

Bulgaria as a migration destination

Making an investment and acquiring citizenship

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Bulgaria's position as border country of the European Union translates into a key role in the migration flows. On one hand, there are thousands of illegal refugees entering the country as a result of the Arab Spring, which shook third world countries. Statistics show that their aim is to use Bulgaria as a springboard to move to the West.

On the other hand, in recent years there have been several legislative changes. Promulgated amendments to the Foreign Nationals in Bulgaria Act (FNBA) and the related art. 14a of the Bulgarian Citizenship Act, expanded the opportunities for acquiring Bulgarian citizenship under the so-called "fast track" procedure for investors.

Thus Bulgaria became the most practical option for foreign investors to acquire Bulgarian and more specifically European citizenship, whereas the goal of institutional leaders - fresh cash flows to be directed at financing business, the state and the banking system.

Invest Bulgaria Agency (IBA)

"Migration" Directorate's strict orientation in the residence procedure makes it necessary that the

economic aspect of the investment be monitored by the IBA. The Regulation on the Implementation of FNBA gives the agency the responsibility to support the “Migration” Directorate at the Ministry of Interior and Ministry of Justice and oversee the execution and maintenance of investments. Once the application to IBA for certification of the investment as per art. 39 of the Regulations is submitted, the institutions involved interact automatically, thus further facilitating the procedure.

Earlier this year a conference on improving the investment climate in the country took place. The focus of the discussion, which was attended by representatives of the state as well, gradually shifted towards investment migration. And questions were raised about the financing of the investment itself, such as the in the purchase of government securities part of the amount to be financed by a credit institution. To this purpose, a balanced approach is to be undertaken in line with the law.

Another key issue is securing the investment. Talks with representatives from the insurance industry are conducted in order to cover the actual investment and balance the situation in the event of adverse economic developments.

The Investment

The financial dimension of the total investment for acquiring Bulgarian citizenship amounts to BGN 2 million, or approximately EUR 1 million. Functionally, the amount is divided in two steps: the first is pursuant to Art. 25, pt. 6 and pt. 7 of the Foreign Nationals Act, which prescribes BGN 1 million initial investment, whereas the investor can apply directly for permanent residence in the country.

By taking this step, the investor should be prepared to declare the origin of their funds. The second part of the fast track procedure is set in Art. 14a of the Bulgarian Citizenship Act. A year after the acquisition of permanent residence, the initial investment shall be increased by another BGN 1 million, after which the foreign citizen may apply for Bulgarian (European) citizenship with the Ministry of Justice.

The Foreign Nationals Act, and in particular art. 25 pts.6 and 7, provides investors with a wide range of assets through which they can take advantage of the fast track procedure, such as government securities, intellectual property, in Bulgarian bank accounts within asset management contracts, listed companies on regulated markets and others.

The high degree of certainty in pts. 6b and 7 of the Foreign Nationals Act – in government securities (GS) and in accounts within asset management contracts - largely determines the high interest in such investments. The acquisition of securities in institutions requires maximum transparency, i.e. securities must be purchased and held by the investor in his personal capacity as an individual, which excludes the often sought after opportunities for acquisition by a company.

Meanwhile, the institution responsible for granting permission for permanent residence - "Migration" Directorate with the Ministry of Interior, aims to provide maximum assistance in

explaining the renewed legislation.

Accelerated procedure for citizenship

The objective of such an investment in Bulgarian economy is accelerating the procedure for a person, a citizen of a country outside the EU required to travel after the issuance of a visa, for instance, to acquire Bulgarian and European citizenship, thus being able to move freely within the European Union, which is among the leading business development destinations.

In the standard procedure, the foreign citizen can apply for citizenship after the fifth year of legal residence in the country - art. 12 of the Bulgarian Citizenship Act. The provision of Art. 12a, where the core of the fast track program is regulated, reduces these deadlines nearly five times, and slightly more than a year after the initial investment, the foreign citizen can perform the second step and apply for citizenship.

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