



AMERICAN CHAMBER OF COMMERCE IN BULGARIA

Bilateral Agreements

[Agreement on Trade Relations Between the United States of America and the Republic of Bulgaria](#)

[US - BULGARIA Intellectual Property Rights Agreement](#)

[US- Bulgaria Treaty Concerning the Encouragement and Reciprocal Protection of Investment](#)

[Bilateral Investment Treaty](#)

Treaty on Avoidance of Double Taxation

On June 4 the US President George Bush wrote to the Senate of the United States with regard to the Ratification of the TADT:

I transmit herewith, for Senate advice and consent to ratification, the Convention Between the Government of the United States of America and the Government of the Republic of Bulgaria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, with accompanying Protocol, signed at Washington on February 23, 2007 (the "Proposed Treaty"), as well as the Protocol Amending the Convention Between the Government of the United States of America and the Government of the Republic of Bulgaria for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, signed at Sofia on February 26, 2008 (the "Proposed Protocol of Amendment").

Open [file](#) to read further.

Bulgaria, US Sign Agreement on Avoiding Double Taxation (Updated info, Feb. 28, 2008)

A Treaty for Avoidance of Double Taxation (TADT) between the United States and Bulgaria was signed in Washington D.C. on February 23, 2007, by the Minister of Finance of Bulgaria Plamen Oresharski and the Deputy Secretary of the U.S. Department of Treasury, Robert M. Kimmitt. The two sides signed February 26th, 2008, an additional protocol that had to accompany the treaty. The Treaty and the protocol are now back to the U.S. State Department for transmittal to the Senate. The Treaty and protocol must undergo formal ratification procedures in both the U.S. Senate and the Parliament of Bulgaria. Once ratified, they will take effect on January 1 of the following year. The TADT applies to direct taxes only and excludes indirect levies, such as value-added and excise taxes, as well as all social contributions. TADT applies to all sources of income that residents of either state have received "at source" in the other state. The TADT will reduce the tax burden for residents of both states, which will stimulate cross-border trade and investment.

For more information about the tax benefits offered by the Treaty for Avoidance of Double Taxation and for answers to frequently asked questions, please see [More Information](#). To view the text of the U.S.-Bulgaria treaty, please see [Text of the Treaty](#).

If you have additional questions about the treaty, please send them to: sofia@usembassy.bg.

[The Agreement](#)

Bulgarian Parliament Ratifies TADT

The Bulgarian Parliament has ratified July 12th 2007 the Treaty for Avoidance of Double Taxation (TADT) between the United States and Bulgaria. The document was signed in Washington on Feb. 23 this year by Bulgaria's Minister of Finance Plamen Oresharski and the U.S. Deputy Secretary for the Department of Treasury, Robert M. Kimmitt.

The list of tax breaks available to residents of either state now includes a reduction from 10% to 5% of tax on copyright and licensing royalties and a tax exemption for cases when the beneficial owner of the dividends is a pension fund that is a resident of either state; a 5% tax on the gross amount of the dividends if the beneficial owner is a company that owns directly at least 10 percent of the voting stock of the company paying the dividends; 10% of the gross amount of the dividends in all other cases. U.S. companies shipped goods worth \$490.5 mln to Bulgaria last year while Bulgarian exports to the U.S. topped \$438.9 mln.

The Treaty should go for ratification by the U.S. Senate and will come into force as of January 2008.

Bulgaria, US Sign Agreement on Avoiding Double Taxation

Bulgaria and the United States of America signed on Feb. 23 an agreement for avoiding double taxation between the two countries. The document was signed by Bulgaria's Minister of Finance Plamen Oresharski and the U.S. Deputy Secretary for the Department of Treasury, Robert M. Kimmitt.

"This is an important event for the development of our relations. Signing this agreement will bring serious growth of US investments in Bulgaria," Kimmitt said, underlining this is the first of a kind agreement between the two countries. It will bring financial advantages to the Bulgarian financial environments and to US business, Minister Oresharski said. The treaty will substantially lighten the tax burden over dividends of trans-border trade, provides for special mechanisms that will keep it safe from violations by citizens of third countries. The document also includes clauses on exchange of any kind of financial information between the two countries.

The treaty on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income generally reduces but does not eliminate, the rates of taxation on cross-border dividend, interest and royalty payments, the U.S. government said on its website. However, the treaty generally eliminates withholding when cross-border dividends are paid to pension funds, and when cross-border interest is paid to the government of the other country or a financial institution resident in the other country.

In addition, the treaty contains provisions preventing so-called treaty shopping, which is the inappropriate use of a tax treaty by third-country residents. The treaty also contains provisions for the exchange of information between the two countries, including bank information.

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AmCham has lobbied actively and successfully for the re-launch of negotiations on a US - Bulgaria DTT since 2003. Several rounds of negotiations between US Treasury and Bulgarian Ministry of Finance took place during 2005 and 2006. On October 7, 2003 AmCham presented its position paper on the matter at the meeting with US Treasury in Washington D.C. The document has been a result of

extensive discussion in the Chamber. It was prepared with the assistance of Ernst & Young Bulgaria, KPMG, Deloitte and Borislav Boyanov & Co. and supported by individual letters written to Secretary of Treasury from American Standard, AbC.R.O., BAEF, Bristol-Myers Squibb, Citibank, Coca-Cola HBC Bulgaria, Curtis/Balkan EBRD, Earnst&Young Bulgaria, Entergy, Hilton Sofia, Michigan Magnetics.

The Treaty should go for ratification by the U.S. Senate and the Bulgarian Parliament later this year and will come into force as of January 2008.

DTT Update by Kenneth Lefkowitz, June 15 2006

Kenneth Lefkowitz, Chair of PA Committee has provided this update for the developments in the DTT negotiations.

[Briefing](#) [updated]

Position Paper - February 2006

[DTT Position paper.pdf](#)

Archive_Minister of Finance Meets AmCham Bulgaria /in BG/_Jan. 26 2006

На 26 януари 2006 г. министърът на финансите Пламен Орешарски се среща с ръководството на Американската търговска камара у нас. На срещата присъстваха г-н Кенет Лефковиц, президент на Американската търговска камара, г-н Валентин Георгиев, изпълнителен директор, както и търговското аташе и икономическият съветник на Американското посолство в България .

Една до темите, която бе обсъждана по време на разговорите беше възможността за започване на преговори за решаване на въпроса за подписване на споразумение за избягване на двойното данъчно облагане.

Министърът на финансите Пламен Орешарски увери представителите на американския бизнес у нас в готовността и желанието на българското правителство да съдейства за увеличаване на американските инвестиции в страната. Министър Орешарски изтъкна, че съществен принос за това би имало споразумението за избягване на двойното данъчно облагане. „Оптимист съм, че в хода на преговорите ще успеем да намерим удовлетворителни решения за финализиране на документа”, заяви финансовият министър.

Той припомни, че преговорите продължават вече 10 години, но е постигнат съществен напредък в отношението на американската администрация по въпроса от 2000-та година досега, като заслугата за това е на Американската камара.

Представителите на американския бизнес у нас изразиха общото си задоволство от развитието на данъчната система у нас и заявиха, че ще лобират за създаване на все по-благоприятен бизнес климат в страната.

Archive_US-Bulgaria DTT Action Plan Jan. 2006

[Action plan](#) and Report by Kenneth Lefkowitz, Chair Public Affairs Committee

Archive_US and Bulgaria to Negotiate Income Tax Treaty /April 2005/

The United States and Bulgaria announced April 19 2005 that they plan to begin negotiations of Bilateral Income Tax Treaty. The first round of negotiations is expected to take place in the autumn of 2005. The treaty would be the first tax treaty between the two countries. The Treasury Department invites written comments from the public regarding the upcoming negotiations. Comments should be sent to Patricia Brown, Acting International Tax Counsel, Room 5064C Main Treasury building, 1500 Pennsylvania Avenue NW Washington, DC 20220. Comments also may be sent by fax to (202)

622 1772, or e-mail to Patricia.A.Brown@do.treas.gov

Archive_AmCham Meets with US Treasury /May 27 2005/

For more information click [Meeting Memo](#)

[DOUBLE TAXATION TREATY ARCHIVE](#)

Defense Cooperation

Pre Solicitation Notice of the US Army Corps of Engineers

The US Army Corps of Engineers, Europe District is requesting expressions of interest in proposing on a Firm Fixed Price (FFP) solicitation for design and construction services of a Forward Operating Site (FOS) in Bulgaria.

The Government will post this synopsis, the solicitation and all subsequent amendments for this requirement to the Government-wide Point of Entry (GPE) available at the Federal Business Opportunities (FEDBIZOPPS) website, [_http://www.fedbizopps.gov_](http://www.fedbizopps.gov), and it is the Offeror's sole responsibility to obtain a copy of the solicitation and any subsequent amendments from this website. Vendors are encouraged to visit this website and become familiar with its content and functionality prior to the solicitation issue date. Information will not be available through Federal Technical Data Solutions (FedTeDS) so prospective Offeror's must provide the information requested above in order to receive instructions necessary to access the location of additional information not posted to the GPE. The contract specialist(s) will be the sole point of contact(s) for this solicitation. The Government reserves the right to cancel this solicitation at no cost any time. Attached please find subject Pre-Solicitation Notice. Interested firms must register at [_http://www.fedbizopps.gov/_](http://www.fedbizopps.gov/) as an interested vendor for this solicitation.

[Pre-SolicitationNoticeBulgaria.pdf](#)

Federal Business Opportunities Announcements

U.S. Federal Business Opportunities (www.fbo.gov) announced tenders of presolicitation for Novo Selo military exercises. Please read more in the attached links to the FedBizOpps announcements.

[solicitation_presolicitation](#)

Temporary base camp will be designed to support 1000 soldiers from 15 July, 2008 through 31 October, 2008 located at Novo Selo Training Area (NSTA), Bulgaria, in support of Joint Task Force East. The Ordering Period for these Services is from 20 May 2008 through 19 May 2009.

AmCham to develop a database of Bulgarian companies interested to provide goods and services for the U.S.-Bulgaria Joint Training Facilities

[QuestionnaireJTFProject](#)

U.S. Army Corps of Engineers Announces Request for Information (RFI) Build to Lease Facilities in Bulgaria

The US Army Corps of Engineers, Europe District, announced it is seeking information from potential investors for build-to-lease facilities in the vicinity of Novo Selo Training Area in Bulgaria.

Bulgarian Companies to Compete for Over 200 Billion USD in US Army Tenders: American Experts Teach US Contracting Procedures in Procurement

With over 50 participating companies in Yambol and 160 companies in Sofia the training seminars on US contracting procedures turned out to be the ideal venue for business opportunities in Bulgaria created by the establishment of US-Bulgaria training facilities.

CCR, DUNS Number & NATO Cage Code Registration Procedure

In Bulgaria, before getting CCR, the company needs DUNS number registration. DUNS registration is a free service offered by a US company called Dun&Bradstreet, with an office in Bulgaria at: 02 943 4050/1/2, or e-mail: office@dic-bg.com

1. [2007 DUNS-ENG](#)
[2007 DUNS-BG](#)
2. [CCR Registration Instructions \(in Bulgarian\)](#)
[CCR Registration Instructions \(in English\)](#)
3. [NATO Cage Code Registration Instructions \(in Bulgarian\)](#)

Science and Technology

US and Bulgaria Sign Science and Technology Cooperation Agreement

On January 4th 2008, the United States and the Republic of Bulgaria signed a bilateral Science and Technology Cooperation Agreement during a ceremony at the U.S. Department of State. Secretary of State Condoleezza Rice signed on behalf of the United States, and Foreign Minister Ivailo Kalfin signed on behalf of Bulgaria.

The new agreement provides a mechanism through which the United States and Bulgaria can broaden cooperation in all science and technology fields, and move forward in areas of collaboration such as marine sciences, energy, space, global stewardship, HIV/AIDS and other health issues, science and technology education, engineering, sustainable development, agriculture, natural resources, human nutrition and food safety.

It is designed to promote and facilitate scientific exchanges and collaborations by government technical agencies, government-to-government exchanges, scientific partnerships between private, academic, and non-governmental entities, and engage the scientific community on such matters as the promotion of science-based decision-making. The Agreement establishes a framework to facilitate exchange of scientific results and provide protection for intellectual property rights, and will also help establish a regional dialogue on important science issues, such as the protection of the environment and biodiversity and the management of shared resources.

Please find below the full text of the Agreement:

[Text of the Treaty in English](#)

[Text of the Treaty in Bulgarian](#)