Additional measures of the Council of Ministers in support of business during the state of emergency

At its extraordinary meeting, held on 25 March 2020, the Council of Ministers of the Republic of Bulgaria adopted a number of resolutions to undertake additional measures aimed at preventing, limiting and overcoming the consequences of the spread of the Covid-19 virus.

The measures having major effect on the business in Bulgaria are the increase of the capital of the Bulgarian Development Bank by up to BGN 700 million and the approval of a request for authorization for the granting of duty and value added tax relief on import of medical goods related to the fight against Covid-19.

Increase in BDB capital

Bulgarian Development Bank's capital shall be increased by cash contributions amounting up to BGN 700 million. Funding shall be used for implementation of economic support measures related to Covid-19 aiming at facilitating SMEs' access to financing and sharing the risk involved with commercial banks. The main supporting instrument planned is the issuance of portfolio guarantees to banks, which will allow them to provide more flexible conditions for business loans. The precise conditions and forms of support are to be further clarified.

Request for exemption from customs duties and VAT on importation of medical goods

The Minister of Finance shall send to the European Commission an application for granting of a duty and VAT relief on imports of medical goods related to the fight against Covid-19 pursuant to Article 76 of Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty and Article 53 of Council Directive 2009/132/EC of 19 October 2009 determining the scope of Article 143(b) and (c) of Directive 2006/112/EC as regards exemption from value added tax on the final importation of certain goods.

Arsov Nachev Ganeva's team remains at your disposal for further information and assistance in implementing the new measures in this dynamic environment.