Umbrella Company
Gramadetto St. 9
2770 Bansko

Bulgarian Tax Declaration Guide for Investment and Trading Income

(For natural persons who are tax residents of Bulgaria)

I. Who Must Declare and Pay Taxes?

Natural persons (individuals) who are considered tax residents of Bulgaria are required to declare and pay tax on their worldwide income.
Tax residency is established either by:
- Holding a tax residency certificate
- Staying in Bulgaria for 183+ days per year, or having a centre of vital interests (e.g. home, family, business ties) in Bulgaria. Note: This 183+ days rule applies to natural persons (individuals) but not to freelancers who have registered for a Bulstat number, as they are subject to the business tax regime.

ℹ️ **Please note:** Personal income tax filing is only mandatory if income was received during the tax year.

II. When Is Income Taxable?

Income is generally taxable only upon realisation or receipt:
- Dividends: Taxable when received in a bank or brokerage account.
- Capital Gains: Taxable when assets are sold and funds are withdrawn or converted to fiat.
- Crypto: Not taxable when swapping crypto-to-crypto. Taxable when converted to fiat or used for purchases.
- Trading Profits: Taxable when withdrawn from trading platforms.
- Interest Income: Taxable when credited to your account.
- Rental Income: Taxable when received, regardless of property location.

III. Submit Your Income Documentation to Nina

Send your relevant income documentation to Nina: nina@mystartbulgaria.com
This enables accurate tax reporting and allows application of Double Tax Treaties, where applicable.
Include the following:
- Annual broker reports (gains, dividends, withdrawals)
- Crypto exchange transaction summaries
- Bank statements
- Interest income reports (bank, P2P, etc.)
- Rental income reports and rental contracts
- Evidence of foreign tax paid (if any)

ℹ️ **Please note:** Keeping a clear paper trail and filing taxes annually—even at zero tax due—is a protective measure for future proof of compliance, especially when relocating or applying for new tax residency.

IV. Overview of Tax Rates

Income Type and Corresponding Tax Rates:
- Employment Income: 10% flat (plus social contributions)
- Dividend Income: 5% final tax (including foreign dividends)
- Capital Gains: 10% flat (exemptions for EU/EEA exchanges may apply)
- Crypto Gains: 10% flat when converted to fiat or used for purchases
- Interest Income: 10% flat (Bulgarian and foreign)
- Rental Income: 10% flat with 10% standard expense deduction

V. Key Compliance Principles

- Your tax residency determines your global reporting obligations.
- If you are tax resident in Bulgaria, you must declare all income — regardless of origin.
- Income is only taxable upon realisation or receipt.
- Crypto is taxed only when converted to fiat or used to pay for goods/services.
- Proper documentation ensures smooth filing and protects against audit risk or future tax disputes.

VI. Supporting Notes

- Tax filing and payment deadline: 30th April (for the previous year).
- Double Taxation Treaties: Bulgaria allows foreign tax credits where treaties apply. Submit relevant evidence.

Visit https://mystartbulgaria.com to browse our FAQ's or get in touch using our contact form.

Disclaimer: *The legislative framework is subject of change and therefore might differ from the above. Further clarification and confirmation will be provided by our accounting.*