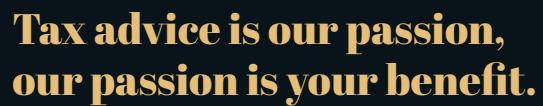


The logo consists of the letters 'd' and 'p' in a stylized, lowercase, gold-colored font. The 'd' is on the left and the 'p' is on the right, both with a slightly cursive, elegant feel. They are set against a dark blue background.

dp

De Hoon &
Partners

A dark blue rectangular box containing the slogan in gold, serif font. The text is centered within the box.

**Tax advice is our passion,
our passion is your benefit.**

Content

- 2** — Why would you choose Bulgaria as a place to invest or reside?
- 3** — Setting up a company
- 4** — The new tax haven and heaven in Europe!
- 5** — Bulgarian Corporation Tax
- 6** — Taxation of a Bulgarian company
- 7** — How to take money out of a Bulgarian company
- 8** — Become a Bulgarian tax payer as an individual; this is the top of the tops!
- 10** — Invest in Bulgaria
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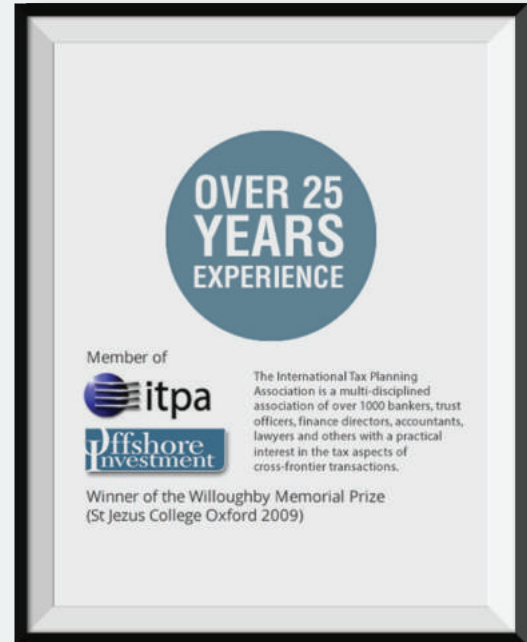
Who is the founder?



Iven De Hoon

Iven De Hoon is trained as a lawyer (Antwerp, Belgium), and is also master in tax and accounting at the acclaimed Vlerick Institute (Ghent, Belgium). He has published many articles and books on different tax topics and has more than 25 years' experience.

He is also a winner of the Willoughby Memorial Prize (St Jezus College Oxford, 2009).



Why would you choose Bulgaria as a place to invest or to reside?

10 facts to convince you!

Fact 1 — Corporate tax

Bulgaria has one of the lowest corporate tax rates in the EU, namely 10%. Bulgaria also signed nearly 70 double tax treaties!

Fact 2 — Personal income tax

Bulgaria has the LOWEST personal income tax rate in the EU, i.e. 10%, and a dividend tax of only 5%.

Fact 3 — Wages

The wages in Bulgaria are among the lowest in Europe. The minimum salary is also the lowest in the EU. Furthermore, the social security contributions on salaries are very low.

Fact 4 — Business costs

Bulgaria is a very cheap country to do business. The business costs are the lowest in the EU.

Fact 5 — Labour Force

Bulgaria has a highly-qualified, well-motivated, flexible and multilingual labour force. A few figures: 60 000 students graduate annually from 51 universities, 98% of the high school students study a foreign language (usually English) and 73% study a third language (mainly German, French, Spanish, Russian).

Fact 6 — Outsourcing

Bulgaria is the best destination in Europe to develop outsourcing activities based on the 'Cushman & Wakefield' ranking.

Fact 7 — Less financial risk

The Bulgarian lev (BGN) is fixed to the EUR (1 EUR = 1.9558 BGN). Banking is possible in euros. You will find that all the major banks in Bulgaria provide English E-banking.

Fact 8 — Company incorporation

It takes only one day to register a new company. The minimum start-up capital is only 1 EUR and you will be provided with your VAT-number several working days later. In general, there are less restrictions and administrative procedures than for instance in Western Europe.

Fact 9 — EU-Funds

There are plenty of opportunities to get EU-funding for your projects in Bulgaria. Government policy is also focused on building a favourable business climate for foreign investors.

Fact 10 — Safe and stable

Bulgaria has a low crime rate. Bulgaria is a stable democracy and full part of the EU, WTO and NATO with the second lowest government debt in the EU.

Setting up a company

Like we mentioned before, the incorporation of a Bulgarian company can be easy and straight forward.

There is no limitation on the stakes of foreign legal entities and individuals in the company's equity!

The two main types of companies are the Limited Liability Company and the joint stock company.

Limited Liability Company - the so called EOOD or OOD,

depending on whether the company is owned by 1 or multiple shareholders.

- The company should have at least 1 Director and 1 Shareholder
- No restrictions in terms of nationality of Directors or Shareholders
- The minimum required capital is € 1

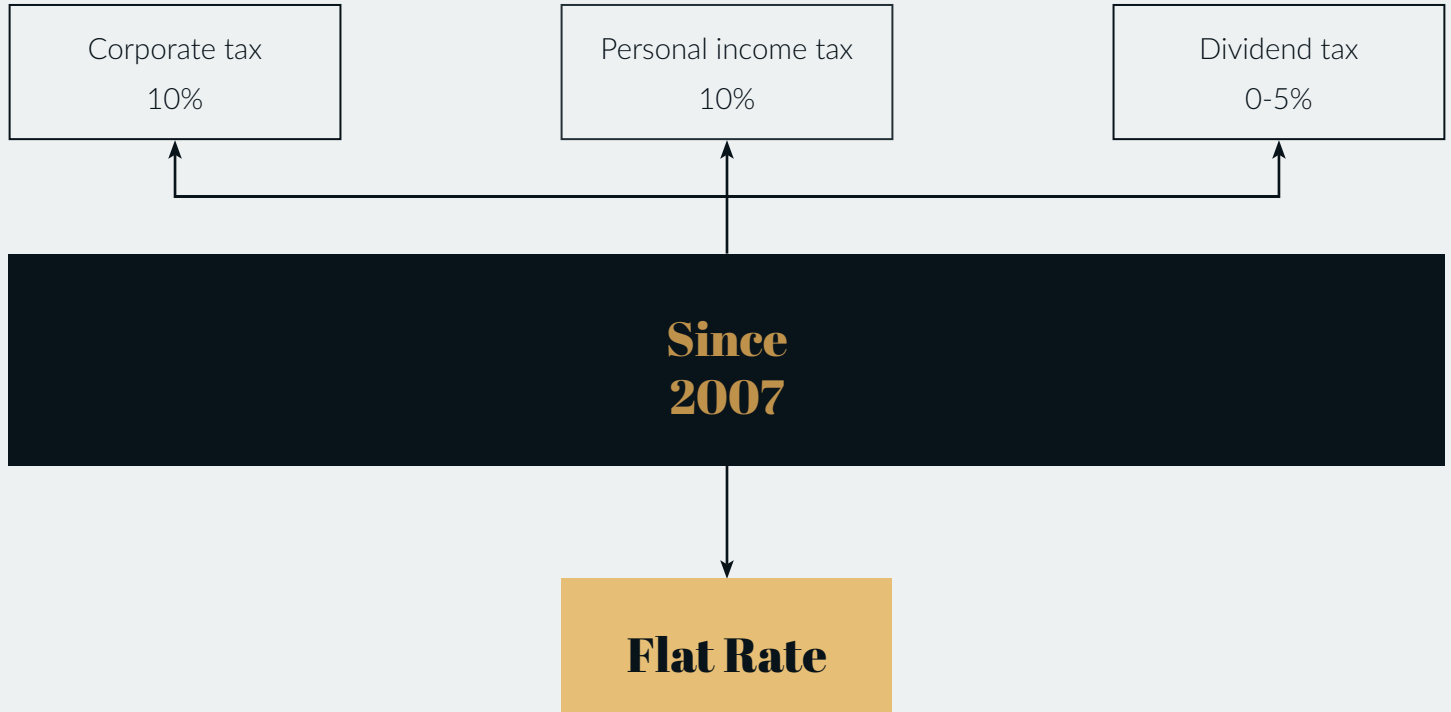
Joint Stock Company - the so called EAD or AD,

depending on whether the company is owned by 1 or multiple shareholders.

- The company should have at least 1 Chairman, 3 Board Members and 1 Shareholder
- No restrictions in terms of nationality of Board members or Shareholders
- The minimum required capital is € 25,000
- Annual audit is absolutely obligatory for all companies
- Bearer shares are possible



The new tax haven and heaven in Europe!



Bulgarian Corporation Tax

Since 2007 corporate tax in Bulgaria is only 10%! Industries in high-unemployment areas are even granted a 0% tax rate.

Important! The tax rate can only increase if voted by 2/3 of the members of parliament. This rule is in force since 2012.

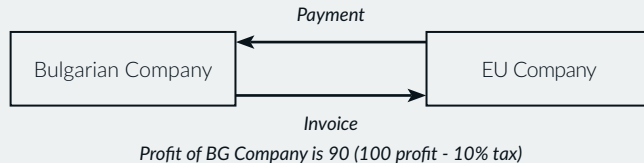
Example

Let's have a look at a Belgian company as an example. The result will be quite similar for any other high-tax country like France, Germany, The Netherlands, Japan, Brazil...

	Belgium	Bulgaria
PROFIT before taxes	500 000 €	500 000 €
Corporate tax rate	33.99%	10.00%
Corporate tax	169 950 €	50 000 €
PROFIT after taxes	330 050 €	450 000 €
Dividend tax rate	27.00%	5.00%
Dividend tax	89 114 €	22 500 €
Net income after taxes	240 936 €	427 500 €

Taxation of a Bulgarian company

A few examples



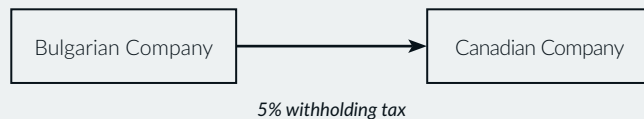
Option 1

BG Company distributes dividends to a Bulgarian tax payer. There will be a dividend tax of 5%. So the Bulgarian tax payer will receive 85,5 net income.

Option 2

The Bulgarian company distributes a dividend to the parent company which is set up in a treaty country. There could be a withholding tax according to the treaty.

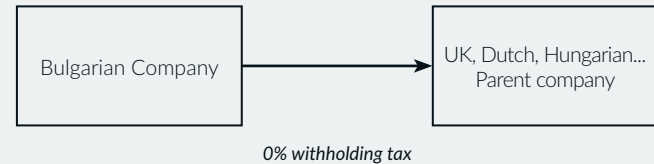
Example Distribute dividend



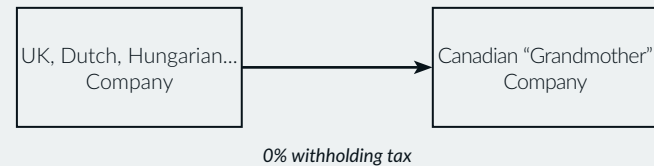
Option 3

There are ways to avoid the withholding tax.

Example Distribute dividend



Example Distribute dividend



How to take money out of a Bulgarian company

A few examples

Option 1 - Salary

A French, Belgian, Italian... taxpayer receives a salary from the Bulgarian company.

If you are the director of a Bulgarian company, you can receive a salary and pay your taxes in Bulgaria!

You only pay 10% tax (salary is of course an expense for the company), and this is 100% legal. You will keep paying your social contributions in the country where you live!

BUT! You will need to prove that you (partly) resided in Bulgaria to earn that salary. Your tax inspector could ask for proofs like: airplane tickets, hotel, restaurant, mobile phone....

Option 2 - Dividends

You will pay a dividend tax in the country where you live!

Option 3 - 15% tax

If the director incurs expenses paid by the company without an invoice, he will pay 15% tax. This could be favourable in some cases.



Become a Bulgarian tax payer as an individual; this is the top of the tops!

Why not choose for fiscal residency in Bulgaria?

You will pay 10% tax and very low social contributions!

Fiscal residence has nothing to do with NATIONALITY, you will still be German, French, Dutch, Italian... You will only pay your taxes (10%) in Bulgaria.

How to become a Bulgarian tax payer!

There are a few criteria to become a tax payer in Bulgaria:

- Your wife/husband could be the problem... solve it with a divorce! Because you are supposed to live together with your spouse in the same location.
- Deregister in your current country of residence.
- Register in Bulgaria.
- Get a Bulgarian ID card.
- Pay Bulgarian tax.
- No directorships anymore in your present country.
- You can still have some real estate in your present country.
- Rent/buy a house in Bulgaria.
- Presence in Bulgaria.
- Small forms of proof: restaurant/supermarket/cell phone/language courses/memberships/doctorvisits.

Invest in Bulgaria

The low salaries may even be a better argument than the cheap taxes to invest in Bulgaria. Let's give a few examples to illustrate this argument and convince you! Again, let's take Belgium as an example, but the example also applies to most high-tax countries.

Example White collar worker

	Belgium	Bulgaria
Net Salary <i>+ social security contributions</i> <i>+ withholding tax on professional income</i>	5 000.00 €	1 000.00 €
Gross salary	10 777.07 €	1 207.85 €
Annual gross salary <i>+ social contributions employer</i> <i>+ other direct costs (holidays) and indirect</i>	140 101.91 €	15 702.05 €
Annual total employment cost	197 091.13 €	18 032.64 €
Monthly total employment cost	16 425.25 €	1 502.72 €

Example
Blue collar worker

	Belgium	Bulgaria
Net Salary <i>+ social security contributions</i> <i>+ withholding tax on professional income</i>	2 500.00 €	500.00 €
Gross salary	4 628.20 €	637.85 €
Annual gross salary <i>+ social contributions employer</i> <i>+ other direct costs (holidays) and indirect</i>	60 166.64 €	8 291.93 €
Annual total employment cost	80 305.04 €	9 016.56 €
Monthly total employment cost	6 692.08 €	751.38 €

Example
Managing director

	Belgium	Bulgaria
Gross Salary <i>+ social security contributions</i> <i>+ withholding tax on professional income</i>	10 000.00 €	10 000.00 €
Net salary	4 808.03 €	8 869.40 €

You want to live in Bulgaria as a citizen

EU Citizen

EU citizens and nationals of Iceland, Liechtenstein, Norway and Switzerland:

Applications for a long-term residence permit must be made within 90 days of arrival in Bulgaria.

The following documents are required:

- Passport (if the passport expires before the end of the five year period, the residence permit will only be valid until that date).
- Property title deeds or rental contract as proof of address.
- Company registration document or work contract (if applicable).
- Proof of health insurance from the former EU country of residence translated into Bulgarian.
- Proof of financial means if without employment.
- Application form.

The application form is in Bulgarian and some English but must be completed in Bulgarian. The long-term residence certificate is issued one working day later.

Also we can assist you with:

- Issuing driving license
- Residential address
- Phone number
- Office address

Non-EU Citizen

Non-EU family members of EU citizens must apply for a residence permit within 90 days of arrival in Bulgaria. They will also need to provide proof that they are a family member of a European Union citizen. A temporary residence certificate is issued and the long term residence card is issued within three months.

Applications for a long-stay visa must be submitted to Bulgaria's consular representatives abroad.

A visa is not required for citizens of countries that have concluded a treaty on visa-free entry clearance. Within 90 days of arrival, an application for long-term residence must be submitted.

A long term residence permit may be issued to non-EU citizens for one of the following reasons:

- Foreigners with a work permit
- Foreigners involved in commercial activities
- Foreigners married to a Bulgarian citizen
- To company representatives of a foreign commercial company registered with the Bulgarian Chamber of Commerce and Industry
- To foreign investors who carry out activities under the Foreign Investment Act
- To pensioners who receive a pension with sufficient funds to cover their living costs in Bulgaria
- To foreigners in Bulgaria for medical treatment
- To family members of a foreigner with a D-type visa
- To students in full-time education in licensed establishments
- Citizens of Bulgarian descents

Who are we and what can we do for you in Bulgaria?

Our young office has one main goal: To render personalised services. Transparency is another of our objectives: Transparency with regards to our services and transparency regarding fees. The office was founded by Iven De Hoon, Belgian, who has already acquired 25 years of experience in fiscal and legal service provision. Iven De Hoon is the author of several books and publications and is an international tax lawyer.

Our specialities

1. We don't sell structures as such. No, we offer a tax-friendly solution that is adjusted to your situation by using the structure best suited to you at that particular time.
2. In principle, there is no challenge we won't face. However, our favourite fields of expertise are:
 - Providing tax advice to companies and expats worldwide;
 - Setting up international vehicles for estate planning;
 - Establishing advantageous financial and investment structures;
 - Legal advice.

How do we operate?

We prefer to formulate direct and clear answers to your questions over ample and incomprehensible advice. We provide concrete answers to concrete questions. We are entrepreneurs and not academicians. Action first. We have a broad vision and will assist you in finding solutions within the existing legal frames.

We believe in Bulgaria as a country of opportunities and have therefore set up our main office in Sofia, Bulgaria.

We can

1. Assist with the incorporation of your Bulgarian company
2. Provide your full accounting needs
3. Take care of your VAT and TAX returns
4. Take care of your payroll, labour administration, maintenance of your employee records
5. Take care of your statutory reporting and your annual financial reports

But we can do more:

1. International tax planning with your Bulgarian company as epicenter
2. Assist you with finding the right investment in Bulgaria
3. Assist you with finding the right business partners and suppliers
4. Guide you through the process of purchasing real estate or land
5. Assist you with the process of buying a local company
6. Assist you with getting EU funding for your projects
7. Assist you with obtaining residency in Bulgaria

Discovery package Bulgaria

Contact us for our very competitive offer. As you know we are very excited about Bulgaria as an investment country!

How can we convince you?

Why don't you pop into our office?!

Or maybe you already have plans and you are looking for assistance? We welcome every challenge. Send us your wish list and we will try to make your visit as successful as possible! Your local network and the appropriate contacts are very important in Bulgaria.

If you make use of our services on-site, you will not only save time, but you will also avoid a lot of worries.

What will you receive?

Just let us know what you are looking for. This will be discussed via Skype, email, phone... to see if we are on the same wavelength. We will prepare your visit. You will come to our Bulgarian office and we will try to transform your wishes locally into reality in one full day.

If we do real business afterwards, you will get a refund of 50% of the discovery package!





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