

Legal Ownership Explained

EU citizens vs British (non-EU) buyers – rights, restrictions & solutions

Key Principle

Since Bulgaria's EU accession in 2007, EU/EEA citizens enjoy virtually identical property ownership rights to Bulgarian nationals for **apartments and houses**. Restrictions on **agricultural and forest land** were lifted on 1 January 2014 for EU/EEA nationals. British buyers (post-Brexit) are subject to the pre-2007 third-country national rules but have practical workarounds.

1. EU / EEA Citizens

Under the Treaty on the Functioning of the EU (TFEU, Art. 63) and Bulgarian Ownership Act (ZS), EU and EEA citizens may:

- ✓ Purchase apartments, houses, and commercial property directly in their own name.
- ✓ Purchase agricultural and forest land directly (since 1 Jan 2014, per EU accession treaty).
- ✓ Inherit property without restriction.
- ✓ Obtain mortgage financing from Bulgarian banks on the same terms as Bulgarian nationals.
- ✓ Register as sole or co-owners in the Bulgarian Property Register.

Residency requirement: *EU citizens do not need to be resident in Bulgaria to own property. However, if you plan to spend more than 90 days/year in Bulgaria, you must register with the local Migration Directorate (free of charge) and obtain an EU residence certificate under Directive 2004/38/EC.*

2. British Citizens (Post-Brexit)

Following the UK's withdrawal from the EU (Withdrawal Agreement, 31 Jan 2020; transition ended 31 Dec 2020), British nationals are treated as third-country nationals under Bulgarian law. The key distinction affects **land ownership**:

| | |
|--|---|
| Apartments & built property | British nationals CAN purchase apartments and houses directly in their personal name, with no restrictions. This covers the majority of new-build property near Burgas. |
| Agricultural & forest land | British nationals CANNOT directly purchase agricultural or forest land. This restriction derives from Bulgarian Ownership Act Art. 29, which reserves such purchases for EU/EEA nationals, Bulgarian citizens, and Bulgarian-registered legal entities. |

Land plots (UPI)

A residential plot (UPI – Ureguliran Pomen Imot) on which a house sits IS purchasable by a British national when the plot is classified as 'urban/regulated' rather than 'agricultural'. Our developments use regulated plots – confirm in the cadastral extract.

3. Solution: Bulgarian Company (EOOD / OOD)

If a British buyer wishes to purchase agricultural land or prefers corporate ownership for tax/inheritance planning, the standard solution is to establish a Bulgarian single-member limited liability company (EOOD – **E** **O** **O** **D**) or a two-member OOD. Key facts:

- Formation cost: approx. EUR 200–500 (lawyer + registration fees).
- Minimum capital: BGN 2 (approx. EUR 1) – no barrier to entry.
- Registration: Commercial Register, Registry Agency – typically 3–5 working days.
- Corporate income tax: flat 10% (one of the lowest in the EU).
- Annual accounting costs: approx. EUR 300–600/year for a simple property-holding company.
- VAT: Registration required only if turnover exceeds BGN 100,000 (approx. EUR 51,000).
- The EOOD is a Bulgarian legal entity and can purchase any class of property without restriction.

Tax Transparency Warning

Both HMRC (UK) and EU tax authorities require disclosure of overseas company ownership and property assets. British buyers should seek UK tax advice on the implications of owning a Bulgarian EOOD, including Controlled Foreign Company (CFC) rules and overseas property reporting obligations.

4. Inheritance & Succession

EU Succession Regulation 650/2012 applies to EU citizens owning Bulgarian property: you may elect for your national law (e.g. German, French) to govern your estate. British nationals post-Brexit are outside this Regulation; Bulgarian inheritance law (ZN) will apply to their Bulgarian property by default. **A Bulgarian Will (Zaveshanie) is strongly recommended** to ensure your wishes are correctly executed and to minimise probate delays for heirs.

5. Comparison Table

| Ownership Type | EU/EEA National | British National |
|-------------------|---------------------------|------------------------------|
| Apartment / House | Yes – direct | Yes – direct |
| Urban land plot | Yes – direct | Yes – direct |
| Agricultural land | Yes – direct (since 2014) | Via Bulgarian company (EOOD) |

| | | |
|-------------------------------|-----------------------------|-----------------------------------|
| Forest land | Yes – direct (since 2014) | Via Bulgarian company (EOOD) |
| Mortgage access | Full access | Available – conditions may differ |
| Inheritance (EU Reg 650/2012) | Applies – can elect own law | Does not apply |
| Residency needed | No (register >90 days) | No (visa-free up to 90/180 days) |

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