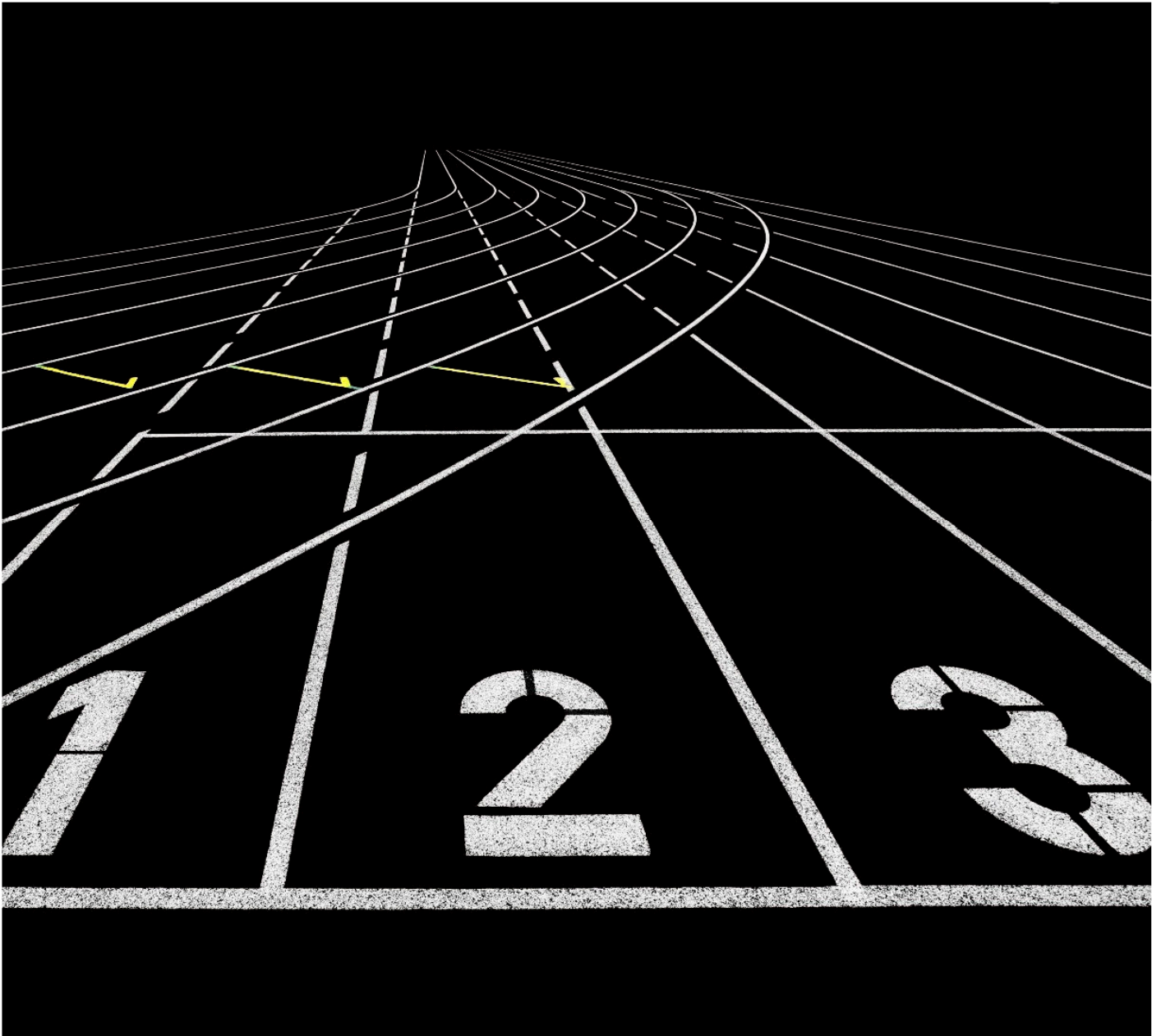


LIMITED LIABILITY COMPANY

INTRODUCTION

INTERLEGIS LTD.

www.interlegis.net



FAST START OF YOUR BUSINESS IN BULGARIA

The **limited liability company (LLC)** is the type of business organization most widely used among **investors** because of the minimum capital requirements and the simplicity of its corporate governance structure. An LLC can be established by one or more persons, individuals and/or legal entities. As a type of LLC, the solely owned LLC is subject to the same regulation as the LLC, with certain exceptions relating to its specific structure of shareholding. Shareholders in an LLC may be Bulgarian and/or **foreign individuals and/or legal entities**

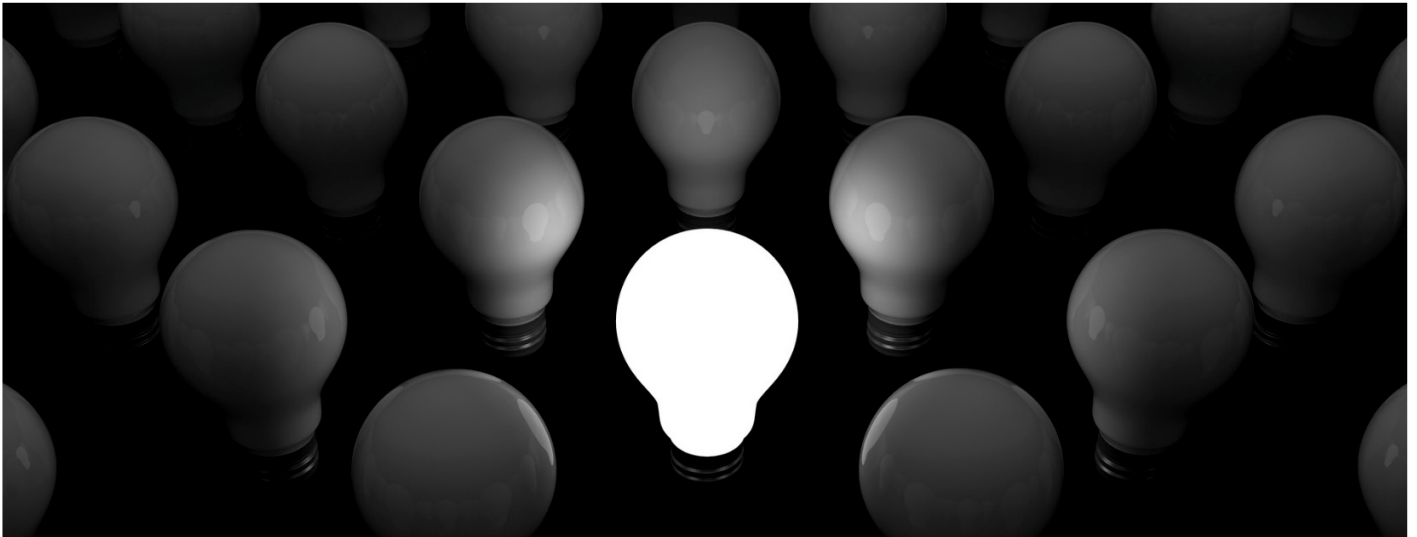
Capital

The **minimum share capital** required by the Commerce Act for incorporation of an LLC is **BGN 2** (*two Bulgarian Leva*) (*equal to appr. EUR 1 (one Euro)*), distributed in shares with value of not less than BGN 1 (*one Bulgarian Lev*) each.

The shareholders can make both **cash and in-kind contributions**. The in-kind contribution is subject to mandatory evaluation by three independent experts, appointed by the Bulgarian Registry Agency

Shares

The shares in an LLC are not tradable instruments like shares in stock exchange markets. They may be transferred by a notarized share transfer agreement. The transfer of shares between shareholders does not require a resolution of the general meeting, while a transfer of shares to a third party, as well as the admission of the new shareholder(s), requires such a resolution.



Make your business brighter in EU or abroad by tax advantages in Bulgaria

LLC governance

The corporate governance structure of an LLC consists of:

- (i) a general meeting of the shareholders; and
- (ii) one or more managers who manage the company and represent it vis-à-vis third parties.

Under Bulgarian law only an individual may be appointed as manager of the LLC. The manager can be a shareholder, as well as a third person and there are no restrictions for a foreign person to be appointed as manager of an LLC.



Target country

Bulgaria – strategic location;

Due to its location Bulgaria provides **direct access** to the following key markets:

- ✓ **European Union** - zero tariff market with population of 500 million
- ✓ **CIS** – still not well penetrated market with a high potential
- ✓ **Turkey** - zero tariff market of over 85 million population
- ✓ Middle East – a market with high purchasing power
- ✓ North African market



Set up LLC

Register your company in Bulgarian commercial registry



Growth

Low cost of doing business:

- ✓ Bulgaria has the most favorable tax regime in Europe. **Corporate income tax rate is 10%**, the lowest in the EU. Personal income tax is 10 %, flat rate. Industries in high-unemployment areas are granted 0% tax rate
- ✓ There is a 2-year VAT exemption for imports of equipment for investment projects over €5 million, creating at least 50 jobs
- ✓ Depreciation time for computers and new manufacturing equipment is 2 years
- ✓ **5%** withholding tax on dividends and liquidation quotas (**0% for EU tax residents**)
- ✓ Bulgaria has one of the most competitive costs of labor in Central and Eastern Europe
- ✓ Favorable office rents and low cost of utilities. Bulgarian cost of electricity for industrial users is 70% of the European average