



Bulgaria

VAT Standard rate

The standard VAT rate in Bulgaria in 2024 is **20%**.

VAT Reduced rate

9%

Accommodation in hotels and similar establishments.

0%

Supply of bread and flour (in effect until 1 July 2023).

The VAT rate for EU countries in some cases can reach 15% and 5%.

Threshold

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of EUR10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over EUR 10,000.

When a company's distance sales hit the threshold, the company must register for the VAT no later than 7 days before the date of occurrence of the tax event.

Deductible VAT

If goods or services were used to make taxable supplies in Bulgaria, VAT in input invoices might be credited. Examples include:

- VAT charged on the import of goods;
- VAT paid to Bulgarian suppliers.

VAT registration procedure in Bulgaria

When a company has the obligation to register, the owners will be required to complete and submit a VAT registration form, along with supporting documentation:

- Tax and VAT registration from the country of residence;
- Details of the taxable turnover in Bulgaria;
- Articles of Association;
- An extract from the company's national trade register;
- Declaration of the absence of a criminal record.

Tax representative

Taxable companies established outside the European Union are obliged to appoint fiscal representatives in order to handle all formalities related to VAT registration and filing.

When a foreign person is established in another Member State of the EU or in a third country with which our country has legal instruments for mutual assistance, the foreign person may appoint an accredited representative, but is not obliged to do so.

VAT returns filing date

The tax period is one month and coincides with the calendar month. If you are newly registered, your first tax period lasts from the date of registration until the last day, including the calendar month in which the registration was made.

Together with the reference-declaration, you also submit the accounting registers that you use to fill out the reference-declaration.

Submit a certificate-declaration and all accompanying documents on a monthly basis by the 14th day of the month following the month (tax period) to which the declaration belongs.

VAT payment date

Any Bulgarian VAT due must be paid by the same date.

Keeping records

All records and supporting documents should be kept for 10 years.

Penalties

For failure to submit an application for registration or an application for termination of registration, the fine is from BGN500 to BGN5,000.

In case of failure to submit a certificate declaration, or accounting registers (sales diary and purchase diary), the fine is from BGN500 to BGN10,000.

For unpaid tax, the penalty is the amount of unpaid tax, but not less than BGN500.