

Brief outline of the non-profits/NGOs regime in Bulgaria

Potential registration options for non-profits/NGOs

According to Bulgarian legislation non-profit legal entities (NPOs) are all non-governmental organizations (NGOs) - foundations and associations.

The establishing of an association requires at least 3 to 7 founders as minimum. For establishing of a foundation sufficient is one person -founder, regardless of whether the foundation will be determined for private or public benefit. The founder is required to make a founding donation (in cash or other property).

Private or public benefit

When forming a non-profit organization, it is important to consider whether it will serve a public or private purpose.

An organization may be registered with a public purpose if its intended activities and aims will serve the interests of a broad number of people or address societal issues (as is the current case). Non-profit organizations in private benefit may change their status and be determined in public benefit, but the opposite is not possible. Non-profit organizations in public benefit receive tax relief from the state and the opportunity to manage state and municipal property under a lighter regime.

In view of the above the most favourable approach in case of persons/entities that wish to conduct humanitarian activities in Ukraine and for Ukrainian citizens would be to establish a NPO for a public benefit.

1. Procedure

NPOs in Bulgaria are established through an administrative procedure carried out before the Register of Non-Profit Legal Entities maintained by the Registry Agency. There is no fast-track procedure envisaged, but fortunately if all necessary incorporation documents are at hand, duly legalised (in event of a foreign participation in the NPO), the administrative procedure solely would not take more than 5 days till completed. The cost for the legalization of documents and the state fee in the Commercial register most often do not exceed 200 Euro.

Briefly, the procedure runs through two stages for both type of organizations: 1) preparation and execution of incorporation documents (statute/constitutive act, legal entity resolutions, specimens and others); 2) entry in the Register of Non-Profit Legal Entities.

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2. Registration of branches of foreign NGOs/NPOs

Foreign NGOs may also establish branches in Bulgaria, if the activity objectives of these NGOs do not contradict to the public order and the Bulgarian laws. Branches of foreign NGOs are also registered in the Register of Non-Profit Legal Entities.

Upon registration, the following shall be stated: the name, seat and address of the parent non-profit organization, the name, seat and the address of management of the branch in Bulgaria, the manager of the branch, the envisaged limitations of his/her powers, as well as whether the branch will carry out public benefit activities.

Respective documents should be provided for the status of the parent NGO, attesting the very existence of the foreign NGO, the names of the persons authorised to representing it, according to the register in the country of origin, the manner of representation, etc. (for example, this may be a Certificate of Good Standing, issued by competent authority) and minutes with resolution by the foreign NGO for opening the Bulgarian branch.

The Bulgarian Private International Law Code stipulates that the branch of a legal entity is governed by the law of the country in which it is *registered*, therefore the provisions of Bulgarian law will apply to the branches of foreign NGOs in Bulgaria.