



INVESTBULGARIA
AGENCY

Investment incentives under the Investment Promotion Act (IPA)

Investment Promotion Act (IPA)

- Equal treatment of Bulgarian and foreign investors
- The Investment has to be related to the setting up of a new establishment, expansion, output diversification into new additional products or a fundamental change in the overall production process of existing establishments.
- The investment to be made in the following economic activities:
 - Manufacturing industry
 - Services sector including: high-tech activities in the field of ICT, R&D, outsourcing of business processes, activities of head offices, education, human health care, warehousing and support activities for transportation, accounting and auditing, architecture and engineering

Investment Classes

- Investment classes A and B and Priority investment projects depending on the value, region and sector allocation of the investment

Criteria – Investment value, Euro m

Region or Sector	Class B	Class A
Activities in the manufacturing industry	2.5	5
In municipalities with unemployment rate equal or more than the country average	1	2
High-tech activities in the manufacturing industry for the entire country	1	2
Activities in the service sector such as: - warehousing and support activities for transportation - outsourcing of business processes (for administrative and office activities)	0.75	1.5
High-tech activities in the service sector such as: - ICT and computer technologies - R&D - activities of head offices - education - human health care - accounting and auditing - architecture and engineering	0.5	1

Criteria – Number of jobs created (+ Investment value)

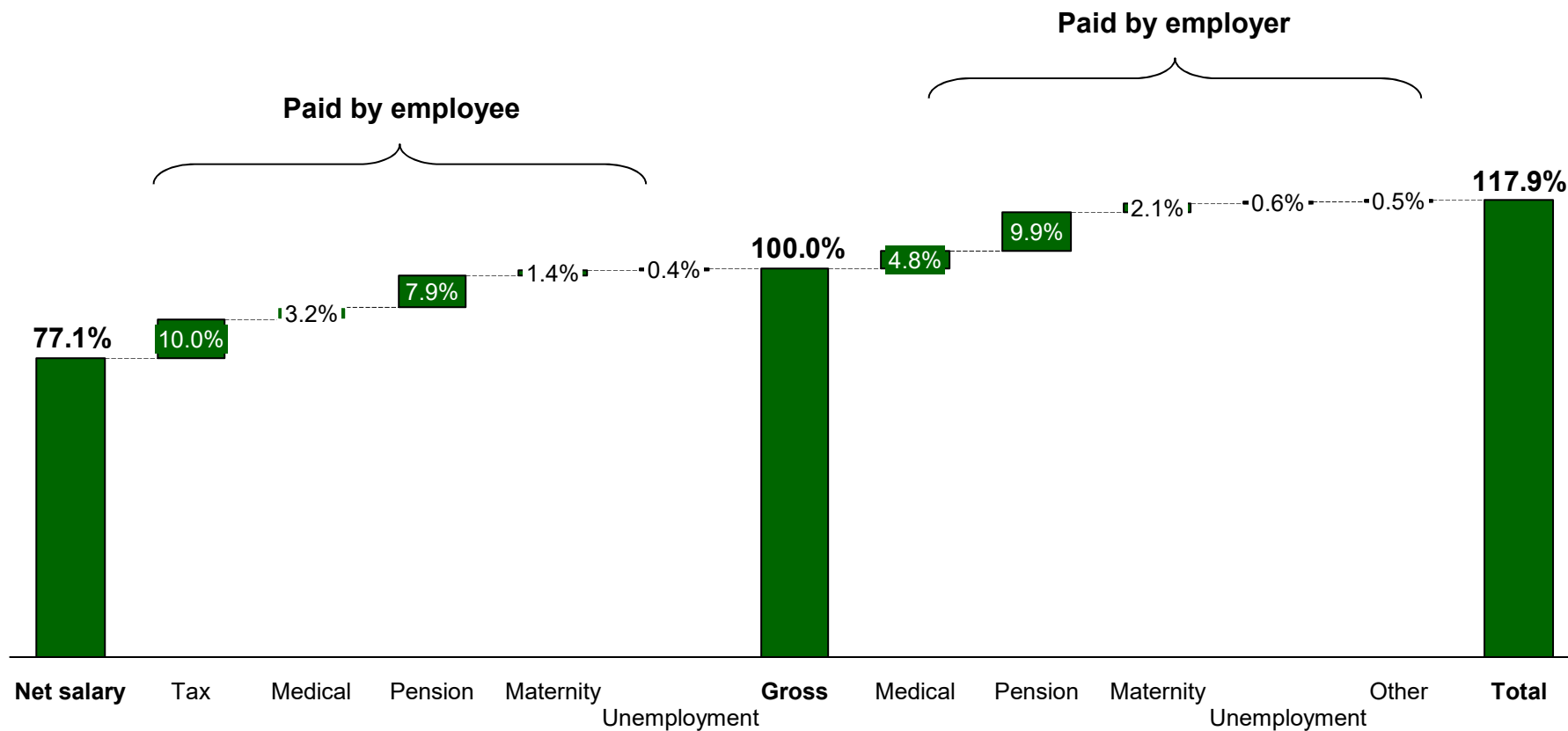
Region or Sector	Class B	Class A
General case: Manufacturing industry	€1m and 100 jobs	€2m and 150 jobs
General case: Services sector	€0.25m and 100 jobs	€0.5m and 150 jobs
In municipalities with unemployment rate equal or more than the country average	10 jobs	25 jobs
High-tech activities in the manufacturing industry for the entire country	10 jobs	25 jobs
High-tech activities in the service sector such as: <ul style="list-style-type: none"> - ICT and computer technologies - R&D - activities of head offices - education - human health care - accounting and auditing - architecture and engineering 	25 jobs	50 jobs

Class A and B investment incentives

- Information services
- Shortened administrative procedures - The central and local government authorities will provide administrative services shortened with one-third of the time period established by the law
- Financial support of up to 25% for the vocational training for obtaining professional qualifications
- Reimbursement of labor costs paid by the employer
- On the request of certified investor the corresponding authorities may transfer ownership rights or establish a limited ownership right over real estate (private state or private municipal property) without a tender

Reimbursement of labor costs paid by the employer

Reimbursement of expenses paid by employer for social security and health insurance of employees (~17.9% of gross salary) for the period of 12 months.



Class A investment incentives

- Consulting and individual administrative services. Investors will be able to authorize Agency officials to obtain from the corresponding competent bodies on investors' behalf and for investors' account any documents for implementation of the corresponding investment project as may be required under the existing legislation
- Financial support for construction of technical infrastructure elements to the borders of the project site, needed for implementation of one or more investment projects.

Priority investment projects

- All sectors of the economy, with the exception of the restrictions imposed by EU Regulation 651/2014
- Council of Ministers approval
- Conditions – priority status depending on the value, jobs created and region allocation of the investment

Criteria for priority investment project's classification

Region or Sector	Investment value (Euro m)	Jobs
General case (the entire country, all sectors)	50	200
In municipalities with unemployment rate equal or more than the country average	25	100
In activities in the manufacturing industry for the entire country	25	200
In high-tech activities in the manufacturing industry for the entire country	15	100
In education, human healthcare, IT and R&D activities, activities of head offices	10	50
In industrial zone construction and its development into industrial park	7.5	15
In construction of a technological park	7.5	50

Incentives for priority investment projects

- All the incentives for Class A and B
- Special incentives for priority investment projects:
 - Institutional support
 - Financial grants of up to 50% for education and R&D projects and up to 10% for manufacturing projects
 - State tax exemption for changing the land status
 - Acquisition of real estate private state or private municipal property without a tender and at a price lower than the market, but not lower than the tax assessment of the property
 - Establishment of public-private partnerships with municipalities, universities, other organizations from the academic society and etc.

IBA services



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- Macroeconomic data on Bulgaria
- Comparative macroeconomic information
- Legal advice
- Data on operational costs
- Regional information related to unemployment data, availability of skilled labor force, education level, infrastructure, foreign investors, industrial zones, free premises
- Identification of potential suppliers, contract manufacturing or joint venture partners
- Creating linkages with local universities / school communities
- Creating linkages with central and local governments

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