

Bulgaria

13th Directive (86/560/EEC) VAT refunds

I. RECIPROCITY AGREEMENTS – Article 2(2)

1. Does your country have any reciprocity agreements?

Yes.

2. If yes, what countries are included in the reciprocity agreements?

Yes, with Croatia, Swiss Federation, Republic of Korea, Iceland, Norway, FYR of Macedonia and Canada.

3. What is the equivalent third country tax to which the reciprocity agreements relate?

VAT

4. What goods and services are allowable under the reciprocity agreements?

Those according to the legislation of the host country.

5. Are there any specific or additional rules applicable in relation to the reciprocity agreements?

No

6. If your country has no reciprocity agreements, do you still allow refunds?

Not applicable

II. TAX REPRESENTATIVES – Article 2(3)

7. Does your country require the appointment of a tax representative?

Yes

8. What conditions are imposed when appointing a tax representative?

The following persons and entities shall have the right to register as a tax representative of a foreign entity – a trader within the meaning of the Commercial Act, or under the legislation of a Member State of the EU or a country party to the European Economic Area Treaty, this trader meeting simultaneously all of the following prerequisites:

1. to be registered under the Value Added Tax Act;
2. to exist for at least 2 years;
3. to dispose of at least 500 thousand leva in the form of financial assets and/or fixed tangible assets within the meaning of the Accountancy Act;
4. not to be subject of a bankruptcy or winding-up procedure;

5. there must be no effective penal provision in respect of violation of the tax, accounting, customs or currency legislation for a sum exceeding 5000 leva for the last 2 years;
6. to have no due and payable public liabilities exceeding 5000 leva;
7. to be represented by persons, who:
 - a) have never been convicted of a general crime;
 - b) have never been members of the management or supervisory body or unlimited partners in a company dissolved due to bankruptcy where unpaid creditors remained.

III. REFUND ARRANGEMENTS – Article 3(1)

- 9.** What are the time limits that are applied for making a claim?

The entity can exercise its right to value added tax refund under this Ordinance until June 30th of the year following the calendar year when the right to refund of the tax arose, at the latest.

- 10.** What periods are eligible for a refund?

The refund claim may refer to a period shorter than one calendar year, but not shorter than three months.

- 11.** Where shall the applications be made?

"Competent Revenue Authority" shall be the territorial director of the Sofia Territorial Revenue Directorate, or a person authorized by him.

- 12.** What is the minimum amount of VAT that can be refunded?

When the refund claim refers to a period of one year or for the remainder of the said year, tax refund to the entity shall be allowed only if the amount of the tax is at least 50 leva.

- 13.** How can the applicant receive an application form?

From the Internet site of the National Revenue Agency

http://www.nap.bg/files/file_download.pubdocument?p_doc_id=1269

or from an authorized agent.

- 14.** What languages may be used for completion of the form?

The value added tax refund claim shall be filled in by the entity's agent in Bulgarian using the form in appendix № 1. The information of the name and address of the persons must also be filled in in the official language of the country where the entity is established.

- 15.** What information is requested on the application form? Please could you provide a copy of the form or a website link?

The form is an appendix № 1 to the ORDINANCE № H-10 dated 24.08.2006 on the Refund of Paid Valued Added Tax to Foreign Entities that are not Established in the Community Territory, available at the http://www.nap.bg/files/file_download.pubdocument?p_doc_id=1269

16. Is any information optional? If yes, what information?

No

17. Who is authorised to sign the application form?

The authorised agent and the taxable person.

18. What evidence is required to support an application?

Original tax documents for the received supplies or documents for imports, with regard to the value added tax refund which is claimed;

19. What time-limits does your country apply to making a refund?

Value added tax shall be refunded by the competent revenue authority in Bulgarian leva (BGN) to a bank account nominated in the tax refund claim within 6 months as from the receipt of the refund claim. The expenses related to the transfer of the refunded tax will be charged to the account of the entity.

IV. ELIGIBILITY– ARTICLE 4(2)

20. Are there any other conditions applicable?

No

21. Are certain types of expenditure excluded and if so which?

No

V. MAJOR DIFFERENCES BETWEEN REFUNDS UNDER THE 13TH AND THE 8TH (79/1072/EEC) DIRECTIVE

22. What are the main procedural differences between applying for a VAT refund based on the 8th Directive and a refund based on the 13th Directive?

No

23. Do certain types of expenditure give rise to refund under the 8th Directive but not under the 13th Directive? If yes, please specify the types of expenditure.

No