

# ***Factual analysis of Member States Investors' Schemes granting citizenship or residence to third- country nationals investing in the said Member State***

## ***Deliverable B.I Investors' Citizenship Schemes in Bulgaria***

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The views expressed herein are those of the consultants alone and do not necessarily represent the official views of the European Commission.

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## I. GENERAL BACKGROUND

### ■ *Legal background*

Investors' schemes granting permanent residence and citizenship to third-country nationals investing in Bulgaria were first introduced in the Bulgarian legislation in 2005. Since then, the investors' schemes have been further developed by introducing amendments to the relevant legislation in 2009, 2013 and 2015. This report only covers investors' citizenship schemes.

The legal provisions governing investors' schemes granting citizenship (and permanent residence) to third-country nationals investing in Bulgaria are set forth in several laws and the secondary legislation on their implementation. Relevant pieces of legislation include in particular:

- (i) the Bulgarian Citizenship Act<sup>1</sup> (also referred to below as “**BCA**”) and the secondary legislation on its implementation (including inter alia *Ordinance No. 1 of 1999 on the Implementation of Chapter Five of the BCA*<sup>2</sup> (also referred to below as the “**BCA Implementation Ordinance**”)), which govern the terms and procedure for acquisition, retention and loss of Bulgarian citizenship;
- (ii) the Foreign Nationals in the Republic of Bulgaria Act<sup>3</sup> (also referred to below as “**FNA**”) and the secondary legislation on its implementation, which govern, among other matters, the grounds and the terms and procedure for granting of permanent or long term residence permits to foreign nationals, and
- (iii) the Investments Promotion Act<sup>4</sup> and the secondary legislation on its implementation, which govern, among other matters, the procedures for certification of various types of investments.

Among the above referred acts, the Bulgarian Citizenship Act is the main act regulating investors' citizenship schemes. Within said act, the specific provisions that govern such schemes are Articles 12a and 14a, which were introduced at the beginning of 2013.

In general, pursuant to the Bulgarian Citizenship Act, a non-Bulgarian citizen may obtain Bulgarian citizenship by naturalization if as of the date of submission of the application for Bulgarian citizenship the person complies with the following requirements:

- (i) having attained the age of 18 years; and
- (ii) holding a permit for permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago; and
- (iii) he/she has not been sentenced by a Bulgarian court for a wilful crime prosecuted *ex officio* by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated; and
- (iv) he/she possesses an income or occupation allowing him/her to subsist in Bulgaria; and

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<sup>1</sup> Bulgarian Citizenship Act (Закон за българското гражданство), SG N. 136, 18 November 1998 <https://www.lex.bg/laws/ldoc/2134446592>, as subsequently amended and supplemented.

<sup>2</sup> Ordinance No. 1 of 1999 on the Implementation of Chapter Five of the BCA (Наредба № 1 от 19.02.1999 за прилагане на глава пета от Закона за българското гражданство, SG N. 19, 2 March 1999), as subsequently amended and supplemented

<sup>3</sup> Foreign Nationals in the Republic of Bulgaria Act (Закон за чужденците в Република България), Prom. SG. No. 153 of 23 December 1998, as subsequently amended and supplemented.

<sup>4</sup> Bulgarian Investments Promotion Act (Закон за насърчаване на инвестициите), SG N. 97, 24 October 1997, as subsequently amended and supplemented.

- (v) he/she has a command of the Bulgarian language subject to verification according to a procedure established by an ordinance of the Minister of Education and Science (this requirement may be avoided in certain limited cases specified by the law), and
- (vi) he/she has been released from his/her previous citizenship or will be released therefrom at the time of acquisition of Bulgarian citizenship (this requirement may be avoided in certain limited cases specified by the law).

Under the premises of this Report, two investors' citizenship schemes have been identified: an **ordinary investors' citizenship scheme** (Article 12a BCA) and a **fast-track investors' citizenship scheme** (Article 14a BCA). While the former entails obtaining citizenship by virtue of waiving some of the abovementioned naturalization conditions in exchange of an economic disbursement but still requiring the investor to hold a permanent residence or a permit for continuous residence in Bulgaria issued at least 5 years ago, in the latter, the length of residence is reduced to one year if the investment requirement has been fulfilled.

Pursuant to **Article 12a** of the Bulgarian Citizenship Act, a non-Bulgarian citizen who has (i) obtained a permit for permanent residence in Bulgaria on the grounds of making certain type of investments (specifically set forth by said law) and (ii) maintained the validity of such permanent residence permit for at least 5 years from the date of its issuance, may obtain a Bulgarian citizenship through naturalization if he/she complies with less burdensome requirements. In particular, such a person may obtain Bulgarian citizenship, without fulfilling the requirements relating to command of Bulgarian language and release from the person's previous citizenship (discussed in items (v) and (vi) in the paragraph above). However, such person has to comply with the remaining requirements under items (i) to (iv) inclusive from the above paragraph. Thus, the procedure set forth in Article 12a of the Bulgarian Citizenship Act shall be considered under the premises of this Report as an "**Ordinary Investors' Citizenship Scheme**".

Pursuant to **Article 14a** of the Bulgarian Citizenship Act (adopted at the beginning of 2013 and amended in 2015), a non-Bulgarian citizen fulfilling the requirements set out in items (i) and (iii) of the paragraph above (i.e. having attained the age of 18 years, and not having been sentenced by a Bulgarian court for a willful crime prosecuted *ex officio* by the state, and not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated) may acquire Bulgarian citizenship by naturalization much easier than in the case of the Ordinary Investors' Scheme, if the person has obtained a permanent residence permit at least a year ago on one of the grounds of making certain types of investments (set forth in the Bulgarian Citizenship Act and encompassing fewer types of investments compared to the case of the Ordinary Investors' Scheme) and has increased his/her investment up to certain levels as provided for by the law. Thus, the procedure set forth in Art. 14a of the Bulgarian Citizenship Act represents a "**Fast-Track Investors' Citizenship Scheme**".

As a general comment, the national regulation of investors' citizenship schemes is scattered across different legal provisions in different laws, as briefly summarized above. The reason behind this seems to be the numerous legislative amendments made over the years and the sometimes inconsistent and scattered legislative technique.

#### ■ **Competent authorities**

The main authorities involved in the investors' citizenship schemes are the **same ones that are involved in the naturalisation programmes**. There is no separate governmental authority dealing with investors' citizenship schemes.

These authorities may be divided into **two groups**: (i) authorities that have direct decision-making capacities, and (ii) authorities that have consultative capacities.

A general description of these authorities and their powers is provided below.

(i) The important **decision-making authorities** are:

- The **Migration Directorate** (a structure within the Ministry of Interior) is responsible for processing the applications for residence permits.
- The **Minister of Justice** is in charge of making a proposal to the President of the Republic of Bulgaria to issue a decree on the acquisition of Bulgarian citizenship. According to Bulgarian legislation, the Ministry is an administrative structure consisting of a set of specialized services, managed by a Minister, who is the actual authority with special competence<sup>5</sup>. In principle, these specialized services, subordinate to the Minister, examine the files and propose to him a draft decision or proposal. The decision/proposal itself is an act of the Minister. The Minister of Justice makes the proposal based on the opinion of the Council for Citizenship, which includes representatives from various government institutions.
- The **President** of the Republic of Bulgaria issues a decree or refuses to issue a decree for acquisition of Bulgarian citizenship.

(ii) The **supporting consultative authorities** are:

- The **Council for Citizenship** is an independent consultative body with the Ministry of Justice bringing together representatives of different departments. It is responsible for issuing opinions on the applications and proposals related to Bulgarian citizenship. The Council is composed of a Chairperson - Deputy Minister of Justice, and members - one representative of the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Interior, the Ministry of Regional Development and Public Works, the Ministry of Labour and Social Policy, the Ministry of Health and the State Agency for National Security, the State Agency for Bulgarians Abroad and the State Agency for Refugees. The Minister of Justice appoints the members based on the proposal of the heads of the relevant bodies according to Article 33 of the Bulgarian Citizenship Act. The representative of the Ministry of Interior is a Migration Directorate employee.
- The **Bulgarian Citizenship Directorate**: is a specialized structure of the Ministry of Justice charged with the following tasks<sup>6</sup>:
  - checks the applications and proposals for change of citizenship and the documents attached thereto for their compliance with the normative requirements and appoints an interview with the candidates;
  - forms files on the regular requests and proposals after conducting an interview with the applicant;
  - prepares and organizes the sessions of the Council for Citizenship, sends the draft minutes to the Chairman and the members of the Council as well as the representative of the President of the Republic of Bulgaria;
  - draws up a final report with the opinion of the Council for Citizenship on each case and submits it to the Chairman of the Council;
  - prepares draft proposals of the Minister to the President of the Republic of Bulgaria for the issuance of a decree or for refusal to issue a decree on the acquisition, restoration, release or deprivation of Bulgarian citizenship, as well as for the

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<sup>5</sup> This means that the holder of the powers and responsibilities is not the Ministry as a whole, but the Minister. Having special competences here means being the actual authority, not just being placed in charge of it.

<sup>6</sup> Article 33 of the Rules of Procedure of the Ministry of Justice.

annulment of naturalization.

- The **Bulgarian Citizenship Commission**: a consultative assisting body of the President's Cabinet that gathers the necessary information to clarify the facts and circumstances in support of proposals made by the Minister of Justice.

In the procedure for granting Bulgarian citizenship, the Minister of Justice makes a proposal on the basis of the opinion of the Council for Citizenship.

Specific for the **investors' citizenship schemes** is that in the cases when the law requires that the particular **type of investment**, on the grounds of which the foreigner is eligible to participate in the scheme, should be **certified by the Investments Promotion Act**, such certificate is issued by the Invest Bulgaria Agency, an executive agency to the Bulgarian Minister of Economy (referred to below as the "**Invest Bulgaria Agency**"). The Invest Bulgaria Agency supports the Bulgarian Minister of Economy in the application of the state policy in the field of encouragement of foreign investments.



## II. PROCEDURES, COMPETENT AUTHORITIES AND APPLICABLE CRITERIA

### 1 APPLICATION PHASE

#### 1.1 PROCEDURES

In general, in order for a foreign national to obtain Bulgarian citizenship in investors' schemes, the following **steps** have to be accomplished in consecutive order by the investor:

- (i) Pursuant to Article 25 of the FNA, a permanent residence permit may be granted to a foreigner on a number of grounds related to investments. Such grounds are listed in the table in Section 2.1 below. Thus, for the purposes of obtaining permanent residence permit, the foreign national has to first **make the investment**;
- (ii) The foreign national shall obtain a **long-term residence visa** (type "D" visa) on the grounds of such investment (see Section 1.1.1(i) below),
- (iii) After entering Bulgaria on the grounds of the type "D" visa, apply for and obtain a **permanent residence permit** (see Section 1.1.1(ii) below); and
- (iv) After obtaining permanent residence status, **apply for Bulgarian citizenship** following either the Ordinary Investors' Scheme after maintaining the permanent residence status for at least 5 years, or the Fast-Track Investors' Scheme after maintaining the permanent residence status for at least 1 year and increasing the investment as required by the law.

These steps are discussed in detail below.

##### 1.1.1 Obtaining Permanent Residence Permit on the grounds of Investment

###### (i) Long-term Residence (Type D) Visa

The type "D" visa is **valid up to 6 months** as of the date of its issuance and entitles its owner to **stay in Bulgaria for up to 180 days** and to leave and enter Bulgaria within the term of the validity of the visa repeatedly.

The **application** for the issuance of a long term residence visa has to be **submitted personally** to the **Bulgarian embassy** in the country of the investor's permanent residence not earlier than **three months prior to the intended entry in Bulgaria**. In certain limited cases provided for by the law, the visa application may be submitted in the Bulgarian embassy in a country different from the country of the applicant's permanent residence.

The **documents** required for obtaining type D visa include the following:

- Standardised<sup>7</sup> application form filled in writing (no notary certification is required);
- Colour photos of current date (passport format) - the photos can be taken upon submitting the application;

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<sup>7</sup> The application form is provided as a template in Appendix 2 of the *Ordinance on the terms and conditions for issuing visas and determination of visa regime* (Promulgated in State Gazette, Issue No 55, dated 19 July 2011, effective as of 4 August 2011 as subsequently amended and supplemented). Application form in English is available at: [Sample form application](#) (EN); Application for in Bulgarian is available at: [Sample form application](#) (BG).

- Valid international passport;
- Copies of the pages of the international passport with the personal data and visas stamped and/or photocopies of the owned residence permits;
- Evidence for sufficient financial means of subsistence for both the duration of the intended stay in Bulgaria and the return to the applicant's country of origin or residence<sup>8</sup>;
- Evidence for accommodation for the period of stay in Bulgaria;
- Insurance policy, valid on the territory of the Republic of Bulgaria, with minimum cover amounting to EUR 30,000, covering all expenses for repatriating and urgent medical care and hospital treatment for the residence period;
- Document, evidencing paid state fee, amounting to EUR 100 – to be paid at the respective Bulgarian embassy;
- Clean criminal record certificate – to be obtained in original or as a notary certified copy and stamped with apostille;
- Documents evidencing the legal grounds on which type D visa is sought. Detailed information about the type of documents, by which the respective type of investment shall be proved, is provided in Section 2.1 below (such as certificate issued by the Invest Bulgaria Agency in evidence of the investment made).

The **decision for the issuance** of type “D” visa to the applicant is adopted within a term of **35 business days from the date of submitting the application**. In case of a positive decision, the investor's long term residence visa is issued by the respective Bulgarian embassy. The applicant has to collect the visa directly in person at the respective Bulgarian embassy. If the applicant does not collect his visa within a month as of the starting date of the visa's validity, the applicant shall be deemed to have renounced to the visa application.

**Refusals** to issue a visa may be appealed as regards to their legality under the procedure of the **Bulgarian Administrative Procedure Code**.<sup>9</sup>

#### (ii) **Permanent Residence Permit**

After being granted a type “D” visa, the foreign national has to enter into Bulgaria on the grounds indicated in the type D visa and apply for the issuance of a permanent residence permit. The **authority competent** to issue permanent residence permits is the **Migration Directorate** of the Ministry of Interior. The set of documents required to be submitted for the purposes of issuance of a permanent residence permit are essentially the same as the ones required for a type D visa.

In particular, for the purposes of issuance of such permit, the following **documents** must be **personally submitted** by the investor before the Migration Directorate to the Ministry of Interior:

<sup>8</sup> These can be, for example, cash funds, a credit card, traveling checks, a bank deposit, etc. Such funds shall be enough so as the applicant not to be a burden to the Bulgarian social assistance system, amounting to not less than the minimum monthly salary (which presently is at the amount of BGN 510 - approximately EUR 260 per month) for each month of the intended period of stay.

<sup>9</sup> Bulgarian Administrative Procedure Code (*Административнопроцесуален Кодекс*), Promulgated in State Gazette No 30 dated 11 April 2006, effective 12 July 2006, available at <https://www.lex.bg/bg/laws/ldoc/2135521015>

- standardised application form<sup>10</sup>;
- document evidencing paid state fee for reviewing the application, amounting to BGN 10 (appr. Euro 5);
- a copy of the investor’s international passport, including the pages with the photo and personal data, visas stamped and the stamp for the last entry in Bulgaria;
- evidence for accommodation for the period of stay in Bulgaria (the same as the ones presented for the type “D” visa);
- evidence for sufficient financial means of subsistence for the period of stay in Bulgaria (the same as the ones presented for the type “D” visa);
- clean criminal record certificate issued by the competent authorities in the country of citizenship (depending on the validity term of the certificate and the period of time that has lapsed, the same certificate used for the purposes of obtaining the “D” visa may be used);
- Documents evidencing the legal grounds on which type D visa is sought. Further information about the type of documents, by which the respective type of investment shall be proved, is provided in Section 2.1 below (such as certificate issued by the Invest Bulgaria Agency in evidence of the investment made).

The above documents have to be **submitted** before the Migration Directorate **not later than two months prior to expiry of the type “D” visa**.

The **decision for granting** permanent residence status is adopted within a term of **three months** from the date of submission of the application. Provided that the case is of great legal or factual complexity or in case some additional documents would need to be presented this term may be prolonged by two months.

The Bulgarian authorities will inform the applicant about the decision taken. In case of a positive decision the investor will have to pay state fee amounting to BGN 1,000 (appr. EUR 500) for the issuance of a permanent residence permit. The applicant has to collect the permanent residence permit in person from the Migration Directorate.

### 1.1.2 Obtaining Bulgarian Citizenship

As discussed in Section I above, the Bulgarian Citizenship Act provides for an Ordinary Investors’ Citizenship Scheme and for a Fast-Track Investors’ Citizenship Scheme.

The table below shows an overview of the requirements that have to be met under each of the two schemes.

Requirements	Ordinary Scheme	Investors’	Fast-Track Scheme	Investors’
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<sup>10</sup> The application form is provided as a template in Appendix 4 of the *Regulations for Application of the Foreigners in the Republic of Bulgaria Act (Promulgated in State Gazette Issue No 51 dated 5 July 2011, effective 5 July 2011 as subsequently amended and supplemented)*. The application form is available at: <https://www.mvr.bg/migration/административни-услуги/административни-услуги-за-граждани/разрешения-за-пробиваване>.

Permanent residence permit issued on any of the eligible grounds relating to investment envisaged by Article 25 of the Foreign Nationals in the Republic of Bulgaria Act (for details about the eligible grounds in each of the schemes, please refer to Section 2.1 below.	Yes	Yes
Minimal period for maintaining a valid permanent residence permit before applying for citizenship	5 years	1 year
Additional investment to the initial one	No	Yes
Requirement for physical presence in the country	Only when submitting application	Only when submitting application
Required full legal age of at least 18 years of age	Yes	Yes
Lack of conviction by a Bulgarian court for a willful crime prosecuted ex officio by the state, and is not subject to pending criminal proceedings for such an offence, unless the person has been rehabilitated	Yes	Yes
Requirement for possession of an income or occupation allowing the foreign national to subsist in Bulgaria	Yes	No

The **application** procedure in both schemes is similar. The application is **filed in person** at the **Bulgarian Ministry of Justice** or the diplomatic or consular office of the Republic of Bulgaria according to Article 29 of the BCA. In both schemes, the foreign national must attach to the application for the acquisition of Bulgarian citizenship, written in Bulgarian, the following **documents**:

- A copy of the birth certificate or duplicate birth certificate;
- Certificate issued by the Ministry of Interior for permanent residence in the Republic of Bulgaria. It must specify the date of issue of the authorization and the legal basis on which it was issued.
- A criminal record certificate issued by the country of nationality of the foreigner.
- A medical document issued by a medical advisory commission to the medical institution serving the person at the place of residence certifying that they do not suffer from acute infectious diseases (Article 61, para 1 of the Health Act), or mental disorders (Article 146, para 1, items 1 and 2 of the Health Act). In the absence of a medical advisory commission, the document is issued by the general advisory commission of the respective hospital.
- Sample form declaration (as per the template representing Appendix 4 of the BCA Implementation Ordinance).
- Official document certifying the change of names, if any, and an official identity document of a person with different names.
- Curriculum vitae.
- Current photo in passport format;

- Receipt for paid state administrative fee for processing of the application of BGN 100 (EUR 50) to the account of the Ministry of Justice.

Under the **Ordinary Investors' Citizenship Scheme**, in addition to the above documents, the applicant must provide **proof of possession of an income or occupation** allowing the foreign national to subsist in Bulgaria without being a burden to the Bulgarian social security system. The BCA Implementation Ordinance specifies the documents that shall be provided as such proof. These documents include in particular: (i) a certificate issued by the Invest Bulgaria Agency or by the Bulgarian Ministry of Economy about the investment made, and (ii) a certificate from the employer that the person works under an employment or civil contract, or if the person is self-employed - a certificate issued by the tax authorities evidencing the income of the foreigner declared in his/her annual tax return for the previous year, as well as a document certifying the payment of the compulsory social security contributions (effective as of 1 July 2018, a document evidencing the payment of such contributions shall not be required). The BCA Implementation Ordinance does not explicitly require that the documents under item (ii) relate to occupation carried out in Bulgaria or income with source from Bulgaria.

Under the **Fast-Track Investors' Citizenship Scheme**, proof of possession of an income or occupation is not required. However, in addition to the documents listed under the nine bullet points above, the applicant must provide certain **documents issued by the Invest Bulgaria Agency or by the Bulgarian Ministry of Economy (as the case may be) proving the required increase of the investment made**. These documents are specifically provided for by the Bulgarian Citizenship Act and are discussed in Section 2.1 below.

Upon the **citizenship application being accepted and registered** by the **Bulgarian Citizenship Directorate**, the **applicant is interviewed** by a member of the administration of the Minister of Justice, provided that all necessary documents have been submitted. Where the application is filed through the diplomatic or consular office of the Republic of Bulgaria abroad, the interview with the applicant is conducted by an employee of the respective office at the time of filing the application. Further details about the interview are provided in Section 2.3 below.

**The citizenship application is considered by the Council for Citizenship** at the Ministry of Justice. The Council for Citizenship gives an **opinion** on the applications and proposals related to Bulgarian citizenship, following written submissions from the Ministry of Interior and the State Agency for National Security.

The Council of Citizenship must come up with its position whether Bulgarian citizenship is to be granted or rejected in **six months** term as of submission of the citizenship application and the set of accompanying documents.

Based on the opinion of the Council for Citizenship, the **Minister of Justice proposes to the President of the Republic of Bulgaria to issue or refuse to issue a decree for granting of Bulgarian citizenship**. In the President's office there is a Bulgarian Citizenship Commission, which is a consultative assisting body that gathers the necessary information to clarify the facts and circumstances in support of proposals made by the Minister of Justice.

If the President **refuses** to grant Bulgarian citizenship, the refusal is final and **cannot be appealed**. Refusal to issue a decree may be justified for reasons of public order, public morality, public health and/or national security (Article 19 of the BCA). Those reasons could include initiated criminal proceedings for an intentional crime of a general nature or a verdict of such crime without rehabilitation; presence of an active (undeleted) signal in Interpol; withdrawal of the right of permanent residence in the Republic of Bulgaria; unfulfilled requirements under the BCA.

## 1.2 COMPETENT AUTHORITIES AND NON-PUBLIC BODIES

The authorities competent to grant a permanent residence permit and citizenship are discussed in Section 1.1 above.

There are **no non-public bodies** officially involved in the schemes. Applicants may choose to employ consultants or lawyers to offer advice during the preparation of the documents, but these are not part of the procedure.

## 1.3 MONITORING OF THE PROCEEDINGS AND THE AUTHORITIES INVOLVED

There is **no limitation on the number of admissions to citizenship by investment** in Bulgaria.

No scrutiny is placed upon the number of persons who successfully obtain citizenship nor is there a coherent monitoring mechanism. Citizenship is granted by a Presidential Decree which is **not subjected to monitoring**, as Presidential Decrees enter into force at the moment of their issuance and are not subject to judicial review. **Statistical information is compiled in private databases of the Migration Directorate and the Presidency.**

In general, the only public information is found in Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee at the President's office<sup>11</sup> – those reports only feature the total number of issued citizenships, and do not give details as to the legal basis on which citizenship is granted.

The first official report on citizenship granted under the Ordinary Investors' Citizenship Scheme is due some time in 2018. As of the date of this study, the report has not been issued yet.

## 1.4 INFORMATION ON APPLICATIONS

Based on information in newspapers, there are between 250 and 300 cases annually of application for citizenship based on investment. However, there is very **few publicly available official statistics** about the number of filed applications and the number of approved applications.

For the period 1 January 2012 - 25 May 2017, a total of 89,218 applications for the acquisition, release or restoration of Bulgarian citizenship were registered at the Ministry of Justice.<sup>12</sup> However, there is **no publicly available information what portion of such applications have been on the grounds of investors' citizenship schemes.**

According to public information from the Presidency of Bulgaria, from 22 January to 31 December 2017 Bulgarian citizenship was granted by decree of the Vice-President of the Republic of Bulgaria **on the grounds of the Fast-Track Investors' Citizenship Scheme to 12 persons.**<sup>13</sup>

Further data on the number of applicants and of the number of turned down applicants under the investors' schemes should be available to the respective authorities but was not provided upon sending an official letter of request for this information. A formal inquiry was sent to the Migration Directorate (Ministry of Interior),<sup>14</sup> but no statistics concerning investors' citizenship schemes were provided.

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<sup>11</sup> Monthly Reports of the Bulgarian Citizenship and Bulgarians Abroad Committee <https://m.president.bg/en/cat106/mesechni-otcheti-grajdanstvo>

<sup>12</sup> Shorthand record of a regular meeting of the Policy Commission for Bulgarians Abroad, 31st May 2017 <http://www.parliament.bg/bg/parliamentarycommittees/members/2597/steno/ID/4556>

<sup>13</sup> Report of the Bulgarian Citizenship Commission for the period 22 January - 31 December 2017 <https://www.president.bg/docs/1516795436.pdf>

<sup>14</sup> The formal inquiry was sent out on 21 February 2018.

However, data for the number of permanent residence permits issued under Article 25 of the FNA was provided.<sup>15</sup> This data may serve as indication only, as the possession of such permit is required both in the Ordinary Investors' Citizenship Scheme and in the Fast-Track Investors' Citizenship Scheme. The total number of permanent residence permits issued is as follows: 51 (2012); 49 (2013); 53 (2014); 72 (2015); 69 (2016); 76 (2017).

## 1.5 INFORMATION ON NATURALISATION OF FAMILY MEMBERS

Pursuant to the Bulgarian Citizenships Act, within the **Ordinary Investors' Citizenship Scheme**, a **member of the family** of a foreign national who applies for Bulgarian citizenship following the that scheme, is also **eligible to apply for a Bulgarian citizenship**, provided that the family member satisfies the remaining requirements relating to full legal age, lack of criminal record, holding a permanent or long-term residence permit for at least 5 years and having sufficient income or occupation (as discussed in Section 1.1.2 above).

The FNA defines the term '**family members**' as the persons who live with him [the foreign national] in one household and are the:

- spouse;
- children of the alien and of his/ her spouse, including the adopted, who have not reached the age of 18 and have not married;
- the children, including the adopted ones, of the alien who have not reached the age of 18 and have not married when he or she has the parental rights and the children are dependent on him/her;
- children, including those adopted, of the spouse who have not reached the age of 18 and are not married when he or she has custody and the children are dependent on him/her.

Children of the foreign national or their spouse who are over 18 years old and have not been married are also considered family members when serious health reasons require personal care for them or for such reasons they are objectively unable to provide their own support.

In the application procedure, in addition to the set of documents discussed in Section 1.1.2 above, the family member has to present a **document (such as a marriage certificate or a birth certificate) proving their connection to the foreign national**.

If the family member applies for Bulgarian citizenship on the grounds of being a member of the family of a foreign national applying for Bulgarian citizenship in the Ordinary Investors' Citizenship Scheme, **no separate or additional investment is required by law in respect of the family member**.

The Bulgarian Citizenship Act does not contain explicit legal rules relating to family members in the case when the foreign national applies for a Bulgarian citizenship in the **Fast-Track Investors' Citizenship Scheme**. However, it could be concluded that the legal rules explicitly provided for with respect to family members in the Ordinary Investors' Citizenship Scheme should be applied by analogy with respect to family members in the Fast-Track Investors' Citizenship Scheme<sup>16</sup>. Thus, by analogy it could be concluded that no separate or additional investment should be required with respect to the family members in the case when the foreign national applies for a Bulgarian citizenship in the **Fast-Track Investors' Citizenship Scheme**.

There are **no statistics on issued decrees for granting Bulgarian citizenship to family members of investors**. In the Migration Directorate at the Ministry of the Interior's database, in connection with the presentation of a right of residence, this category of persons is part of the statistics on the criterion of

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<sup>15</sup> Obtained through a written response from MoI, Migration Directorate on 2 March 2018.

<sup>16</sup> Conclusion based on legal expertise of the national expert.

"family member" without taking into account the basis of residence of the main holder of the right of residence.<sup>17</sup> Therefore, it is not possible to provide statistics on the number of successful applications for naturalisation of family members.

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<sup>17</sup>Information obtained through stakeholder consultation with representative of Migration Directorate on 7 March 2018.



## 2 APPLICABLE CRITERIA AND VERIFICATION PROCEDURES

### 2.1 TYPE OF INVESTMENT<sup>18</sup>

Type of investment required	Applicability of financial threshold	Procedure to verify the fulfilment of the investment criterion	Competent authorities and non-public bodies
<p><b>In the Ordinary Investors' Citizenship Scheme</b> (Article 12a of the BCA), the type of investment which is required is any one of the investments summarized under items 1, 2, 3, 4 and 5 below (i.e. only one of these investments has to be made; they are not cumulative but alternative).</p> <p><b>In the Fast-Track Investors' Citizenship Scheme</b> (Article 14a of the BCA), the type of investment which is required is any of the investments summarized under items 1, 2 and 4 below. In addition, in the case of the Fast-Track Investors' Citizenship Scheme, an additional investment is required, as discussed below.</p> <p>The types of eligible investments are listed alternatively, i.e. they</p>		<p><b>1. Within the procedure for obtaining a permanent residence permit</b> (discussed in Section 1.1.1 above):</p> <p>The <b>documents</b> to be submitted as proof of investment (submitted alongside the application) would include any or some of the following, depending on the type of investment:</p> <ul style="list-style-type: none"> <li>• a contract for transactions with financial instruments;</li> <li>• verification document or statement of held securities;</li> <li>• a certificate from the Ministry of Culture or a certificate issued by the Patent Office of the existence of the relevant circumstance and evaluation of the objects of intellectual property, issued by an independent assessor under the Independent Assessors Act;<sup>22</sup></li> <li>• a contract with a licensed credit institution for a trustee agreement;</li> <li>• a certificate from the Ministry of Economy.</li> </ul> <p><b>Changes in the investment made:</b></p> <p>For the investment under <b>Items 3, 4, and 5</b>, foreign nationals with right of residence must declare to the Migration Directorate any change in the investment made, leading to its termination or transfer or reduction of its amount (Articles 39, 39a and 44 of the Regulations for the Application of the FNA).</p> <p>The right of residence is withdrawn when the grounds of the investment under Items 1-5 are no longer present (Article 40 paragraph 1 of the FNA).</p>	<p><b>Main:</b></p> <p>1.Ministry of Interior, Migration Directorate</p> <p>2.Minister of Justice</p> <p>3. Ministry of Economy</p> <p><b>Supporting:</b></p> <p>1.Council for Citizenship (includes representatives from MoI, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)</p>

<sup>18</sup> For the purposes of this Table, the term 'investment' covers any pecuniary disbursement required as part of the process for obtaining citizenship under the investors' citizenship scheme.

<sup>22</sup> Independent Assessors Act (Закон за независимите оценители) <https://www.lex.bg/laws/ldoc/2135605218>

<p>should not be fulfilled cumulatively.</p>	<p>Under Item 1 - <b>BGN 1,000,000</b> (appr. <b>EUR</b> <b>500,000</b>)</p>	<p><b>Notifications to the authorities:</b></p>	<p>2. Ministry of Justice, Bulgarian Citizenship Directorate</p>
<p><b>Item 1</b></p> <ul style="list-style-type: none"> <li>■ <b>Shares</b> of Bulgarian commercial companies traded on a Bulgarian regulated market (Article 25, paragraph 1, item 6a FNA); <b>OR</b></li> <li>■ <b>Bonds and treasury bills</b> as well as derivative instruments issued by the State or by municipalities with a residual maturity of no less than six months (Article 25, paragraph 1, item 6b FNA); <b>OR</b></li> <li>■ <b>Ownership of a separate part of the property of a Bulgarian commercial company</b> with more than 50 per cent State or municipal participation in the capital under the Privatization and Post-Privatization Control Act; (Article 25, paragraph 1, item 6c FNA); <b>OR</b></li> <li>■ <b>Shares owned by the State or municipalities</b> in a Bulgarian commercial company under the Privatization and Post-Privatization Control Act (Article 25, paragraph 1, item 6d FNA); <b>OR</b></li> <li>■ <b>Bulgarian Intellectual Property</b> - objects of copyright and related rights, patent-protected inventions, utility models, trademarks, service marks and industrial design; (Article 25, paragraph 1, item 6e FNA); <b>OR</b></li> <li>■ <b>Rights under concession</b></li> </ul>		<ul style="list-style-type: none"> <li>• The "Migration" Directorate must notify the Invest Bulgaria Agency about the permanent residence permits issued under Items 1 and 2 (Article 39 of the Regulation for the Implementation of the FNA).</li> <li>• The Invest Bulgaria Agency must notify the "Migration" Directorate about any change in the circumstances leading to the non-fulfilment of the requirements for issuing the permit, which is a reason for withdrawing the right of residence, at the moment when they became known to the Agency.</li> <li>• The Migration Directorate notifies the Ministry of Economy of the permits issued for permanent residence on the basis of the certificates mentioned above.</li> <li>• The Ministry of Economy notifies the Migration Directorate of any change in the circumstances of the issued certificate leading to the non-fulfilment of the requirements for issuance of the certificate, which is the grounds for withdrawal of the granted right of residence established at: <ul style="list-style-type: none"> <li>- verification of the entered circumstances and the announced acts in the commercial register;</li> <li>- verification of reports provided by the companies in the Ministry of Economy in connection with the implementation of contracts for granting of incentives under the Investment Promotion Act;</li> <li>- verification of the information provided by the companies in the Invest Bulgaria Agency (Article 44 of the Regulation for Implementation of the FNA).</li> </ul> </li> </ul>	<p>3. Invest Bulgaria Agency</p>
		<p><b>2. Within the procedure for obtaining citizenship:</b></p>	
		<p><i>2.1. Within the Ordinary Investors' Citizenship Scheme:</i></p>	
		<p>The investor shall present a document (a certificate issued by Invest Bulgaria Agency or any other applicable document of the types, discussed in Section 1 of this table above) proving the investment made under any of the types discussed under Items 1-5.</p>	
		<p><i>2.2 Within the Fast-track Investors' Citizenship Scheme:</i></p>	

<p><b>contracts</b> on the territory of the Republic of Bulgaria; (Article 25, paragraph 1, item 6f FNA); <b>OR</b></p> <p><b>Item 2</b></p> <ul style="list-style-type: none"> <li>■ <b>Investment of BGN 1,000,000 (appr. EUR 500,000) in a licensed credit institution</b> in Bulgaria under a trustee agreement with a term of no less than five years and for the same period the deposit is not used for securing other monetary credits from a credit institution in Bulgaria; (Article 25, paragraph 1, item 7); <b>OR</b></li> </ul> <p><b>Item 3</b></p> <ul style="list-style-type: none"> <li>■ <b>Investment in the capital of a Bulgarian trading company</b> whose shares are not traded on a regulated market in the amount of no less than BGN 6,000,000 (appr. EUR 3,000,000); (Article 25, paragraph 1, item 8 FNA); <b>OR</b></li> </ul> <p><b>Item 4</b></p> <ul style="list-style-type: none"> <li>■ <b>Investment in a Bulgarian commercial company</b>, which has been awarded a Class A, Class B,<sup>19</sup> or a priority investment project (Article 25, paragraph 1, item 13 FNA); <b>OR</b></li> </ul>	<p>Under Item 2- <b>BGN 1,000,000 (appr. EUR 500,000)</b></p> <p>Under Item 3 - <b>BGN 6,000,000 (appr. EUR 3,000,000)</b></p> <p>Under Item 4 – the financial thresholds and other requirements which should be fulfilled for an investment to be certified as a Class A,</p>	<p>The investor shall present a document (a certificate issued by Invest Bulgaria Agency or any other applicable document of the types, discussed in Section 1 of this table above) proving the investment made under any of the types discussed under Items 1, 2 or 4.</p> <p><b>3. Subsequent control over the investments made and anti-money laundering requirements</b></p> <p>For the preparation of a document establishing the relevant circumstances under <b>Items 1 and 2</b>, the foreign national submits a request to the Invest Bulgaria Agency to which he applies a declaration of the origin of the funds under the Law on Measures against Money Laundering<sup>23</sup> (Article 39, paragraph 6 of the Regulations for the Application of the FNA).</p> <p>Foreign nationals who have been granted right of residence must <b>submit annual declarations</b> regarding the presence of the circumstances mentioned in the first column of this table, accompanied by the relevant supporting documents.</p> <p>The <b>control over investment projects</b>, which have received a certificate of Class A and B, must be carried out by the Minister of Economy or a person authorized by him from the administration (Article 28 of the Investment Promotion Act). The amount of the investments made is certified for the reporting period through <b>interim and annual financial statements</b>, accompanied by a description of the assets for the main economic activity and their value.</p> <p>The verification and control of all the circumstances and conditions around the investment made under <b>Item 4</b> is carried out on the basis of an <b>audit</b> by an auditor of the annual financial statements and management reports, reports from the National Revenues Agency, reports from the municipalities and other relevant documents submitted by the person under Article 14a, paragraph 1 of the BCA or collected ex officio. There is no explicit wording in the BCA providing for money laundering measures in regard to the second investment. In any case, the Law on Measures against Money Laundering applies as the BCA provides that the increase in the investment shall be in compliance with the same conditions of the law as the initial investment (see Section II.2.4 of this Report on due diligence).</p>	
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<sup>19</sup> According to their size, investments are divided into Class A, Class B and Priority Investment Projects. The minimum thresholds for Class A and B are set out in the Regulation on the Implementation of the Investment Promotion Act - [https://investbg.government.bg/files/useruploads/files/\\_112015.pdf](https://investbg.government.bg/files/useruploads/files/_112015.pdf)

<sup>23</sup> Law on Measures against Money Laundering (*Закон за мерките срещу изпиране на пари*) <https://www.lex.bg/bg/laws/ldoc/2134420482>.

<p><b>Item 5</b></p> <ul style="list-style-type: none"> <li>■ <b>Investment by transferring to the capital of a Bulgarian commercial company no less than BGN 500,000</b> (appr. EUR 250,000), the foreign national being a partner or shareholder with registered shares and holding no less than 50 percent of the capital of the company (Article 25, paragraph 1, item 16 of the FNA)</li> </ul> <p><b>In the Fast-Track Investors' Citizenship Scheme, an additional investment is required, as follows:</b></p>	<p>Class B or a priority investment project are numerous and are set forth in the Investments Promotion Act<sup>21</sup> and the secondary legislation on its implementation.</p> <p>Under Item 5 - <b>BGN 500,000</b> (appr. EUR 250,000)</p>		
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<sup>21</sup> Investments Promotion Act (Закон за насърчаване на инвестициите), Promulgated in State Gazette Issue No 97 dated 24 October 1997, effective 24 October 1997, as subsequently amended and supplemented, available at: <https://lex.bg/bg/laws/ldoc/2134164480>

If the initial investment is under item 1 or 2 above, the investor is required to: (i) increase their investment under the same terms of the law to a value of at least BGN 2 million (EUR 1 million); or (ii) have invested in the capital of a Bulgarian commercial company no less than BGN 1 million (appr. EUR 500,000) for a priority investment project implemented by the company, certified under the Investments Promotion Act.

If the initial investment is under item 4 above, the investor is required to have maintained, for at least one year since receipt of permanent residence permit on grounds of such investment, investments made and put into operation at above the minimum threshold for issuance of a Class A investment<sup>20</sup> certificate under the Investments Promotion Act, which is certified by the Ministry of Economy. In addition, in the latter case the Bulgarian company must not: (i) have been declared in bankruptcy or been in an open insolvency proceeding or have concluded an out-of-court settlement with its creditors; (ii) be in liquidation proceedings; (iii) have monetary liabilities to the State or to a municipality established by an act of a competent authority which has entered into force, unless a rescheduling or deferral of duties is

<sup>20</sup> See table in point 2.1 below– Type of investment

allowed; and (iv) have unpaid salaries to employees established by a punitive decree.

## 2.2 RESIDENCE OF THE INVESTOR IN THE COUNTRY

Residence criterion	Procedure	Competent authorities and non-public bodies
<p><b>In the Ordinary Investors' Citizenship Scheme</b> The person must have been granted a <b>permanent residence permit</b> for at least <b>five years</b>.</p> <p><b>In the Fast-Track Investors' Citizenship Scheme</b> - The person must have been in possession of a permanent residence permit for at least <b>one year</b>.</p> <p>Under a permanent residence permit the foreign national is <b>not required to physically stay in the country</b>. Formally holding such permit is sufficient to meet the residence criterion. Moreover, this category of persons is expressly excluded from the possibility of having their right of residence withdrawn if they have not settled in the territory of the country within one year of receiving the permit (Article 40, item 5 of the BCA). The <b>formal possession of a permit is enough</b>.</p> <p>In order to apply for a citizenship in both schemes, it is not required that the investor resides in Bulgaria. <b>The investor should be physically present only upon submission of his/her citizenship application</b>, if it is filed with the Bulgarian Ministry of Justice. <b>Once the Bulgarian citizenship is granted, it is not required that the investor resides in Bulgaria</b> or meets any other formal residence criteria, such as having a residential address or other.</p>	<p>The procedure for granting a permanent residence permit is discussed in Section 1.1.1 above.</p>	<p><b>Main:</b></p> <ol style="list-style-type: none"> <li>1.Ministry of Interior, Migration Directorate</li> <li>2.Minister of Justice</li> <li>3.President of the Republic of Bulgaria</li> </ol> <p><b>Supporting:</b></p> <ol style="list-style-type: none"> <li>1.Council for Citizenship (includes representatives from Mol, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)</li> <li>2.Ministry of Justice, Bulgarian Citizenship Directorate</li> <li>3.President's office, Bulgarian Citizenship Commission</li> </ol>

## 2.3 GENUINE LINK

Genuine link criterion	Procedure	Competent authorities and non-public bodies
<p>In principle, there is <b>no genuine link criterion or requirement</b> in the investors' citizenship schemes in Bulgaria.</p> <p>In both schemes, <b>command of the Bulgarian language is not required</b>.</p> <p>However, all applicants for Bulgarian citizenship by investment are interviewed upon submission of the application (Article 3 of the BCA Implementation Ordinance). The interview is conducted in Bulgarian language under a model questionnaire approved by the Minister of Justice. In case the applicant does not have command of Bulgarian language, an interpreter is appointed. The model questionnaire however is not publicly available. According to information in the press, the interview aims to assess whether the applicant has knowledge in different areas related to public life in Bulgaria, however these is no legal requirement that the applicant has knowledge of public life in Bulgaria. There is no publicly available information about the statistics outcome of the interview or failure of applicants to pass the interview.</p>	<p>An interview is conducted when applying for Bulgarian citizenship.</p>	<p>1.Council for Citizenship (includes representatives from Mol, MFA, MoJ, MRDPW, MLSP, MH, SANS, SABA, SAR)                  2.Ministry of Justice, Bulgarian Citizenship Directorate                  3.President's office, Bulgarian Citizenship Commission</p>

## 2.4 DUE DILIGENCE CRITERIA AND SECURITY CONSIDERATIONS

Due diligence and security considerations	Procedure	Competent authorities and non-public bodies	Abuse and ex-post checks
<p>A <b>clean criminal record certificate</b> (see Section II.1.1.1 of this Report) and a document showing that the person has no criminal proceedings have to be presented (Article 4, item 3 and 4 of Ordinance No. 1 of 1999 on the application of Chapter Five of the Bulgarian Citizenship Act).</p> <p>The <b>Bulgarian Citizenship Directorate</b> checks whether the application for acquisition of Bulgarian citizenship and the documents attached thereto are in accordance with the applicable law. In case of irregularities, the Bulgarian Citizenship Directorate and the <b>Bulgarian Citizenship Commission</b> have the</p>	<p>The checks are carried out in the process of drafting an opinion from the Council for Citizenship.</p>	<p>1.Ministry of Interior, Migration Directorate                  2.Minister of Justice                  3. SANS</p>	<p>If data of irregularities are obtained, <b>naturalization may be revoked</b>, or the person may be deprived of Bulgarian citizenship.</p> <p>According to Article 22 of the BCA, naturalization, on the basis of which Bulgarian citizenship has been acquired, may be revoked if the person:</p> <ol style="list-style-type: none"> <li>1. has provided data or facts that have become grounds for acquiring Bulgarian citizenship, for which it has been</li> </ol>

authority to request that the facts and circumstances are clarified and the established irregularities are corrected.

The **Council for Citizenship** gives an **opinion** on citizenship requests, following a written statement by the Ministry of the Interior and the State Agency for National Security, which carries out checks within the scope of its competence (Article 33, paragraph 3 of the BCA) on all applicants for Bulgarian citizenship, including those applying through investors' schemes, such as police intelligence or police record databases.<sup>24</sup> There is no publicly available information on which information systems are being checked.

The **Migration Directorate** at the Ministry of Interior and the State Agency for National Security ("**SANS**"), according to their competence and on the basis of operational judgment, carry out criminal and security **checks in the databases** to which they have access.

There is **no publicly available information about the exact information databases which they are checking**. The internal regulations stipulating which specific databases should be checked are classified. The competences of SANS include counter-terrorism, counter-intelligence, countering organised crime and corruption.<sup>25</sup>

In the procedure for obtaining permanent residence, for the preparation of a document establishing the relevant circumstances under Article 25, paragraph 1, item 6 and 7 of the FNA, the foreign national submits a **request to the Invest Bulgaria Agency to which he applies a declaration of the origin of the funds under the Law on Measures against Money Laundering** (Article 39, paragraph 6 of the Regulations for the Application of the FNA). In each application procedure the investors provide such declarations. They provide a declaration for the additional investment under Article 14a as well. The Citizenship Directorate and the Commission check whether those documents are valid,

The person is required to not have been convicted, regardless of the type of crime.

established by law that they are untrue and/or

2. has concealed data or facts which, if known, would be grounds for refusing to grant Bulgarian citizenship, and/or
3. has not maintained the investments, which have become grounds for acquiring Bulgarian citizenship, for at least two years from the date of naturalization - in the cases under Article 14a, paragraph 1.

The abolition of naturalization is admissible only until the expiration of ten years from the acquisition of the Bulgarian citizenship unless the data and the facts under items 1 and 2 refer to the person's participation in terrorism and provided that the person does not remain stateless.

The abolition of the naturalization of one spouse does not invalidate the naturalization of the other spouse and the children unless they have received Bulgarian citizenship on the basis of the same false or concealed data or facts (Article 23 of the BCA).

According to Article 24 of the BCA, a person who has acquired Bulgarian citizenship by naturalization, **may be deprived** of it if a conviction against them of a serious criminal offence against the Republic enters into force, provided that they are abroad and do not remain stateless.

Deprivation of the citizenship of one spouse does not change the citizenship of the other spouse and the children.

<sup>24</sup> Information obtained through stakeholder consultation with representative of the Migration Directorate on 7 March 2018

<sup>25</sup> Ibid.



and the Law on Measures against Money Laundering<sup>26</sup> applies as described in the following paragraph.

Once financial assets are transferred into Bulgarian financial institutions, the investment becomes subject to the general provisions for due diligence covered under the Law on Measures against Money Laundering. All financial operations and procedures (investments and transfers included) over BGN 30 000 (EUR 15 000) under Article 3 (2), (3), and over BGN 10 000 (EUR 5 000) under Article 3 (2) items 1-4, 9-11, 13, 28, 32 are under obligation to be carried out by an identified client with a valid bank account. Additionally, **SANS Financial Intelligence Directorate makes additional checks** on all cash payments of over BGN 30 000 (EUR 15 000), as stipulated in the Rules of Procedure for Implementing the Law for SANS.

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<sup>26</sup> Law on Measures against Money Laundering (Закон за мерските срещу изпирането на пари), Promulgated, SG No. 27/27.03.2018

### 3 ECONOMIC AND FINANCIAL EFFICIENCY OF AWARDING CITIZENSHIP TO FOREIGN INVESTORS

An interview with the Head of Investment Promotion and Investment Projects Department at the Economic Promotion Policies Directorate of the Ministry of Economy<sup>27</sup> revealed that the **Ministry of Economy has no information on how many of the certificates issued for investment applications for Bulgarian citizenship are successful**. The statistics, which are published annually in a report on the activities of the Bulgarian Citizenship and Bulgarians Abroad Committee at the Presidency of the Republic of Bulgaria, are common to the acquisition of citizenship by naturalization and **there are no statistics only on citizenship by investment**. However, the report for 2018 is not available yet. Further, there is **no publicly available analysis made by the Ministry of Economy on the cost-effectiveness of investments made in order to obtain citizenship**.

In respect of the Fast-Track Investors' Citizenship Scheme, the number of successful applications for 2017 was 12. No information about the particular cases is made public. The requested data was not provided after sending out an official letter of request to the competent authorities.

In general, according to publications in the press, the economic and financial efficiency of the citizenship investors' schemes is not high, because of the slow administrative procedures.

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<sup>27</sup>Information obtained through stakeholder consultation with representative of Investment Promotion and Investment Projects Department at the Economic Promotion Policies Directorate of the Ministry of Economy on 21 February 2018.

### III. OTHER COMMENTS

In general, the investors' citizenship schemes have been criticized for being **slow** and with a lot of **administrative burden**.

In terms of timing, for most steps in the schemes the applicable law provides deadlines, however for such steps no particular deadline is set forth by the law. In particular, the Bulgarian Citizenship Act sets deadlines for the Ministry of Interior and State Agency for National Security (SANS) to give their views on the applications, as well as the time limit for the Minister of Justice to make a proposal to the President. However, regarding the deadline for issuing a decree, there is no time limit set forth by the law. In addition, the Presidency has a Bulgarian Citizenship Commission, which is an advisory body. In the course of the Commission's work, after submitting the proposals, each of them is reviewed and, if necessary, additional data are gathered. The Commission can further send inquiries into competent authorities. This, in practice, to a certain extent repeats the work of the Citizenship Council.

Another element from the schemes is that **judicial review is not available**. Both the opinion of the Minister of Justice and the President's decree on granting citizenship, or refusal to grant such, are not subject to appeal. Thus, in practice, there is no mechanism for judicial review of the procedure. Those whose application is denied do not get official reasoning, as the information that the SANS and Migration Directorate checks might be from a confidential database.

In terms of recent developments, recently **amendments to the BCA Implementation Ordinance** have been adopted, and they will enter into effect as of **1 July 2018**. The amendments to the Ordinance aim at relieving the administrative burden by **reducing the required documents** from the applicants in the schemes and introducing the official collection of documents and **optimizing the timing**.<sup>28</sup> In particular, the requirement for the applicants to provide a certificate issued by the Ministry of the Interior for an authorized permanent residence in the Republic of Bulgaria and a document certifying the payment of the compulsory social security contributions is waived. This information will be provided by the respective governmental authority *ex officio*.<sup>29</sup>

As a final comment, it could be concluded that the Bulgarian authorities are working towards making the investors' citizenship schemes more efficient in terms of timing and administrative burden.

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<sup>28</sup> Amendments to Ordinance No. 1 of 19 February 1999, State Gazette no. 102 of 22 December 2017.

<sup>29</sup> *Ibid.*