or the minimum pension for the country (e.g. a bank statement would suffice) [[75]](#footnote-75)
* A **clean criminal record certificate** issued by the state of which the third-country national is a national or of the country of his/her habitual residence at the time of the initial filing of the application.

***Specific documents***

However, for each option under Articles 24 (extended residence permit) and 25 (permanent residence permit), additional documents must be provided. Furthermore, under each of these procedures different routes to apply for a residence permit (whether extended or permanent) exist, each with specific conditions, depending on the type (amount and conditions) of the investment that the third-country investor wants to make. These routes are:

* A third-country investor may apply for **extended residence** through the fulfilment of the conditions of Article 24, paragraph 1:
  1. Item 19; or
  2. Item 20
* A third-country investor may apply for **permanent residence** through the fulfilment of the conditions of Article 25, paragraph 1:
  1. Item 6, or
  2. Item 7, or
  3. Item 8, or
  4. Item 13, or
  5. Item 16

The table below provides an overview of the different legal routes to obtain the different types of permit (extended residence or permanent residence permit), the type and amount of investment and the additional documents that must be provided in each route.

**Table 1 Documents accompanying the application of a residence permit per type of permit**

| **Type of permit** | **Route (legal basis)** | **Type of investment** | **Amount of the investment** | **Additional documents** |
| --- | --- | --- | --- | --- |
| **Extended residence permit (Art. 24, par. 1 FNA)[[76]](#footnote-76)** | **Item 19:** the investor makes the investment:  a) directly; or  b) through a company in which s/he owns more than 50% of the capital | Investment in **real estate** | EUR 300,000   * paid in full at the date of submission of the application to a licensed Bulgarian credit institution * if used borrowed funds: outstanding part of the loan must not exceed 25 per cent | For both cases (the investor makes the investment directly or through a company)   * **Certificate** from a licensed Bulgarian **credit institution** proving that the total amount for the **investment** has been paid * When using **borrowed funds** - a **credit institution's certificate** for an **outstanding part of the loan** of not more than **25 per cent**; and * **Document certifying ownership of real estate** |
| When the **investor makes the investment through a company**, additionally the following documents have to be presented:   * **Registration number** of the company * **Statement of the costs** of the commercial company for the acquisition of real estate * **Inventory book or depreciation plan** proving the acquisition of long-term tangible assets or any other document certifying the value and type the real estate acquired |
| **Item 20:** the investor is a partner or shareholder and owns 50% of the company’s capital | Investment in a **company that operates in economically disadvantaged region[[77]](#footnote-77)** in which **at least five job positions for Bulgarian citizens have been created and will be maintained for the duration of the intended stay (6 to 12 months).** | EUR 125, 000 (acquisition of tangible and intangible assets) | * **Proof of acquisition** of new tangible and intangible fixed assets worth no less than the investment amount * **Proof of creation of 5 job positions** for Bulgarian citizens (certificate of the Ministry of Economy to be provided *ex oficio* to Migration Directorate) |
| **Permanent residence permit (Art. 25, par.1 FNA)** | **Item 6** | 1. **Shares** of Bulgarian commercial companies **traded** on a Bulgarian regulated market | EUR 500, 000 | * An original of a **valid contract** to execute transactions in financial instruments, and * a certificate or statement of holdings of securities (**portfolio**) for all investments |
| 1. **Bonds and treasury bills** as well as derivative instruments issued by the State or by municipalities with a residual maturity of no less than six months | EUR 500, 000 | * A **certificate** issued by the respective sub-custodian bank, for the government securities acquired by the third-country national and by a custodian bank for acquired municipal bonds, and * a **certificate** from the relevant credit institution for the transaction for the purchase of government securities or a confirmation of the transaction issued by the credit institution |
| 1. Investment in **a Bulgarian commercial company** **owned** in more than 50% of the capital **by the State or by a municipal participation** under the Privatization and Post-Privatization Control Act | EUR 500, 000 | A **certificate** from the Privatization and Post-Privatization Agency[[78]](#footnote-78) or the relevant municipal administration proving the investment in the company |
| 1. **Units or shares owned by the State or municipalities** in a Bulgarian commercial company under the Privatization and Post-Privatization Control Act | EUR 500, 000 | A **certificate** from the Privatization and Post-Privatization Agency or the relevant municipal administration proving the acquisition of units or shares |
| 1. Investment in **Bulgarian Intellectual Property** for the total value of the investment- objects of copyright and related rights, patent-protected inventions, utility models, trademarks, service marks and industrial design worth the same amount | EUR 500, 000 | A **certificate** from the Ministry of Culture or a certificate issued by the Patent Office of the existence of the relevant circumstance and an evaluation of the objects of intellectual property, issued by an independent assessor under the Independent Assessors Act[[79]](#footnote-79) |
| 1. **Acquisition of rights under concession contracts** on the territory of the Republic of Bulgaria | EUR 500, 000 | А **certificate** from the grantor, determined according to Art. 17 of the Concessions Act |
| **Item 7** | Investment in a licensed credit institution in Bulgaria under a **trustee agreement** for a 5-year period and not used to secure other monetary credits of other credit institutions in Bulgaria | EUR 500,000 | * The **original** of the **trustee agreement** with the concerned Bulgarian credit institution; or a **certificate** from such credit institution (proving the agreement) (a copy is made on the spot by the receiver of the documents) or a certificate of the existence of the trustee agreement from the respective licensed credit institution * **Notary-certified statement** proving that the investment is or will not be used to secure other monetary credits * **Consent** of the investor to credit institutions to notify the Bulgarian Investment Agency on information about the trustee agreement |
| **Item 8** | Investment in the capital of a **Bulgarian company whose shares are not traded on a regulated market** | At least EUR 3 million | **Bank certificate** proving that the amount has been invested in a company upon its establishment or to increase the capital of an already existing company |
| **Item 13** | **investment in a Bulgarian commercial company,** which has been awarded a **Class A, Class B, [[80]](#footnote-80) or a priority investment project** | The amount of the investment depends on the type of company | **Certificate from Ministry of Economy** as verification of the investment is provided to Migration Directorate ex officio. |
| **Item 16** | Investment in an **existing Bulgarian commercial company** in which the investor is a partner or shareholder with registered shares and in which s/he holds no less than 50% of the company’s capital | At least EUR 250,000 | **Certificate from Ministry of Economy** as verification of the investment is provided to Migration Directorate ex officio. |

* ***Period to decide on the application***

The **official legal deadline** for examining the applications depends on the type of residence permit applied for:

* If the permit requested is for e**xtended residence**, the period to examine the application is of **14 days following the submission** of the application; and
* If the permit requested is for **permanent residence**, the period to examine the application is of **two months following the submission** of the application.

In the case of **legal and factual complexity** and necessity of submitting **additional documents**, the periods abovementioned may be **extended** prior notification to the third-country national in writing. These periods may be extended by one month in cases of extended residence permits and two additional months in the case of applications for permanent residence. During these extended periods, the third-country applicant **may remain in the country**. If need be, the document that the third-country national may need to justify his/her permanence in the Bulgarian territory is the **letter notifying him/her of the extension of the period to examine the application.**

* ***Applicable administrative fee***

For each of the listed procedures under Articles 24 and 25 of the Foreign Nationals Act (extended and permanent residence permits, respectively) the third-country national must pay an **administrative fee** in the amount of **EUR 5** (BGN 10) prior to filing the application. The receipt showing that this amount has been paid must be submitted with the application. Additionally, they are obligated to pay another fee upon receiving the residence permit which covers the cost for issuing the respective permit. Table 3 below shows an overview of such costs.

**Table 3 Cost for the issuance of the corresponding residence permits**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of permit** | **Extended residence permit**  **(Article 24, paragraph 1, items 19 and 20)** | | **Permanent residence permit**  **Article 25, paragraph 1, items 6, 7, 8, 13 and 16** |
| **Duration of the permit** | For duration of the permit of **up to** **6 months** | For duration of the permit of **up to** **12 months** | N/A |
| **Fee amount for the issuance of the permit** | **EUR 100** (BGN 200) | **EUR 250** (BGN 500) | **EUR 500** (BGN 1 000) |

* ***Reasons for turning down the applications***

Reasons for refusal of issuing a residence permit or renewal[[81]](#footnote-81) of a residence permit, regardless of the type (and, thus, including the extended residence and permanent residence permits for investors) are stipulated in **Article 26** of the Foreign Nationals Act. Residence is refused to a third-country national who:

* by his/her actions s/he has or may **endanger the international relations, the security or the interests of the Bulgarian state** or for whom there is evidence that s/he is acting against the national security;
* there is evidence that s/he is acting, instigated, involved in the preparation, assistance or training of a **terrorist activity**, or that the purpose of his/her entry is to use the country as a transit point to a third State in whose territory s/he is to carry out such acts;
* his/her actions have **discredited the Bulgarian state** or has derogated the prestige and dignity of the Bulgarian nation and his/her entry into the country could **harm relations of Bulgaria with another State**;
* there is evidence that s/he is a **member of a criminal group or organization** or that /she is or is about to commit smuggling and illicit trafficking in weapons, explosives, ammunition, pyrotechnic articles, strategic raw materials, dual-use items and technologies and illicit trafficking in narcotics and psychotropic substances and precursors and raw materials for their manufacture;
* there is evidence that the third-country national is **involved in cases of trafficking in human beings** and illegal entry into the country and removal of persons to other countries
* has been **convicted of a committed intentional crime on the territory of** the Republic of **Bulgaria**, which under Bulgarian law is punished by not less than **one year of imprisonment**;
* has attempted to enter or transit through the country by **using false or altered documents**, a visa or a residence permit;
* may be suspected of **spreading a serious contagious disease**, suffers from a disease which, under the criteria of the Ministry of Health or the World Health Organization, poses a public health threat or does not hold a vaccination certificate or comes from an area with a complicated epidemic and epizootic environment;
* does not have secured **subsistence** and the **necessary compulsory health insurance** during his / her stay in the country and the means for his/her return;
* there is evidence that **in the last two years s/he has violated the border, passport, visa, currency or customs regime** of the Republic of Bulgaria
* has previously **violated the labour or tax laws** of the country;
* is included in the list of third-country nationals who are unwanted in the country;
* applies with an **irregular passport** or travel document;
* is a person for whom an **alert has been issued in the Schengen Information System** for refusal of entry;
* has previously **systematically committed public order violations** upon a previous residence in the country;
* there is evidence that the **purpose of entry** is **to reside in the country illegally**;
* there is evidence that the **purpose of entry** is to use the country as a **transit point for migration to a third country**;
* has submitted a **document of false content** or has declared false data;

The refusal to issue a residence permit or the extension or renewal of the residence permit is motivated, communicated to the persons concerned and may be contested under the procedure of the Administrative Procedure Code.

* 1. **Competent authorities AND NON-PUBLIC BODIES**

According to Article 57 of the Rules of Implementation of the Foreign Nationals Act, the **Directors of the regional directorates of the Ministry of Interior** or the officials empowered by them are responsible for receiving the application for both the extended and permanent residence permits. The **State Agency for National Security** must also produce a **statement** reflecting its **opinion** before the corresponding permit is granted.

Regarding the **competent authority to examine the residence application and the accompanying documents**, this varies depending on the type of residence requested:

* 1. In the case of **extended residence**, the competent authorities are both the Directors of the regional directorates of the Ministry of Interior (or the officials empowered by them) and the **Director of Migration Directorate**.
  2. In the procedure for **permanent residence**, the Directors of the regional directorates of the Ministry of Interior forward the documents of the third-country national to the **Director of Migration Directorate**, who then examines them.

**No non-public bodies** officially take part in this procedure. Consultants or lawyers who offer council during the preparation of the documents could be hired by the applicant,

* 1. **Monitoring of the proceedings and the authorities involved**

There is **no cap** on the number of applications for the schemes (both the extended and the permanent residence).

The **Migration Directorate** is the body which grants the permits and keeps all statistics. However, there is no obligation under the Bulgarian legislation for the Directorate to produce any reports on the matter. According to Article 39 of the Regulation for the Implementation of the Foreign Nationals Act, **the Migration Directorate must** only **notify the Bulgarian Investment Agency about the permanent residence permits issued under Article 25**, paragraph 1, item 6 and 7 of the Foreign Nationals Act. There is no equivalent obligation for extended residence permits or the other items of Article 25. No reports are published and none of this information is made public by the Bulgarian Investment Agency. The Agency monitors whether the investment made is of a sufficient amount and whether it is maintained throughout the legal periods that the law requires.

The fact that the Migration Directorate must keep statistics and inform the Bulgarian Investment Agency is independent from other institutions, which are not involved in monitoring the granted permits and keeping the corresponding statistics. [[82]](#footnote-82)

Furthermore, the information on the numbers of successful applications is considered ‘public’ information and can be accessed on the grounds of Article 28, paragraph 2 of the Access to Public Information Act[[83]](#footnote-83).

* 1. **Information on applications**

There is **no obligation to disclose information about successful applicants**. However, such information can be obtained through an official request for information under the Access to Public Information Act. The Director of the Migration Directorate then decides whether to grant access or not. All statistical information containing the name of the successful applicants is protected under the same Act. After sending a formal enquiry to the Migration Directorate (of the Ministry of Interior), they provided data for the number of residence permits issued under Articles 24 and 25 of the Foreign Nationals Act and the specific items which concern investors[[84]](#footnote-84). Therefore, the number of successful applicants in the reporting period (2012-2017) for permanent residence permits is reflected in Table below:

**Table 4 Statistics on applications by investors**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **Total no. of requests for residence** | **No. of requests for residence by investors** | **No. of successful applications** | **No. of turned down applications** | **Sources** |
| 2012 | *27 606* | *-* | *103* | *-* | *Migration Directorate* |
| 2013 | *29 352* | *-* | *98* | *-* | *Migration Directorate* |
| 2014 | *32 912* | *-* | *107* | *-* | *Migration Directorate* |
| 2015 | *36 243* | *-* | *117* | *-* | *Migration Directorate* |
| 2016 | *39 750* | *-* | *143* | *-* | *Migration Directorate* |
| 2017 | *40 155* | *-* | *164* | *-* | *Migration Directorate* |

* 1. **Information on applications by family Members**

Family members of a third-country national who has been issued an extended or a permanent residence permit can obtain an **extended residence permit** under Article 24, paragraph 1, item 13 FNA.

The FNA **defines** the term ‘family members’ under Article 2, paragraph 3 as the persons who live with the third-country national in one household and are their:

* 1. spouse;
  2. children or children of their spouse, including the adopted, who have not reached the age of 18 and have not been married;
  3. children, including the adopted ones, who have not reached the age of 18 and have not been married for whom the third-country national holds the parental rights and the children are dependent on them;
  4. children, including those adopted, of the spouse who have not reached the age of 18 and are not married when he or she has custody and the children are dependent on him/her.

Under Article 2, paragraph 4, children of the third-country national or their spouse who are over 18 years old and have not been married are also considered family members when they are under the care of the third-country national due to serious health issues or if they are objectively unable to provide their own support for such reasons.

The **procedure for** the **application** for an extended residence permit under Article 24, paragraph 1, item 13 (third-country nationals family members) is **the same as that for investors**,[[85]](#footnote-85) but instead of certificates for investment, they must provide a **Certificate for Family Members**, proving their connection to the person holding the permit (i.e. the investor). Family members must also apply for and be granted a long-stay visa before they can apply for extended residence.

There is no indication in the law whether the application for residence from family members ought to be sent together with the application of the investor but considering that under Article 24 the investor already holding a residence permit is a prerequisite, it is construed that the application by family members must be sent after the one by the investor.

The **competent authority** is again the Migration Directorate, and the **period for processing** the application is 14 work days since the submission of the application.

If the **investor’s residence permit is withdrawn** for the reasons set in the law and the family member’s permit is issued under Article 24, then family members lose their reason for holding a permit which is then withdrawn as well.

There is **no need for an additional investment** for family members. Only an administrative fee of EUR 75 (BGN 150) must be paid.

Aside from the procedure under Article 24, family members of the investor, as any other third-country national, can obtain all types of visas and residence permits so long as they qualify for those, but this is independent from the fact that an investor has been granted such permit.

The Table below shows the number of successful applications for extended residence permits for family members (not limited to, but including investors-related extended residence permits for family members)[[86]](#footnote-86).

**Table 5 Statistics on applications by family members**

|  |  |  |
| --- | --- | --- |
| **Year** | **Number/Percentage of successful applications for residence permits for family members** | **Source** |
| 2012 | 1589 | Migration Directorate |
| 2013 | 2222 | Migration Directorate |
| 2014 | 2744 | Migration Directorate |
| 2015 | 3301 | Migration Directorate |
| 2016 | 3515 | Migration Directorate |
| 2017 | 4119 | Migration Directorate |

1. **Type of investment[[87]](#footnote-87)**

| **Type of investment required** | **Applicability of financial threshold** | **Procedure to verify the fulfilment of the investment criterion**  ***(applicable to all types of investment in Column I)*** | **Competent authorities and non-public bodies**  ***(applicable to all types of investment in Column I)*** |
| --- | --- | --- | --- |
| **Article 24, paragraph 1, item 19 –** **investment in real estate** whether directly by the investor or through a Bulgarian commercial company in which the investor owns more than 50% of the capital and in which the investor has made an investment for the amount indicated in the next column | **EUR 300 000** (BGN 600 000) | In the **procedure for obtaining a right of residence** (**whether extended or permanent**), the **proof** of the investment is submitted **alongside the application**. The specific documents, depending on the type of investment made, have been presented in Section II.1 of this Report. Such evidence could be a contract for transactions with financial instruments; verification document or statement of held securities; a certificate from the Ministry of Culture or a certificate issued by the Patent Office of the existence of the relevant circumstance and evaluation of the objects of intellectual property, issued by an independent assessor under the Independent Assessors Act;[[88]](#footnote-88) contract with a licensed credit institution for a trustee agreement; a certificate from the Ministry of Economy.  In the **cases under Article 25, paragraph 1, items 8, 13 and 16**, third-country nationals with the right of residence must declare to the **Migration Directorate** any **change** in the investment made, leading to its **termination or transfer or reduction** of its amount (Articles 39, 39a and 44 of the Regulations for the Application of the Foreign Nationals Act).  According to Article 40 paragraph 1 of the Foreign Nationals Act, **the right of residence is withdrawn** when the grounds for the investment under Article 25, paragraph 1, items 6, 7, 8, 13, 16 (**permanent residence permit**) are no longer present.  **The Bulgarian Investment Agency must notify the Migration Directorate about any change in the circumstances leading to the non-fulfilment of the requirements for issuing the permit**, including the investment made, which is a **reason for withdrawing the right of residence**, at the moment when they became known to the Agency.  **The Ministry of Economy notifies the Migration Directorate of any change in the circumstances of the issued certificate[[89]](#footnote-89)**:   * **verification** of the entered circumstances and the announced acts in the **commercial register**; * **verification of reports provided by the companies** in the Ministry of Economy in connection with the implementation of contracts for granting of incentives under the Investment Promotion Act; * **verification of the information provided by the companies to the Bulgarian Investment Agency** (Article 44 of the Regulation for Implementation of the Foreign Nationals Act in the Republic of Bulgaria).   If any of the above circumstances changes leading to the non-fulfilment of the requirements for issuance of the certificate, this could constitute a ground of withdrawal of the granted right of residence.  In the **procedure for obtaining a permanent residence**, for the preparation of a document establishing the relevant circumstances **under Article 25, paragraph 1, item 6 and 7** of the Foreign Nationals Act, the third-country national submits a **request to the Bulgarian Investment Agency** to certify the lawful origin of the funds under the Law on Measures against Money Laundering[[90]](#footnote-90) (Article 39, paragraph 6 of the Regulations for the Application of the Foreign Nationals Act).    Third-country nationals who have been granted right of residence must **submit annual declarations** confirming that the circumstances concerning each type of investment (nature, type and conditions of the investment) continue to concur, accompanied by the relevant supporting documents accompanying the application (see Table 1 Section II.1.1).  According to Article 28 of the Investment Promotion Act, the **monitoring of investment projects, which have received a certificate of Class A and B** **(Article 25, paragraph 1, item 13)**, must be carried out by the **Minister of Economy** or a person authorized by him from the administration. In order to certify the investments made, the investor must provide interim and annual financial statements, accompanied by a description of the assets for the main economic activity and their value for each year of their stay. | 1. Ministry of Interior (Migration Directorate) checks whether all necessary documents are submitted 2. Ministry of Economy issues certificate for the investment 3. Ministry of Culture certifies intellectual property 4. Patent Office certifies the patents 5. Bulgarian Investment Agency certifies whether investments are classified under Class A, Class B or as a priority investment project |
| **Article 24, paragraph 1, item 20 –investment in the capital of a Bulgarian trading company** that operates in economically disadvantaged regions | **EUR 125 000** (BGN 250,000) |
| **Article 25, paragraph 1, item 6a - Shares of Bulgarian commercial companies** traded on a Bulgarian regulated market | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 6b - Bonds and treasury bills** as well as derivative instruments issued by the State or by municipalities with a residual maturity of no less than six months | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 6c - Ownership of a separate part of the property of a Bulgarian commercial company** in which more than 50 per cent of the capital is owned by the State or municipal participation as set by the Privatization and Post-Privatization Control Act[[91]](#footnote-91); | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 6d - Units or shares owned by the State or municipalities** in a Bulgarian commercial company under the Privatization and Post-Privatization Control Act | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 6e – investment in Bulgarian Intellectual Property** - objects of copyright and related rights, patent-protected inventions, utility models, trademarks, service marks and industrial design; | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 6f –acquisition of rights under concession contracts** on the territory of the Republic of Bulgaria; | **EUR 500 000** (BGN 1,000,000) |
| **Article 25, paragraph 1, item 7 - Investment in a licensed credit institution in Bulgaria under a trustee agreement** with a term of no less than five years and assurance that, for the same period, the deposit is not used for securing other monetary credits from a credit institution in Bulgaria | **EUR 500 000**  (BGN 1 000 000) |
| **Article 25, paragraph 1, item 8 - Investment in the capital of a Bulgarian trading company** whose **shares are not traded** on a regulated market | **EUR 3 000 000**  (BGN 6 000 000) |
| **Article 25, paragraph 1, item 13 - Investment in a Bulgarian commercial company**, which has been awarded a Class A, Class B,[[92]](#footnote-92) or a priority investment project | The minimum amount can be anywhere from   * Manufacturing: EUR 5 000 000 (BGN 10 000 000) for Class A, and EUR 2 500 000 (BGN 5 000 000) for Class B; * Service sector: EUR 1 500 000 (BGN 3 000 000) for Class A, and EUR 750 000 (BGN 1 500 000) for Class B * When the investment is made in municipalities with unemployment rates higher than the national average: EUR 2 000 000 (BGN 4 000 000) for Class A, and EUR 1 000 000 (BGN 2 000 000) for Class B; * Hi-tech industrial sector: EUR 2 000 000 (BGN 4 000 000) for Class A, and EUR 1 000 000 (BGN 2 000 000) for Class B; * Hi-tech and knowledge-based service sector: EUR 1 000 000 (BGN 2 000 000) for Class A, and EUR 500 000 (BGN 1 000 000) for Class B;   For priority investment projects:   * Common threshold: EUR 50 000 000 (BGN 100 000 000) * When the investment is made in municipalities with unemployment rates higher than the national average: EUR 25 000 000 (BGN 50 000 000) * Manufacturing: EUR 25 000 000 (BGN 50 000 000) * Hi-tech industrial sector: EUR 15 000 000 (BGN 30 000 000) * Hi-tech and knowledge-based service sector: EUR 10 000 000 (BGN 20 000 000) * For building an industrial area and developing it into and industrial park through attraction of further investment: EUR 7 500 000 (BGN 15 000 000) * For building a science and technology park: EUR 7 500 000 (BGN 15 000 000)[[93]](#footnote-93) |
| **Article 25, paragraph 1, item 16 - Investment by transferring to the capital of a Bulgarian commercial company no less than BGN 500 000** (EUR 250 000) and the third-country national is a partner or shareholder with registered shares and holding no less than 50 percent of the capital of the company | **EUR 250 000**  (BGN 500 000) |

1. **Residence Phase**

| **Residence permit**  There are two types of residence permits granted under the investment schemes. | **Procedure** | **Competent authorities and non-public bodies** | **Renewal of the residence permit** |
| --- | --- | --- | --- |
| 1. **Extended residence permit**  * For a period of up to 6 months * For a period of up to 12 months   The length of the duration of the permit is usually determined by the term of the lease, insurance, or other conditions that ensure that applicants meet the requirements for their stay in Bulgaria. For instance, since proving that the applicant has secured an accommodation is a requirement to apply for a residence permit, if the lease is granted for six months, then the residence permit will be granted for a period of up to six months. | To apply for a residence permit (whether extended or permanent residence), it is first necessary to obtain a long-stay visa. One of the documents to be submitted together with the **application for a long-stay visa** is proof to have secured an accommodation for the length of the intended stay.[[94]](#footnote-94)  Such proof ((e.g. documents of ownership or lease) has to be **again provided when applying for a residence permit** (whether it is an extended residence or permanent residence).[[95]](#footnote-95).  One of the legal reasons for turning down applications[[96]](#footnote-96) is the submission of false documents. If this affects the proof of accommodation, then the lack of an accommodation would qualify as a reason to turn down the applications.  Since the investor has to hold a prior long-stay visa to apply for residence under the investors’ schemes and the application has to be submitted in person,[[97]](#footnote-97) this would indicate that the investor must be **physically** in Bulgaria when applying for the appropriate residence permit (whether extended or permanent). However, nothing in the legislation requires that the investor be physically present in Bulgaria during the period of validity of the permit. In fact, in analysing investors’ citizenship schemes in Bulgaria the research has shown that such physical presence is not required as regards the permanent residence permit.[[98]](#footnote-98) Formally holding such permit is sufficient to meet the residence criterion. Moreover, this category of persons is expressly excluded from the possibility of having their right of residence withdrawn if they have not settled in the territory of the country within one year of receiving the permit (Article 40, item 5 of the Bulgarian Citizenship Act[[99]](#footnote-99)). The **formal possession of a permit is enough**. | * To examine that the requirement of residence is fulfilled when applying for a **long-stay visa**: the **consulate/diplomatic office** in cooperation with the Migration Directorate * To examine the requirement of residence when applying **for a residence permit** (whether extended or permanent): **Migration Directorate** and the **State Agency for National Security** must also produce a **statement** reflecting its **opinion** before the corresponding permit is granted. | There is an option for extending the duration of the extended residence permit. The third-country national must submit an application for extension **no later than 14 days prior to the date of expiration of the residence permit** s/he holds. The procedure mimics the one described in Section II.1, with the only difference being that the investor does not need a long-stay visa as they are now a holder of a residence permit. There is no new investment requirement for renewal or increase in the investment, however it must be maintained according to the conditions under which the permit was issued in the first place (see Table 1)  The **maximum length of validity** of an extended residence permit is of an additional **12 months**.  There is **no restriction on the total amount of times a third-country national may apply for an extension** of the extended residence permit. |
| 1. **Permanent residence permit**   It is granted for an **unlimited period of time** | Does not apply as the permit is granted for an unlimited period of time. |

1. **Due diligence criteria and security considerations**

| **Due diligence and security considerations** | **Procedure to verify due diligence and security considerations** | **Competent authorities and non-public bodies** | **Ex-post checks** |
| --- | --- | --- | --- |
| **Security checks regarding the background of the applicant** | Upon application, the third-country national is required to submit a **clean criminal record certificate** from the country of which the applicant is a national or their country of habitual residence.  **Background checks** are also run after the application is submitted, but before the application is given for review to the Director of the Migration Directorate.  The **State Agency for National Security** has monitoring powers regarding residence of third-country nationals on the territory of the Republic of Bulgaria, as stipulated in Article 41 on the Law on the State Agency for National Security[[100]](#footnote-100). It gives statements and formulates its opinions based on carrying out **background checks within the scope of its competence** on all applications including those utilising the Investors’ schemes, in the databases to which it has access such as police intelligence or police record databases. There is no publicly available information on which information systems are being checked. [[101]](#footnote-101)  The **failure of the applicant to prove a clean criminal record and to fulfil the security requirements** are among the criteria for **turning down** the residence applications.[[102]](#footnote-102) | Migration Directorate and State Agency for National Security (SANS) | The administrative control services within the Migration Directorate carry out a **mandatory ex-post check** to certify the fulfilment of the criteria for obtaining residence permits.  According to Article 40, paragraph 1, item 1 of the Foreign Nationals Act, **the right of permanent residence is withdrawn** when the grounds under Article 25, paragraph 1, items 6, 7, 8, 13 and 16 are no longer valid as well as when the investment made is terminated or transferred to another person before the expiry of the statutory term, irrespective of the grounds for termination or transfer. These cases under Article 40 of the Foreign Nationals Act are monitored via the procedure to verify the fulfilment of the investment criteria (described in Section II.2. Type of Investment – Column III).  There is **no public information** on **cases** where a misuse, associated with **corruption and fraud** has been reported |
| **Due diligence checks on the origin of the funds used for the investment** | In the **procedure for obtaining a permanent residence**, for the preparation of a document establishing the relevant circumstances **under Article 25, paragraph 1, item 6 and 7** of the Foreign Nationals Act, the third-country national submits a **request to the Bulgarian Investment Agency** regarding the origin of the funds under the Law on Measures against Money Laundering[[103]](#footnote-103) (Article 39, paragraph 6 of the Regulations for the Application of the Foreign Nationals Act).  Once financial assets are transferred into Bulgarian financial institutions, the investment becomes subject to the general provisions for due diligence covered under the Law on Measures against Money Laundering. All financial operations and procedures (investments and transfers included) over BGN 30 000 (EUR 15 000) under Article 3 (2), (3), and over BGN 10 000 (EUR 5 000) under Article 3 (2) items 1-4, 9-11, 13, 28, 32 are under obligation to be carried out by an identified client with a valid bank account. Additionally, SANS Financial Intelligence Directorate makes additional checks on all cash payments of over BGN 30 000 (EUR 15 000), as stipulated in the Rules of Procedure for Implementing the Law for SANS. | As above, the Migration Directorate and SANS are involved in carrying out security checks, including the origins of money.  For such purposes, they rely on the Bulgaria Investment Agency and all obliged entities under the law on anti-money laundering |

1. **RIGHTS GRANTED BY THE PERMITS**
2. **Rights granted to investors**

Third-country nationals who have obtained an extended residence permit or a permanent residence permit have **all the rights and obligations** granted to or imposed on the Bulgarian citizens, with the exception of the rights and obligations for which Bulgarian citizenship is required,[[104]](#footnote-104) as explicitly stated in both Article 3 of the Foreign Nationals act and Article 26, paragraph 2 of the Constitution of the Republic of Bulgaria,[[105]](#footnote-105) those rights being the right to be elected as a Member of Parliament and the right to be elected president. This applies for **all third-country nationals legally residing** on the territory of the Republic of Bulgaria. The rights third-country nationals obtain upon receiving a residence permit are not contingent on the reason for issuing the permit, and those include the rights listed in Article 12 of the Single Permit Directive.[[106]](#footnote-106)

According to Article 9, paragraph 1, item 2 of the Labour Migration and Labour Mobility Act[[107]](#footnote-107), **no separate work permit** is needed for third-country nationals who have an extended residence or a permanent residence permit and their family members. They have direct access to the labour market, and, thus, foreign investors can actively take part in their business ventures.

1. **Rights granted to the investors’ family members**

According to Article 9, paragraph 1, item 2 of the Labour Migration and Labour Mobility Act[[108]](#footnote-108), **no separate work permit** is needed for third-country nationals who have an extended residence or a permanent residence permit and their family members.

Therefore, investors’ family members have direct access to the labour market and receive **the same rights as investors (see Section III.1)** as the rights granted by the Bulgarian legislation, in line with Article 12 of the Single Permit Directive, are granted to all third-country nationals legally residing in Bulgaria, which would include family members of foreign investors**.**

1. **OTHER BENEFITS**

No other benefits apply to investors or their family members. No special tax regimes were identified. According to The Law on Taxation of Individuals[[109]](#footnote-109), third-country nationals holding residence permits are considered “local individuals regardless of nationality” and as such they pay the same type and amount of taxes as any Bulgarian citizen.

1. **INTERACTION BETWEEN RESIDENCE AND CITIZENSHIP SCHEMES**

Apart from investors’ residence schemes, Bulgaria also operates investors’ citizenship schemes whereby some of the general naturalisation criteria are waived in light of a disbursement of money (investment) made by the foreign investor. The general criteria for naturalisation require that a non-Bulgarian citizen, at the date of submission of the application for Bulgarian citizenship:

* + 1. is 18 years old; and
    2. holds a permit for permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago; and
    3. has not been sentenced by a Bulgarian court for a wilful crime prosecuted *ex officio* by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated; and
    4. possesses an income or occupation allowing him/her to subsist in Bulgaria; and
    5. has a command of the Bulgarian language subject to verification according to a procedure established by an ordinance of the Minister of Education and Science (this requirement may be avoided in certain limited cases specified by the law), and
    6. has been released from his/her previous citizenship or will be released therefrom at the time of acquisition of Bulgarian citizenship (this requirement may be avoided in certain limited cases specified by the law).

The Bulgarian Citizenship Act[[110]](#footnote-110) envisions **two different procedures for foreign investors to obtain Bulgarian citizenship**:

* **Ordinary procedure** (**Article 12a** of the Bulgarian Citizenship Act): For third-country nationals who have had a **permanent residence permit for more than five years**. without fulfilling the requirements relating to command of Bulgarian language and release from the person’s previous citizenship (discussed in items (v) and (vi) in the paragraph above). However, such person has to comply with the remaining requirements under items (i) to (iv) inclusive.
* **Fast-track procedure** (**Article 14a** of the Bulgarian Citizenship Act): For third-country nationals who have had a **permanent residence permit for more than а year** fulfilling the requirements set out in items (i) and (iii) of the paragraph above (i.e. having attained the age of 18 years, and not having been sentenced by a Bulgarian court for a wilful crime prosecuted *ex officio* by the state, and not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated) and who have increased their investment under the same terms of the law to a value of at least BGN 2 million (EUR 1 million); or to additionally invest in the capital of a Bulgarian commercial company no less than BGN 1 million (EUR 500 000) for a priority investment project implemented by the company, certified under the Investment Promotion Act.

In both the ordinary and fast-track investors’ citizenship scheme the investor must carry out an investment. **The provisions of Article 25, paragraph 1, items 6, 7, 8, 13 and 16 must be fulfilled for the investor to be able to apply for citizenship under the investors’ citizenship schemes**, which are thoroughly explained in Part I of this report.

In light of the above, there is **no possibility to directly obtain Bulgarian citizenship through an extended residence permit** (Article 24); a permanent residence permit is necessary. Therefore, foreign investors who hold a **permanent residence permit** through an investors’ residence scheme (to which they can apply directly after obtaining a long-stay visa) and meet the conditions explained above (Article 25) may, thus, access the Bulgarian citizenship more directly than other third-country nationals who must first fulfil the requirements to obtain a permanent residence permit (including five years of uninterrupted residence in Bulgaria) and then, after another five years, may apply to Bulgarian citizenship. In addition, investors are explicitly exempt from the requirement for uninterrupted residence and cannot have their right of residence withdrawn if they have not settled in the territory of the country within one year of receiving the permanent residence permit (Article 40, item 5 of the BCA).

Therefore, investors’ residence schemes and investors’ citizenship schemes are intimately interlinked.

1. **ECONOMIC AND FINANCIAL EFFICIENCY OF RESIDENCE PERMITS FOR FOREIGN INVESTORS**

There is **no mechanism** for measuring the economic and financial efficiency of the investments made in exchange for receiving residence permits.

It cannot be determined whether in practice investors’ residence schemes have met the expectations for which they were created as those expectations have not been made public.

On the basis of the information gathered in this Report, however, some estimates could be drawn.[[111]](#footnote-111) The minimum amount that can be invested under permanent residence permits is EUR 250,000 (Art. 25, par.1 item 16 FNA) while the maximum is EUR 3 million (Art. 25, par.1, item 8 FNA). In 2017 there were 76 applications. There is no break-down in the statistics reflecting the route through which applications were approved (i.e. the statistics do not indicate if the applications were submitted through item 6, 7, 8, 13 or 16 of Art. 25, par.1 FNA). However, supposing that all applications met the minimum financial threshold required, a total of EUR 19 million would have been invested in Bulgarian commercial companies (investment type under Art. 25, par.1 item 16 FNA) in 2017. If all these applications correspond to investment made in Bulgarian companies that do not trade their shares (investment type under Art. 25, par.1, item 8 FNA), the total income would raise to EUR 228 million. In both cases, the investment is made in a Bulgarian company which could mean an increase in productivity and competitiveness at international level and, possibly, the creation of job positions.

Furthermore, according to the Migration Directorate who was consulted for the purposes of drafting this Report, from a legal perspective, the legal framework is clear and complete and, thus, no further amendments to the Foreign Nationals Act is currently being considered.[[112]](#footnote-112)

1. Information gathered through consultation with national stakeholder (Deputy Director of the Migration Directorate, Competent Authority, 14 May 2018). In Bulgaria, laws and amendments have to pass two readings in the Parliament’s Plenary Session, and further changes and amendments can be introduced between the two readings. This was the case here and as such it excluded the process of conducting public consultations and discussions. [↑](#footnote-ref-1)
2. Bulgarian Citizenship Act (*Закон за българското гражданство*), SG N. 136, 18 November 1998 <https://www.lex.bg/laws/ldoc/2134446592>, as subsequently amended and supplemented. [↑](#footnote-ref-2)
3. Foreign Nationals Act of the Republic of Bulgaria (*Закон за чужденците в Република България*) Prom. SG. No. 153 of 23 December 1998, last amended. and ext. SG. No. 24 of 16 March 2018, available at <https://lex.bg/bg/laws/ldoc/2134455296> (FNA). [↑](#footnote-ref-3)
4. According to their size, investments are divided into Class A, Class B and Priority Investment Projects. The minimum thresholds for Class A and B are set out in the Rules of Implementation. [↑](#footnote-ref-4)
5. Law on Measures against Money Laundering (*Закон за мерките срещу изпиране на пари*), SG 85, 24 July 1998, available at <https://www.lex.bg/bg/laws/ldoc/2134420482>. [↑](#footnote-ref-5)
6. The Agency is responsible for the accomplishment of the privatization process in the country and the supervision of the concluded privatization contracts. More information available at <http://www.priv.government.bg/en/>. [↑](#footnote-ref-6)
7. These options for residence permits are in addition to the short-stay visa-free option of three months (90 days) within each six-month period foreseen by Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing he external borders and those whose nationals are exempt from that requirement, OJ L 81, 21 March 2001, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32001R0539>. The Ministry of Foreign Affairs provides a specific list for Bulgaria on their site available at: <http://www.mfa.bg/uploads/files/Consular/26_06_2017_Putuvane%20za%20Bg.pdf>. [↑](#footnote-ref-7)
8. For the purposes of this Report it should be clarified that the term “extended” does not imply that a previous permit was held by the applicant and that permit is being extended; rather, the term refers to the fact that the permit entitles the holder to an extended residence of up to one year. [↑](#footnote-ref-8)
9. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-9)
10. A person who is given a notarised letter of attorney by the applicant. [↑](#footnote-ref-10)
11. Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing he external borders and those whose nationals are exempt from that requirement, OJ L 81, 21 March 2001, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32001R0539>. [↑](#footnote-ref-11)
12. Article 14(1) Rules of Implementation. [↑](#footnote-ref-12)
13. Note that although Table 1 refers to type of investment to obtain citizenship this is due to the fact that the investor must hold a permanent residence permit and, for such purposes, s/he must comply with the requirements set in Article 25(1) items 6, 7, 8, 13 and 16 FNA. [↑](#footnote-ref-13)
14. At the date of submission of the application for an extended residence permit under Art. 24, the third-country national or legal entity owned by the third-country national must have paid in full the amount of the investment to a licensed Bulgarian credit institution. If the real estate property is acquired with borrowed funds, the outstanding part of the loan must not exceed 25 per cent. [↑](#footnote-ref-14)
15. According to the Investment Promotion Act, economically disadvantaged regions are such where:

    (a) the unemployment rate is higher than the national average, or

    (b) the gross per-capita added value is lower than the country average. [↑](#footnote-ref-15)
16. Law on Measures against Money Laundering (see footnote 5). [↑](#footnote-ref-16)
17. For instance, Article 32 of the Bulgarian Constitution regulating the right to privacy only refers to citizens; Article 35(2) reserves the right to return to the country only to citizens; Article 36 provides that the study and use of the Bulgarian language shall be a right and an obligation of every Bulgarian citizen; Article 41(2) reserves to citizens the right to obtain information from state bodies and agencies on any matter of legitimate interest to them which is not a state or official secret and does not affect the rights of others; the right to elect state and local authorities and vote in referendums is also reserved to citizens under Article 42; etc. [↑](#footnote-ref-17)
18. Constitution of the Republic of Bulgaria (*Конституция на Република България*) in force from 13.07.1991, available at: <http://www.parliament.bg/bg/const>. [↑](#footnote-ref-18)
19. Law on Taxation of Individuals (*Закон за данъците върху доходите на физическите* *лица*), in force from 01.01.2007, available at: <http://econ.bg/Нормативни-актове/ЗАКОН-ЗА-ДАНЪЦИТЕ-ВЪРХУ-ДОХОДИТЕ-НА-ФИЗИЧЕСКИТЕ-ЛИЦА_l.l_i.158067_at.5.html>. [↑](#footnote-ref-19)
20. Article 12 BCA requires that the applicant has (i) attained the age of 18 years; (ii) a permit for permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago (a total of 10 years prior residence is required as in order to be granted permanent residence the third-country national must have continuously resided in Bulgaria for another 5 years (5 years of residence + 5 years of permanent residence)); (iii) not been sentenced by a Bulgarian court for a wilful crime prosecuted ex officio by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated; (iv) an income or occupation allowing him/her to subsist in Bulgaria; (v) a command of the Bulgarian language subject to verification according to a procedure established by an ordinance of the Minister of Education and Science; and (vi) been released from his/her previous citizenship or will be released therefrom at the time of acquisition of Bulgarian citizenship. [↑](#footnote-ref-20)
21. Monthly Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee <https://m.president.bg/en/cat106/mesechni-otcheti-grajdanstvo>. [↑](#footnote-ref-21)
22. Report of the Bulgarian Citizenship Commission for the period 22 January - 31 December 2017, available at <https://www.president.bg/docs/1516795436.pdf>. [↑](#footnote-ref-22)
23. Amendments to Ordinance No. 1 of 19 February 1999, State Gazette no. 102 of 22 December 2017. [↑](#footnote-ref-23)
24. Bulgarian Citizenship Act (Закон за българското гражданство), SG N. 136, 18 November 1998 <https://www.lex.bg/laws/ldoc/2134446592>, as subsequently amended and supplemented. [↑](#footnote-ref-24)
25. Ordinance No. 1 of 1999 on the Implementation of Chapter Five of the BCA (Наредба № 1 от 19.02.1999 за прилагане на глава пета от Закона за българското гражданство, SG N. 19, 2 March 1999), as subsequently amended and supplemented [↑](#footnote-ref-25)
26. Foreign Nationals in the Republic of Bulgaria Act (Закон за чужденците в Република България), Prom. SG. No. 153 of 23 December 1998, as subsequently amended and supplemented. [↑](#footnote-ref-26)
27. Bulgarian Investments Promotion Act (Закон за насърчаване на инвестициите), SG N. 97, 24 October 1997, as subsequently amended and supplemented. [↑](#footnote-ref-27)
28. This means that the holder of the powers and responsibilities is not the Ministry as a whole, but the Minister. Having special competences here means being the actual authority, not just being placed in charge of it. [↑](#footnote-ref-28)
29. Article 33 of the Rules of Procedure of the Ministry of Justice. [↑](#footnote-ref-29)
30. The application form is provided as a template in Appendix 2 of the ***Ordinance on the terms and conditions for issuing visas and determination of visa regime (****Promulgated in State Gazette, Issue No 55, dated 19 July 2011, effective as of 4 August 2011* *as subsequently amended and supplemented).* Application form in English is available at: [Sample form application](https://www.mfa.bg/uploads/files/Annex%209_%20Application%20form%20EN_July%202011%20final.pdf) (EN); Application for in Bulgarian is available at: [Sample form application (BG)](http://www.mfa.bg/uploads/files/Zaqvlenie%20NURIVOVR%20BG.pdf). [↑](#footnote-ref-30)
31. These can be, for example, cash funds, a credit card, traveling checks, a bank deposit, etc. Such funds shall be enough so as the applicant not to be a burden to the Bulgarian social assistance system, amounting to not less than the minimum monthly salary (which presently is at the amount of BGN 510 - approximately EUR 260 per month) for each month of the intended period of stay. [↑](#footnote-ref-31)
32. Bulgarian Administrative Procedure Code (*Административнопроцесуален Кодекс*), Promulgated in State Gazette No 30 dated 11 April 2006, effective 12 July 2006, available at <https://www.lex.bg/bg/laws/ldoc/2135521015>. [↑](#footnote-ref-32)
33. The application form is provided as a template in Appendix 4 of the *Regulations for Application of the Foreigners in the Republic of Bulgaria Act (Promulgated in State Gazette Issue No 51 dated 5 July 2011, effective 5 July 2011 as subsequently amended and supplemented).* The application form is available at: <https://www.mvr.bg/migration/административни-услуги/административни-услуги-за-граждани/разрешения-за-пребиваване>. [↑](#footnote-ref-33)
34. Monthly Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee, available at <https://m.president.bg/en/cat106/mesechni-otcheti-grajdanstvo>. [↑](#footnote-ref-34)
35. Shorthand record of a regular meeting of the Policy Commission for Bulgarians Abroad, 31st May 2017, available at <http://www.parliament.bg/bg/parliamentarycommittees/members/2597/steno/ID/4556>. [↑](#footnote-ref-35)
36. Report of the Bulgarian Citizenship Commission for the period 22 January - 31 December 2017, available at <https://www.president.bg/docs/1516795436.pdf>. [↑](#footnote-ref-36)
37. The formal inquiry was sent out on 21 February 2018. [↑](#footnote-ref-37)
38. Obtained through a written response from MoI, Migration Directorate on 2 March 2018. [↑](#footnote-ref-38)
39. Conclusion based on legal expertise of the national expert. [↑](#footnote-ref-39)
40. Information obtained through stakeholder consultation with representative of Migration Directorate on 7 March 2018. [↑](#footnote-ref-40)
41. For the purposes of this Table, the term ‘investment’ covers any pecuniary disbursement required as part of the process for obtaining citizenship under the investors’ citizenship scheme. [↑](#footnote-ref-41)
42. According to their size, investments are divided into Class A, Class B and Priority Investment Projects. The minimum thresholds for Class A and B are set out in the Regulation on the Implementation of the Investment Promotion Act, available at <https://investbg.government.bg/files/useruploads/files/_112015.pdf>. [↑](#footnote-ref-42)
43. See Point II.2.1 - Table Type of investment. [↑](#footnote-ref-43)
44. Investments Promotion Act (Закон за насърчаване на инвестициите), Promulgated in State Gazette Issue No 97 dated 24 October 1997, effective 24 October 1997, as subsequently amended and supplemented, available at: <https://lex.bg/bg/laws/ldoc/2134164480> [↑](#footnote-ref-44)
45. Independent Assessors Act (*Закон за независимите оценители*), available at <https://www.lex.bg/laws/ldoc/2135605218>. [↑](#footnote-ref-45)
46. Law on Measures against Money Laundering (*Закон за мерките срещу изпиране на пари*), available at <https://www.lex.bg/bg/laws/ldoc/2134420482>. [↑](#footnote-ref-46)
47. Information obtained through stakeholder consultation with representative of the Migration Directorate on 7 March 2018. [↑](#footnote-ref-47)
48. Ibid. [↑](#footnote-ref-48)
49. Law on Measures against Money Laundering (*Закон за мерските срещу изпирането на пари*), Promulgated, SG No. 27/27.03.2018. [↑](#footnote-ref-49)
50. Information obtained through stakeholder consultation with representative of Investment Promotion and Investment Projects Department at the Economic Promotion Policies Directorate of the Ministry of Economy on 21 February 2018. [↑](#footnote-ref-50)
51. Amendments to Ordinance No. 1 of 19 February 1999, State Gazette no. 102 of 22 December 2017. [↑](#footnote-ref-51)
52. Ibid. [↑](#footnote-ref-52)
53. Foreign Nationals Act of the Republic of Bulgaria (*Закон за чужденците в Република България*) Prom. SG. No. 153 of 23 December 1998, last amended. and ext. SG. No. 24 of 16 March 2018, available at <https://lex.bg/bg/laws/ldoc/2134455296> (FNA). [↑](#footnote-ref-53)
54. These options for residence permits are in addition to the short-stay visa-free option of three months (90 days) within each six-month period foreseen by Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing he external borders and those whose nationals are exempt from that requirement, OJ L 81, 21 March 2001, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32001R0539>. The Ministry of Foreign Affairs provides a specific list for Bulgaria on their site available at: <http://www.mfa.bg/uploads/files/Consular/26_06_2017_Putuvane%20za%20Bg.pdf> [↑](#footnote-ref-54)
55. For the purposes of this Report it should be clarified that the term “extended” does not imply that a previous permit was held by the applicant and that permit is being extended; rather, the term refers to the fact that the permit entitles the holder to an extended residence of up to one year. [↑](#footnote-ref-55)
56. Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing he external borders and those whose nationals are exempt from that requirement, OJ L 81, 21 March 2001, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32001R0539>. [↑](#footnote-ref-56)
57. Information gathered through consultation with national stakeholder (Deputy Director of the Migration Directorate, Competent Authority, 14 May 2018). In Bulgaria, laws and amendments have to pass two readings in the Parliament’s Plenary Session, and further changes and amendments can be introduced between the two readings. This was the case here and as such it excluded the process of conducting public consultations and discussions. [↑](#footnote-ref-57)
58. Rules of Implementation of the Foreign Nationals Act (*Правилник за прилагане на Закона за чужденците в Република България*), available at <https://www.investbg.government.bg/files/useruploads/files/ppzchrb.pdf> (Rules of Implementation). [↑](#footnote-ref-58)
59. Article 24, paragraph 1, items 19 and 20 FNA. [↑](#footnote-ref-59)
60. Article 25, paragraph 1, items 6, 7, 8, 13 and 16 FNA. [↑](#footnote-ref-60)
61. Article 9d FNA. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-61)
62. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-62)
63. Those are licensed external service providers where visa services are outsourced to places with no diplomatic and consular representation, and commissioned by the Minister of Foreign Affairs, Article 9d(3) FNA [↑](#footnote-ref-63)
64. Article 9d(4) FNA. [↑](#footnote-ref-64)
65. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-65)
66. A person who is given a notarised letter of attorney by the applicant. [↑](#footnote-ref-66)
67. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-67)
68. The visa application form is available online at <http://www.mfa.bg/uploads/files/Documents/KonsulskiUslugi/Annex%209_%20Application%20form%20EN_July%202011%20final(1).pdf>. [↑](#footnote-ref-68)
69. Ministry of Foreign Affairs, explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-69)
70. Articles 9h(2) and 10 FNA. [↑](#footnote-ref-70)
71. Article 9h(1) FNA. [↑](#footnote-ref-71)
72. Article 14(1) Rules of Implementation. [↑](#footnote-ref-72)
73. More than two empty pages, has been issued in the last 10 years and its expiration date is at least three months after the time of departure from the territory of the Republic of Bulgaria. [↑](#footnote-ref-73)
74. Information gathered through consultation with national stakeholder consultation (Director of the Migration Sector, Ministry of Interior, Competent Authority, 21 May 2018). [↑](#footnote-ref-74)
75. Information gathered through consultation with national stakeholder consultation (Director of the Migration Sector, Ministry of Interior, Competent Authority, 21 May 2018). [↑](#footnote-ref-75)
76. At the date of submission of the application for an extended residence permit under Art. 24, the third-country national or legal entity owned by the third-country national must have paid in full the amount of the investment to a licensed Bulgarian credit institution. If the real estate property is acquired with borrowed funds, the outstanding part of the loan must not exceed 25 per cent. [↑](#footnote-ref-76)
77. According to the Investment Promotion Act, economically disadvantaged regions are such where:

    (a) the unemployment rate is higher than the national average, or

    (b) the gross per-capita added value is lower than the country average. [↑](#footnote-ref-77)
78. The Agency is responsible for the accomplishment of the privatization process in the country and the supervision of the concluded privatization contracts. More information available at: <http://www.priv.government.bg/en/>. [↑](#footnote-ref-78)
79. Independent Assessors Act (*Закон за независимите оценители*), SG 98 from 14 November 2008, available at <https://lex.bg/en/laws/ldoc/2135605218>. [↑](#footnote-ref-79)
80. According to their size, investments are divided into Class A, Class B and Priority Investment Projects. The minimum thresholds for Class A and B are set out in the Rules of Implementation. [↑](#footnote-ref-80)
81. The procedure to renew the residence permits is thoroughly explained in Section II.3 (Residence phase) below in this Report. [↑](#footnote-ref-81)
82. Information gathered through consultation with national stakeholder (Deputy Director of the Migration Directorate, Competent Authority, 14 May 2018). [↑](#footnote-ref-82)
83. Access to Public Information Act (*Закон за достъп до обществена информация*), SG 55 from 7 July 2000, available at <https://lex.bg/bg/laws/ldoc/2134929408>. [↑](#footnote-ref-83)
84. Information gathered through consultation with national stakeholder (Migration Directorate, Competent Authority, 14 June 2018). [↑](#footnote-ref-84)
85. See Section II.1.1 of this Report. [↑](#footnote-ref-85)
86. Information gathered through consultation with national stakeholder (Migration Directorate, Competent Authority, 14 June.2018). [↑](#footnote-ref-86)
87. For the purposes of this Table, the term ‘investment’ covers any pecuniary disbursement required as part of the process for obtaining residence under the investors’ residence scheme. [↑](#footnote-ref-87)
88. Independent Assessors Act (*Закон за независимите оценители*), SG 98, 14 November 2008, available at <https://www.lex.bg/laws/ldoc/2135605218>. [↑](#footnote-ref-88)
89. In the cases where one is needed to certify that the investment has been made and it fulfils the legal conditions. See Table 1 in Section II.1.1. [↑](#footnote-ref-89)
90. Law on Measures against Money Laundering (*Закон за мерките срещу изпиране на пари*), SG 85, 24 July 1998, available at <https://www.lex.bg/bg/laws/ldoc/2134420482>. [↑](#footnote-ref-90)
91. Privatization and Post-Privatization Act (*Закон за приватизация и следприватизационен контрол*), SG 28 from 19 March 2002, available at: <http://www.priv.government.bg/legislation/laws/law1>. [↑](#footnote-ref-91)
92. According to their size, investments are divided into Class A, Class B and Priority Investment Projects. The minimum thresholds for Class A and B are set out in the Rules of Implementation. [↑](#footnote-ref-92)
93. The minimum thresholds for Class A and B are set out in the Rules of Implementation. [↑](#footnote-ref-93)
94. Website of the Ministry of Foreign Affairs, available at <http://www.mfa.bg/en/pages/109/index.html> and specific explanatory document on long-stay visas (D-type) available at <http://www.mfa.bg/uploads/files/VISA%20(TYPE%20D%20VISA)(1).pdf>. [↑](#footnote-ref-94)
95. Information gathered through consultation with national stakeholder consultation (Director of the Migration Sector, Ministry of Interior, Competent Authority, 21 May 2018). [↑](#footnote-ref-95)
96. Article 26 FNA. [↑](#footnote-ref-96)
97. Articles 15 FNA and 14(1) Rules of Implementation. [↑](#footnote-ref-97)
98. See Part I of the Bulgarian report. Article 40 Bulgarian Citizenship Act. [↑](#footnote-ref-98)
99. Bulgarian Citizenship Act (*Закон за българското гражданство*), SG N. 136, 18 November 1998 <https://www.lex.bg/laws/ldoc/2134446592> [↑](#footnote-ref-99)
100. Law on the State Agency for National Security (*Закон за Държавна Агенция „Национална Сигурност*), available at <https://www.lex.bg/laws/ldoc/2135574489>, [↑](#footnote-ref-100)
101. Information obtained through stakeholder consultation with representative of the Migration Directorate on 7 March 2018, confirmed during further consultation on 15 May 2018 [↑](#footnote-ref-101)
102. Article 26 FNA. [↑](#footnote-ref-102)
103. Law on Measures against Money Laundering (*Закон за мерките срещу изпиране на пари*), SG 85, 24 July 1998, available at <https://www.lex.bg/bg/laws/ldoc/2134420482>. [↑](#footnote-ref-103)
104. For instance, Article 32 of the Bulgarian Constitution regulating the right to privacy only refers to citizens; Article 35(2) reserves the right to return to the country only to citizens; Article 36 provides that the study and use of the Bulgarian language shall be a right and an obligation of every Bulgarian citizen; Article 41(2) reserves to citizens the right to obtain information from state bodies and agencies on any matter of legitimate interest to them which is not a state or official secret and does not affect the rights of others; the right to elect state and local authorities and vote in referendums is also reserved to citizens under Article 42; etc. [↑](#footnote-ref-104)
105. Constitution of the Republic of Bulgaria (*Конституция на Република България*) in force from 13.07.1991, available at: <http://www.parliament.bg/bg/const>. [↑](#footnote-ref-105)
106. Constitution of the Republic of Bulgaria (*Конституция на Република България*) in force from 13.07.1991, available at: <http://www.parliament.bg/bg/const>.

     s://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011L0098&from=EN. [↑](#footnote-ref-106)
107. Labour Migration and Labour Mobility Act (*Закон за трудовата миграция и трудовата мобилност*), available at <https://www.lex.bg/bg/laws/ldoc/2136803084>. [↑](#footnote-ref-107)
108. Labour Migration and Labour Mobility Act (*Закон за трудовата миграция и трудовата мобилност*), available at <https://www.lex.bg/bg/laws/ldoc/2136803084>. [↑](#footnote-ref-108)
109. Law on Taxation of Individuals (*Закон за данъците върху доходите на физическите* *лица*), in force from 01.01.2007, available at: <http://econ.bg/Нормативни-актове/ЗАКОН-ЗА-ДАНЪЦИТЕ-ВЪРХУ-ДОХОДИТЕ-НА-ФИЗИЧЕСКИТЕ-ЛИЦА_l.l_i.158067_at.5.html>. [↑](#footnote-ref-109)
110. Bulgarian Citizenship Act (*Закон за българското гражданство*), SG N. 136, 18 November 1998 <https://www.lex.bg/laws/ldoc/2134446592> [↑](#footnote-ref-110)
111. None of these estimates are official nor do they reflect the position of the author. [↑](#footnote-ref-111)
112. Information gathered through consultation with national stakeholder (Migration Directorate, competent authority, 15 May 2018). [↑](#footnote-ref-112)