



Delchev & Partners Law Firm

**Higher VAT registration turnover for businesses established
in Bulgaria in 2023**

January 2023

As of 1 January 2023 taxable persons established in Bulgaria will be subject to a mandatory VAT registration when they reach a taxable turnover of BGN 100 000 (EUR 51 130) for a period encompassing the current month and 12 consecutive month prior to the current month.

The VAT registration turnover doubles compared to the BGN 50 000 (EUR 25 565) threshold which applied before the amendment. The significant increase in the turnover requiring a VAT registration is designed as a tax relief measure for SMEs which now incur significant compliance costs and which are less competitive due to the additional VAT on their goods and services.

The VAT registration turnover is meant to be further increased as of 2025 after EU Directive 2020/285 is transposed in the Bulgarian VAT Act.

The new measure will, however, not affect not-established taxable persons who are subject to a VAT registration before they make any supplies taxable in Bulgaria.

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