

The Bulgarian Investment Immigration Program – Let your investments open the gates to the world

The Bulgarian Investment Immigration Program (BIIP) is a complex legal service, designed to facilitate high net worth individuals while investing in the Republic of Bulgaria and acquiring Bulgarian citizenship on grounds of the investment. This way the investment process becomes something more than a source of revenue and a diversification of risk – the investment made under the terms of the BIIP allows the investor to acquire a Bulgarian passport and thus, free access to the territory and markets of the whole European Union.

This opens a window of near-endless possibilities for the investor both in personal and professional aspects – as a Bulgarian citizen one receives free access to the country's education and healthcare systems and is granted by the Constitution the right to free economic initiative in all spheres of economy. Additionally, the investor would be granted under EU legislation the freedom of mobility, including for goods and capital, within the borders of the Union and European Economic Area (including Iceland, Norway) and Switzerland. The benefits of the investment when applying for Bulgarian citizenship also apply for the family of the investor – spouse and children, regardless of their age.

The Republic of Bulgaria – Quick Factsheet

The Republic of Bulgaria is a parliamentary democracy, operating within the framework of a number of international organizations, guaranteeing the observance of human rights and economic freedom, including the EU, the Council of Europe and the Organization for Economic Cooperation and Development.

The economy of the country is based on the principal of free initiative, which is guaranteed by the Constitution, and is currently steadily growing. Currently the sectors that provide growth are construction and industry, as well as the IT services and tourism.

The territory of the Republic of Bulgaria is 111 000 sq. km., which are evenly distributed between mountains, open plains and forests, providing freedom and choice for rest and recreation. The country borders on the Black sea to the east, providing a long coast line with natural sand beaches. With Bulgaria's four distinguished seasons, the nature provides ample opportunity to find the perfect solution for any taste – mountain hiking, skiing, sunbathing under the sound of the sea are all available options, separated by no more than a hundred kilometers at any moment. For those interested in culture, Bulgaria provides for a number of events, from opera to rock concerts, as well

as over 4 000 years worth of history to be found in archeological sites and museums across its territory.

Bulgaria has a population of about 7.4 Million citizens, whereas about a quarter of this population is concentrated at the capital – Sofia. There is also a number of large cities, established near different cultural or tourist sites, including the cities of Varna and Bourgas at the Black sea coast.

The legislative framework of the BIIP

The Bulgarian migration legislation, incorporated in two acts – the Foreigners in Republic of Bulgaria Act (FRBA) and the Bulgarian Citizenship Act (BCA) - provides a number of opportunities for investors to reside in Bulgaria in order to maintain control over their assets. The investment thresholds for obtaining a residence permit vary from between 250 000 BGN (about 125 000 EUR) up to 6 000 000 BGN (about 3 000 000 EUR). The BIIP focuses on just a few of these legislative options, which allow maximum flexibility when making the investment, while providing the most benefits for investors.

The investment options featured in the BIIP are based on the provisions of Art. 25, para 1, items 6 or 7 of the FRBA. According to the quoted provisions, the migration authorities shall issue a permanent residence permit to a foreign investor on basis of a direct investment in the amount 1 000 000 BGN (511 500 EUR) as per one of the following investment methods:

1. The acquisition of shares in a Bulgarian company listed on the Bulgarian Stock Exchange (according to the item 6 letter A);
2. The acquisition of Government bonds (according to the item 6 letter B);
3. By investing the same amount in licensed credit institution under trust agreement for the period of not less than 5 years (according to the item 7), where the sum cannot be used to secure loans from other credit institutions in Bulgaria over the same period. The amount may be used to secure an Investment into a private equity fund. The Fund is fully guaranteed and secured by ownership over assets – real estates, land, company shares, etc.

The indicated investment methods provide an optimal amount of the investment - BGN 1 000 000 BGN (511 500 EUR), which is certified by a third party (secondary government bond dealer, which is always a bank, an investment intermediary or a credit institution, which is also always a bank). The investment made via these methods allows the investor to retain control over the acquired assets and to assess the risks related to them in advance. Furthermore, the procedures for establishing the amount of the investments in these cases are clear and predictable, allowing a schedule of the whole procedures to be made in advance.

Any investment made under the framework of the BIIP shall be made on behalf of the investor and shall remain under his control throughout the whole procedure. The investor has the opportunity to terminate the investment at any given time, however the investment should be maintained for a minimum period of between 4 and 6 years based on the exact situation, in order to guarantee that the investor shall acquire Bulgarian citizenship and it shall not be rescinded.

Once the investor has acquired a permanent residence permit and has maintained it for 5 years, under art. 12a of the BCA related to art. 12 of the same act, it is possible to file an application for Bulgarian citizenship.

Art. 14a of the BCA provides an opportunity to acquire citizenship in shorter terms – within a total of two years from the date of making the investment. This fast-track option is applicable only with the three investment methods, featured in the scope of the BIIP and requires the initial investment to be increased in amount to 2 000 000 BGN (1 023 000 EUR) one year after obtaining the permanent residence permit. It is mandatory to increase the investment in order to use the benefits of the fast-track option, so it is not viable to invest a total of 2 000 000 EUR from the beginning of the procedure. The minimum requirement for maintaining the investment for the fast-track option is 2 years after acquiring the citizenship. Considering the total duration of the fast-track procedure of 2 years, this means that the investment can be terminated within 4 years from the starting date of the procedure.

On grounds of art. 17 of the BCA any children of the investor under the age of 18 become Bulgarian citizens within the same procedure, whereas for children above 18 years of age art. 15 of the BCA provides an additional comparatively short procedure. The spouse of the investor acquires citizenship within the same procedure in the cases of the normal procedure, or 3 years after the investor in the case of the fast-track option.

Acquiring a residence permit and Bulgarian permit. Benefits of the BIIP

The BIIP provides a number of advantages for investors and their families. As first, in the course of acquiring citizenship the investors and the members of their family can immediately apply for a permanent residence permit – whereas foreigners usually need to prove grounds to be admitted in the Republic of Bulgaria and need to reside for 5 years under the continuous residence regime, which is more strict and requires more administrative work to maintain the residence status. Once the investor acquires a permanent residence status, there is no requirement to reside in Bulgaria in order to keep it – the investor is free to reside in the country without any obligation to do so.

Obtaining the permanent residence status grants the investor access to the healthcare system of the Republic of Bulgaria and the labour market. The permanent residence permit also eases the procedures for obtaining a visa for the other EU Member States. Additionally, the Republic of Bulgaria is awaiting admittance to the Schengen agreement, which shall allow travel within the Schengen space for persons with permanent resident status.

The BIIP also provides benefits for investors when applying for citizenship – under art. 14a of the BCA, the investor is exempt from the requirement to prove command of the Bulgarian language, to prove available funds for sustenance in Bulgaria and to relinquish any other citizenship possessed. This means that for investors is introduced an exemption from the principal ban on dual citizenship.

Upon acquiring Bulgarian citizenship, the investor has all right and obligations as the other citizens and also receives all rights, granted to the citizens of the Member States of the EU (freedom of movement, equal treatment across the EU). The citizens also benefit from all the bilateral agreements on visa regimes, which allow Bulgarian citizens to travel without visas to 91 countries, outside the EU. With regard to the discussed trade agreements it is expected to introduce such regimes also with the USA and Canada.

Citizens of the Republic of Bulgaria also benefit from the lowest tax rates introduced in the whole EU – both in regard to personal income and corporate profit.

Requirements for participation in the BIIP

All nationals from countries outside the EU are eligible for participation in the BIIP provided they have not been convicted for a crime in their country of origin and current residence. This also applies for the members of the investor's family. The additional requirement is that all the applicant should not pose a threat to national security, public order and public health.

In the course of the procedure the investor shall have to present the following documents in order to acquire Bulgarian citizenship:

- birth certificate;
- valid document for travelling abroad (passport);
- non-conviction certificate;
- medical certificates for a list of diseases;

In the course of the procedure the funds used for the investment shall come under scrutiny, therefore they have to have clear origins, which can be proved upon inquiry from the migration authorities.

There are also additional documents required for the procedure, but they are drafted in the course of work based on the specific requirements of the investor.

All official documents (certificates, indicated above) need to be certified and translated in order to be presented before the Bulgarian authorities. Depending on the country of origin of the documents, the certification might include just a translation by a sworn translator, certified by the Bulgarian Ministry of Foreign Affairs, legalization via an apostille under the Hague convention or full legalization procedure.

Acquiring Bulgarian citizenship - the procedure

The process of investing and acquiring Bulgarian citizenship goes through the following stages and legal steps:

1. First Stage – Making the investment:

1.1 Step 1 – A legal opinion is drafted to determine the best investment methods and all the details of the procedure based on the investor's personal requirements. Here in consideration are taken the total number of applicants (family members), the steps for making the investment, etc. Observance of the formalities at this stage is extremely important, because if the investment does not meet the requirements of the legislation, it shall have to be done all over, which might result in loss of time and resources.

Duration of this step - between 1 and 2 weeks from the initial inquiry from the investor.

1.2 Step 2 – Making the actual investment in accordance with the decision of the investor and the legal opinion drafted in the previous step.

Duration of this step – depending on the type of investment.

1.3 Step 3 – Obtaining a certificate for the investment from the Bulgarian Investment Agency.

Duration of this step – between 14 and 24 work days, depending on the complexity of the case.

2. Second Stage – Obtaining a permanent residence permit:

2.1 Step 1 – Applying for a long-stay visa based on the certificate for the investment in the country of residence of the investor.

Duration of this step – about 2 months depending on the amount of applications filed before the respective Bulgarian consul's office.

2.2 Step 2 – First mandatory visit to Bulgaria to apply for a permanent residence permit.

Duration of this step – can be completed within the day of arrival in Bulgaria if all documents are prepared in advance.

2.3 Step 3 – Second mandatory visit to Bulgaria to receive the residence permit and to apply for an ID document.

Duration of this step – 3 months for issuance of the residence permit and 3 additional days for the ID document.

2.4 Step 4 – Maintaining the investment and the residence permit for 5 years, which shall include repeating steps 2 and 3 on the fifth year from the issuance of the permanent residence permit.

2.5 Step 4A – For fast-track only – Increasing the investment in amount to 2 000 000 BGN (1 023 000 EUR) after 1 year from the date of obtaining the permanent residence permit under Step 3.

3. Third Stage – Acquiring Citizenship

3.1 Step 1 – Filing an application for acquiring citizenship before the Ministry of Justice after completing Step 4 or Step 4A from the Second stage.

Duration of this step – 1 day, if documents are prepared in advance.

3.2 Step 2 – Mandatory interview.

Duration of this step – depends on the amount of applications, filed at the Ministry of Justice.'

3.3 Step 3 – Review of the application.

Duration of this step – 6 months.

3.4 Step 4 – Obtaining a Bulgarian passport.

Duration of this step – between 3 and 30 days from receiving a Presidential decree for acquiring citizenship.

The process might include additional procedures depending on the number of applicants – additional procedures are required for the children and spouse of the investor.

The total duration of the procedure for the investor is about 6 years from the date of making the investment, whereas for the children and the spouse this term might be extended by 3 to 6 months, depending on their exact situation.

The total duration of the procedure for the fast-track option is 2 years.

Comparison to other immigration programs

There is a number of countries, providing eased regimes for acquiring citizenship by investors. However, in comparison the BIIP provides a number of advantages, making it a choice better than most.

The first advantage of the BIIP is the EU Membership of the Republic of Bulgaria – the acquiring of citizenship means access to the whole EU. This distinguishes the program from those introduced by the Caribbean countries for instance.

In comparison to other EU Member States programs, the BIIP allows for lower investment thresholds and shorter total duration of the procedure. Looking at the comparison table below, some EU countries require investing up to 20 times more and allow naturalization after 10 years.

An additional advantage of the BIIP is one of the investment methods, which is not available in most other investment immigration programs - the trust agreement allows the investor complete control over his funds and the exact way they are managed. The funds shall be transferred directly to the account of the bank – trustee – and from this account shall be invested in accordance with the instructions of the investor. During the whole process when it comes to the investment no intermediaries are involved and the investor is not required to trust his funds to any other person outside a licensed credit institution, operating under the supervision of the Bulgarian national bank in accordance with the relevant legislation. This investment method provides freedom in the choice of assets to acquire, while still meeting the requirements of the legislation, and provides security for the investor, based on the control over the investment and the contract with the credit institution.

Immigration programs comparison table

Country	Minimum Investment	Residency by Investment	Minimum Stay Requirements	Total term	EU Schengen Member	USA visa needed	Double Citizenship	Visa free travel countries*
Austria	€ 10 million (or € 3 million non-refundable)	no	none	Up to 10 years (discretion of the government)	yes	no	no	169
Belgium	€400 000	yes	none	5 years	yes	no	yes	170
Bulgaria	€ 511 500	yes	none	After 5 years	pending	yes	yes	150
Cyprus	€ 2.5 million (real estate)	no	none	3 – 6 months	no	yes	yes	158
Greece	€ 250,000 (real estate)	Immediate Residency	none	7 years	yes	no	yes	167
Malta	Approx € 900,000	no	none	2 years (waived)	yes	no	yes	167
Monaco (Monte Carlo)	€ 1 million	Immediate Residency	6 months per year	10 years	yes	no	no	151
Netherlands	€ 1.25 million	Immediate Residency	yes	5 years	yes	no	no	171
Portugal	€ 500,000	yes	7 days per year	6 years	yes	no	yes	170
Spain	€ 500,000 (real estate)	yes	none	10 years	yes	no		169
Switzerland	CHF200,000 per year	yes	yes	12 years	yes	no	yes	169
United Kingdom (UK)	GBP 2 million	yes	9 months per year for UK passport	6 years	no	no	yes	
Latvia	€ 250 000	yes		10 years	yes	no	yes	172

Disclaimer: The table contains information only about basic investment and residence terms required by the respective law. Therefore the indicated investment amounts and total terms are the minimum possible, but there shall be state fees and additional procedures to be considered.