

Commercial Register Act*

Introduction

The Commercial Register Act (hereinafter CRA) entered into force as of 1st January 2008. Under the CRA the registration of all companies, branches and co-operatives is done into a new centralised Commercial register, kept with the Registry Agency.

Obligation for re-registration of existing companies

Term for re-registration under the CRA

All companies, branches and co-operatives, registered with the district courts (under the previous regime) will have to be re-registered with the new Commercial register within 3 years as from 1 January 2008.

* There is a project for amendment of the CRA, which shall be voted by the National Assembly.

In case such re-registration is not carried out within the 3 years term, the respective company will be subject to liquidation and branch office closed down.

Corporate changes and announcements

No changes (e.g. appointment of new managing director, change of address, scope of activity etc.) or announcements (e.g. convening of general meeting) can be entered in the new Commercial register, and no corporate documents (e.g. financial statements) can be published, if the above re-registration has not been carried out prior or simultaneously.

Term for filing of financial statements

All companies are obliged to publish their annual financial statements in the new Commercial register until 30 June. Therefore, it is advisable the companies to be re-registered before the above date.

The companies, which do not present their financial statements, are subject to administrative fines between BGN 1500 and BGN 3000 (approx. EUR 800 – EUR 1500).



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Registration of new companies

The prospective companies, branches and co-operatives are deemed incorporated after they are entered in the Commercial register.

Upon its registration each business unit is given a Unique Identification Code, by which it is identified before third parties (including tax authorities).



Improvements of the registration procedure under the CRA

- the Registry Agency shall process applications within 1 day upon submission;
- possibility for on-line submission of applications with e-signature;
- free on-line access to all company files;
- prohibition for the state authorities to require proof of the circumstances entered in the Commercial register or the presentation of acts available in the Commercial register.



Current difficulties in the registration procedure

- **Duration:** currently registrations take a month after filing the necessary documents (notwithstanding that the legal term is 1 day);

- **Applicant:** the application forms can be signed only by the managing director – personally in front of the Registry Agency’ officers or with a notary certification of the signature (proxies may not sign the applications);
- **On-line submission of documents:** not always technically possible.

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