

ORDINANCE for promotion of investments in the Plovdiv Municipality

PLOVDIV MUNICIPAL COUNCIL

Adopted by Decision No 311, taken by Protocol No 18 of 21.12.2020

CHAPTER ONE GENERAL PROVISIONS

Art.1. (1) This Ordinance shall determine the conditions and the order for promotion of investments of municipal significance on the territory of the Plovdiv Municipality, the issuance of a Class B certificate, and the application of the incentive measures according to the requirements of Chapter Three of the Investment Promotion Act and the Regulations for implementation of the Investment Promotion Act, as well as their protection.

(2) The Ordinance shall also regulate the activity of the municipal administration in the field of investment promotion.

(3) The main objectives of this Ordinance are:

1. increasing the competitiveness of the economy by increasing the investments for research, innovations, and technological development in productions and services with high added value upon observance of the principles of sustainable development;
2. improvement of the investment climate;
3. creation of new and highly productive jobs.

Art.2. (1) The investments of municipal significance, which have received a Class B certificate, shall be encouraged for implementation of an investment project through the measures of Art.22h, para.3 of the Investment Promotion Act.

(2) The investments that have received a Class A or Class B certificate or priority ones shall be encouraged by the order of Art.15, para.1 and para.2 of the Investment Promotion Act.

(3) The investments of municipal significance, which have received a Class B certificate, shall be encouraged also by the order of the Corporate Income Tax Act, the Value Added Tax Act, the Employment Promotion Act and the Property Act, if they correspond to their conditions.

(4) At the request of the Mayor of the Municipality, according to Art.20, para.2 of the Investment Promotion Act, the Minister of Finance, the Minister of Labor and Social Policy, and the other competent authorities shall provide information on the investments certified under the Investment Promotion Act, which shall be encouraged by the order of para.3.

CHAPTER TWO MUNICIPAL INVESTMENT POLICY

Art.3. (1) The mayor of the Plovdiv Municipality:

1. ensures the implementation of the policy for promotion of the investments on the territory of the Municipality during the elaboration and implementation of the plan for integrated development of the Municipality and of the program for its realization;
2. assists in the implementation of the measures for promotion of the investments under this Ordinance;
3. issues a Class B certificate for investment projects of municipal significance and applies the incentive measures within its competence;

4. evaluates the received documents from investors by the order of Art.12;
 5. notifies the Investor for established discrepancies and/or incompleteness of the documents under Art.12 and gives a term for their removal;
 6. prepares a motivated proposal to the Plovdiv Municipal Council for the making of a decision for issuance or for refusal for issuance of a Class B investment certificate;
 7. creates a general favorable environment for the business, related to reduction of the administrative and legal barriers and issuance of the necessary permits by the respective regional administrations.
- (2) The Mayor of the Municipality may authorize the mayors of districts to perform the functions under para.2, items 1 and 2.

Art.4. The activities under para.1, items 1 and 2 shall be carried out by the Mayor, assisted by the Business Development Department.

Art.5. (1) An electronic database of the following information shall be maintained on the website of the Plovdiv Municipality:

1. the investment and business climate in the Municipality;
 2. an up-to-date list with the vacant terrains and other real estates for realization of investments;
 3. forms and samples for application for obtaining a Class B Investment Certificate and use of the incentive measures according to the Ordinance;
 4. information on the issued Class B Investment Certificates, which shall contain at least the following data:
 - 4.1. number and date of the application for issuance of a certificate;
 - 4.2. number and date of the decisions of the Plovdiv Municipal Council for the issued certificates;
 - 4.3. number, date of issue, and validity of the certificate;
 - 4.4. amount of the investment and newly created jobs;
 - 4.5. economic activities, in which the investment has been made, and main products;
 - 4.6. location of the investment;
 - 4.7. the measures applied with the purpose to encourage investment in compliance with the requirements for monitoring and transparency of information in the field of state aid.
- (2) Up-to-date information under para.1 shall be published on the website of the Municipality.

Art.6. The employees of the Business Development Department at the Municipality shall render assistance to employees from the Bulgarian Investment Agency, determined by the order of Art.21, para.1 of the Ordinance for promotion of investments in the Plovdiv Municipality in carrying out individual administrative servicing of investors with Class A and Class B investment certificates.

CHAPTER THREE INVESTMENT PROMOTION

PART I CONDITIONS AND MEASURES TO ENCOURAGE THE INVESTMENT

Art.7. (1) By the order of this Ordinance investments in fixed tangible and intangible assets and the related new jobs, realized on the territory of the Plovdiv Municipality are encouraged, in accordance with the requirements of Regulation (EU) No 651/2014, the Investment Promotion Act and the Regulations for implementation of the Investment Promotion Act.

(2) The investments under para.1 must meet the following conditions:

1. to be connected with the creation of a new enterprise, with the expansion of an existing enterprise/activity, with diversification of the production of the enterprise/activity, with new products or with a significant change in the overall production process of an existing enterprise/activity. The “enterprise” of the Investor means the entire economic activity of the company as a business entity;

2. to be carried out in economic activities, specified in the Ordinance for promotion of investments in the Plovdiv Municipality with the respective codes, determined according to the current Statistical Classification of Economic Activities in the European Community (NACE), respectively its direct application in the Republic of Bulgaria through the corresponding classification. Economic activities can be performed in all sectors of the economy, except for those specified in Art.13a of the Investment Promotion Act. When the Investor in eligible sectors also operates in the excluded sectors, only investments in the eligible sectors are encouraged, and the Investor should keep separate accounts to ensure segregation of activities and/or differentiation of costs so that the excluded sectors are not subject of promotion;

3. the income from the investment project must be at least 80% of the products that are certified;

4. the term for implementation of the investment shall be up to five years for large enterprises, respectively up to three years for small and medium-sized enterprises, as of the date of commencement of the work on the project until its completion. Commencement of work on an investment project – this is the first of the following events: commencement of construction works related to the investment, or undertaking the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. The purchase of land and preparatory activities, such as obtaining permits and conducting feasibility studies, are not considered to be commencement of project work;

5. at least 40 percent of the eligible costs for tangible and intangible assets to be financed through own resources or through external financing in a form that excludes public support;

6. to create and maintain employment, which shall simultaneously meet the conditions according to Art.14 (9) of Regulation (EU) No 651/2014:

(a) to be directly related to the implementation of the investment project;

(b) the investment project leads to a net increase in the number of employees in the respective enterprise/organization compared to the average number of employees in the previous 12 months;

(c) the employment created is maintained for a minimum period of 5 years in the case of a large enterprise and for a minimum period of three years in the case of small and medium-sized enterprises;

7. the investment in the economic activity under item 2 to be maintained in the respective region of location for at least 5 years, and in case of small and medium-sized enterprises – for three years, as of the date of its completion in the sense of Art.14, item 5 of Regulation (EU) No 651/2014;

8. the acquired tangible and intangible fixed assets to be new and purchased under market conditions by third parties, independent of the Investor, within the meaning of Art.14, item 6 of

Regulation (EU) No 651/2014. The costs associated with the use of tangible assets may be taken into account under the following conditions:

(a) for land and buildings, the lease must continue for at least five years after the expected completion date of the investment project for large enterprises or three years for small and medium-sized enterprises;

(b) for equipment and machinery, the lease must take the form of a finance lease, which shall include the obligation for the Investor to purchase the asset after the expiry of the lease;

9. intangible assets are eligible for the calculation of investment costs if they meet the following conditions:

(a) to be used only within the business site making the investment;

(b) to be depreciable;

(c) to be purchased on market terms by persons unrelated to the buyer, and

(d) to be included in the assets of the Investor's enterprise and to remain linked to the investment for a minimum period of five years or three years for small and medium-sized enterprises. For large enterprises – the costs for intangible assets must be up to 50% of the total investment costs for the initial investment;

10. fulfillment of the other conditions under Chapter I and the special provisions of Chapter II of Regulation (EU) No 651/2014 regarding the investment for the granting of aid under Art.2a of the Investment Promotion Act.

Art.8. (1) Investments of individuals are not encouraged in the following cases:

1. a person convicted with an effective sentence, unless he or she is rehabilitated;

2. a person that has been declared bankrupt or is in open insolvency proceedings, or has concluded an out-of-court agreement with its creditors within the meaning of Art.740 of the Commercial Act;

3. a person who is in liquidation proceedings;

4. a person who has monetary obligations to the state or to a municipality in the sense of Art.162, para.2 of the Tax Insurance Procedure Code, established by an act of a competent body that has entered into force, unless rescheduling or deferral of the obligations is allowed.

5. a person who has unpaid labor remunerations to workers and employees, established by a penal decree that has entered into force.

(2) Investments of a foreign person, for whom in the state in which it is established there is any of the circumstances under para.1 according to its national legislation, are not encouraged.

(3) The requirement under para.1, item 1 shall refer to the sole owners of the capital, to the managers or to the members of the management bodies of the Investor, and in case the members are legal entities – for their representatives in the respective management body.

Art.9. Investments are not encouraged:

1. in an enterprise, for which there is presence of any of conditions under Art.1, item 4 of Regulation (EU) No 651/2014;

2. for implementation of privatization contracts under the Privatization and Post-Privatization Control Act or for implementation of concession contracts for extraction of natural resources under the Concessions Act or for extraction of mineral resources under the Mineral Resources Act, as well as for implementation of compensatory (offset) agreements;

3. in activities and sectors of the economy according to Art.1, item 2, letters c and d and item 3, letters a – d and Art.13, letters a – c of Regulation (EU) No 651/2014.

PART II

INVESTMENT PROJECTS OF MUNICIPAL SIGNIFICANCE

Art.10. (1) The investments shall be determined as Class B with municipal significance on the basis of the criteria for minimum amount of the investments and employment according to the Ordinance. The certificate is issued by the Mayor of the Municipality on the basis of a decision of the Municipal Council under Art.22i, item 3 of the Investment Promotion Act for use of the measures under Art.22h, para.3 of the Investment Promotion Act.

(2) The projects of municipal significance shall be encouraged as Class B investments, when they are realized within the administrative borders of the Plovdiv Municipality and meet the conditions of this Ordinance.

(3) Along with the conditions under Art.7, para.2 projects should:

1. provide for a minimum amount of investment not less than BGN 1 million;

3. provide for an amount of the investment, not exceeding the minimum amount for Class B, determined according to the provisions of Art.12, para.2, item 5 of the Investment Promotion Act and Art.3, para.2 of the Regulations for implementation of the Investment Promotion Act, i.e. not more than BGN 2 million;

4. create employment in the sense of Art.12, para.2, item 7 of the Investment Promotion Act, which:

(a) to be directly related to the implementation of the investment project;

(b) the investment project to lead to a net increase in the number of employees in the respective enterprise/organization compared to the average number of employees in the previous 12 months by not less than 25 and not more than 50 employees. When determining the net increase in the number of employees in the investment object concerned in comparison with their average number for a given period of time /12 months/, the number of all closed jobs during this period and the number of full-time, part-time and season employees must be reported through their units of labor for the year;

(4) The investments of municipal significance, which have received a Class B certificate, shall be encouraged for implementation of the investment project through:

1. shortened terms for administrative service provided by the Municipality;

2. individual administrative service provided by the Municipality;

3. acquisition of right of ownership or limited real rights over real estates – private municipal property, by the order of Art.22a, para.1, item 2 and item 4 of the Investment Promotion Act in compliance with the conditions under Art.22a, para.2 – 8 and para.13 of the Investment Promotion Act. The measure is applied in case it is not requested by an investor by the order of Art.18 of the Investment Promotion Act upon issuance of an investment certificate for Class A, Class B or for a priority investment project for the same real estate – private municipal property.

(5) The measure under para.4, item 3 shall be applied in compliance with the legislation in the field of state aid.

Art.11. (1) The measures for promotion of the investments may be applied also in respect of legal entities, in which the Investor, whose investment project is certified, owns not less than 75 per cent of the registered capital.

(2) The Investor and the legal entities under para.1 shall be jointly and severally liable for the fulfillment of their obligations for implementation of the investment.

PART III
PROCEDURE FOR ISSUANCE OF A CLASS B INVESTMENT CERTIFICATE

Art.12. (1) For the issuance of a Class B Investment Certificate according to Art.18, para.5 of the Investment Promotion Act, the Investor, before starting the work on the investment project, shall submit an application to the Mayor of the Plovdiv Municipality according to a sample, together with the investment project, meeting the requirements of Art.12 of the Investment Promotion Act, as well as the other required additional documents as indicated in the application – in original, indicating the measures for promotion of investments under Art.10, para.4 of the Ordinance, which he wishes to use.

(2) Together with the application under para.1, the Investor shall present:

1. Form – declaration for the category of enterprise: defined as “small and medium-sized enterprise” or “large enterprise” on the basis of the data for the previous financial year of submission of the application; in the case of start-ups, the financial statements of which have not yet been approved, the data shall be determined according to the value of the indicators for the current financial year;
2. Declaration of state aid;
3. Documents certifying the financial condition of the Investor: annual financial report for the last completed calendar year or respectively interim financial report, when the Investor has been operating for less than one year;
4. Documents certifying the opportunities and sources for financing the investment project:
 - (a) own funds;
 - (b) loan agreements;
 - (c) bank and other guarantees;
 - (d) a finance lease within the meaning of Regulation No 651/2014, which contains an obligation to purchase the asset after the lease expires, taking into account the assets for only the 3-year period for implementation of the investment project;
 - (e) a statement of commitment to finance the project by the owners of the capital, where applicable;
 - (f) other financing documents or collateral.
5. Certificate of criminal record (when it can be issued in Bulgaria or in an EU member state) or affidavit (in other cases), issued not earlier than 3 months before the deadline for its submission, for: sole owners of capital; managers; members of the management bodies, and in case the members are legal entities – for their representatives in the management body.
4. Opinion of the competent environmental authority on the eligibility of the investment project in relation to the regimes set out in approved river basin management plans and flood risk management plans, as well as on the eligibility in relation to the regime of activities in protected areas and/or protected territories, as well as for the applicable procedure under Chapter Six of the Environmental Protection Act and/or under Art.31 of the Biological Diversity Act;
5. Document certifying the absence of obligations to the state;
6. Document certifying the lack of obligations to the Municipality;
7. In case of declared measures under Art.10, para.4, item 3 – a document certifying the preliminary consent of the property owner;
8. Declaration for the lack of the circumstances under Art.8 and Art.9;
9. Other documents specified in the application.

(3) Upon submission of an application under para.1, the Investor shall indicate which data can be found in public registers.

(4) In case the Investor is a foreign person, the existence of the circumstances under Art.8, para.1 shall be established by presenting the respective documents according to its national legislation.

(5) Documents certifying the circumstances under Art.8, para.1, item 1, the lack of monetary obligations to the state under Art.8, para.1, item 4 and the absence/presence of unpaid labor remunerations to workers and employees, established by a penal decree under Art.8, para.1, item 5, shall be provided ex officio by the Ministry of Justice, the National Revenue Agency, respectively by the General Labor Inspectorate Executive Agency, at the request of the Mayor of the Plovdiv Municipality, if the Investor has stated this in the application under para.1. The documents may also be submitted by the applicant until the moment of preparation of a reasoned opinion of the Mayor for approval or refusal of the investment project.

(6) In case the applicant under para.1 is a natural person or an association of natural and/or legal persons, the establishment of a legal entity within the meaning of Art.17 of the Investment Promotion Act is mandatory, as the newly established legal entity shall be bound by the application and the investment project submitted by the individual or by the association. The newly established legal entity shall be entered in the certificate.

(7) The legal entity, which is to be established, may be created also after submission of the application under para.1, but not later than the moment of preparation of the opinion for issuance of a Class B certificate.

Art.13. (1) The Investors shall submit documents and information to the Mayor of the Municipality in the following ways:

1. on paper and electronic media or electronically without the use of an electronic signature;
2. electronically using a universal electronic signature by the order of the Electronic Document and Electronic Signature Act.

(2) The electronic documents shall be submitted to the indicated addresses on the official website of the Municipality, as their acceptance and confirmation shall be carried out by the order of the Electronic Management Act.

(3) The documents under para.1, which are in a foreign language, shall also be submitted translated into Bulgarian, accompanied by a notarized signature of the translator.

Art.14. The application and the documents under Art.12 shall be registered in the office system of the Plovdiv Municipality, as the Investor and/or his authorized representative shall be issued a registration number.

Art.15. The evaluation of the applications and the documents under Art.12 shall be carried out in accordance with the methodology approved by the Mayor of the Municipality for conformity assessment of investment projects, for the support of which an incentive measure(s) has been requested, in compliance with the requirements of the Investment Promotion Act and the present Ordinance. The approved methodology is published on the website of the Municipality.

Art.16. (1) The assessment of each submitted application for issuance of a Class B certificate together with the accompanying documents and the investment project shall be carried out by a permanently acting Commission, appointed by an order of the Mayor of the Municipality.

(2) The Commission shall be appointed within 1 month from the entry into force of the Ordinance.

(3) The Commission shall consist of 5 regular and 5 reserve members.

(4) The composition of the Commission shall include a Deputy Mayor from a Business Development Department, employees from the Business Development Department, at least one person with degree “Engineer” and a qualified lawyer, and if necessary, other employees of the Plovdiv Municipality and/or its structural units, as well as external experts may be involved.

(5) A Chairman shall be appointed from among the members of the Commission by issuance of an order.

(6) In the absence of any of the regular members of the Commission, the same may be replaced by the first reserve member specified in the order for its appointment.

(7) A meeting of the Commission will be considered legal if all its regular members are present.

(8) Before commencing, the members of the Commission shall fill in a declaration for lack of conflict of interests. Upon establishing a conflict of interests within the meaning of Art.54 of the Anti-Corruption and Confiscation of Illegally Acquired Property Act in respect of a member of the Commission, the latter shall be obliged to withdraw and be replaced by one of the reserve members.

(9) The decisions of the Commission shall be taken by a simple majority, as they shall be objectified in a report under Art.17, para.1.

(10) The Commission shall evaluate each submitted application under Art.12, together with the documents attached thereto, for their compliance with the requirements of the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act, and the Ordinance, as well as the relevant applicable laws and regulations.

(11) The assessment under the preceding paragraph shall also include a check for compliance between the costs for the investment project and the financial capabilities of the Investor and the sources of financing, certified by the documents under Art.12, as well as with the conditions of Section I, Chapter Three of the Ordinance.

(12) During the process of assessment of the application and the documents under Art.12, the Commission shall check ex officio whether negotiations have started and/or an application has been submitted by an Investor for issuance of a Class A or Class B certificate.

(13) In case discrepancies and/or incompleteness in the application and the documents under Art.12, the Commission, through its Chairman, shall notify the Investor in writing about them and shall set a term of up to two months from the submission of the application for their removal.

(14) The notification to the Investor shall be made by the Chairman of the Commission, by sending it on paper or electronically in one or several of the following ways:

1. registered letter with return receipt;
2. on paper by the order of item 1 and by e-mail without using an electronic signature;
3. electronically by using an electronic signature.

If the notification is not accepted by the person at the address indicated by him, the notification shall be deemed to have been made by placing it at a specially designated place in the building of the Plovdiv Municipality at the following address: 1, Stefan Stambolov Square.

(15) The work of the Commission shall be completed within 14 days from the submission of the application, respectively from the elimination of the discrepancies and/or the incompleteness under para.13.

(16) When during the assessment of the application and the documents under Art.12, it is also necessary to make an assessment of the competence of another structure of the Municipality, the

Commission sends the investment project and requires presentation of an opinion in the cases when:

1. an assessment of a specific economic activity or manufactured products is required for the implementation of the investment project;
2. a preliminary assessment of the possibilities for application of the measures for promotion of investments under Art.10, para.4 is required;
3. the procedures under the State Aid Act should be applied.

(17) The competent officials shall submit their opinions within 7 days from the receipt of the request.

Art.17. (1) For the results of the assessment the Commission shall prepare and present a report for approval by the Mayor of the Municipality, together with an opinion for issuance/refusal of a Class B Investment Certificate in accordance with the conditions of the Investment Promotion Act and this Ordinance, by enclosing a draft reasoned proposal to the Plovdiv Municipal Council for issuance/refusal of a Class B Investment Certificate.

(2) The report under the preceding paragraph shall be signed by all members of the Commission, as a member, who does not agree with the opinion of the majority, shall sign the report, motivating separately his or her different opinion.

(3) Within 7 days from the receipt of the report under para.1 and the documents attached thereto, the Mayor shall approve it or return it to the Commission with written instructions for re-assessment, in the cases of non-compliance with any of the requirements of the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act and this Ordinance.

(4) The Mayor shall submit the motivated proposal under para.1 prepared by the Commission to the Municipal Council, together with the file of the Investor, within 30 days from the submission of the application or from the date of elimination of established discrepancies and/or incompleteness of the file of the Investor.

(5) The proposal to the Plovdiv Municipal Council under para.4 contains:

1. a complete and accurate assessment with reasons for the issuance of a Class B Investment Certificate in accordance with the requirements of the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act and this Ordinance, or
2. grounds for refusal of issuance of a Class B Investment Certificate.

(6) The Municipal Council shall make a decision on the proposal under para.5 to issue or to refuse the issuance by the Mayor of the Municipality of a Class B Investment Certificate.

Art.18. (1) A Class B Investment Certificate shall not be issued when:

1. the requirements of Art.12 have not been met, or
2. the investment does not meet the conditions under Art.7, or
3. any of the circumstances under Art.9 are present, or
4. the investment is for an individual under Art.8, or
5. discrepancies and/or incompleteness are made in the submitted documents under Art.12 and they have not been removed within 6 months from the date of submission of the application, or
6. negotiations have started and/or an application has been submitted by an Investor for issuance of a Class A or Class B certificate.

Art.19. The Mayor of the Municipality shall issue/refuse to issue a Class B Investment Certificate within one month from the entry into force of the decision of the Plovdiv Municipal Council under Art.17, para.6, by objectifying the will of the collective body for issuance/refusal for issuance of a Class B Investment Certificate;

Art.20. (1) For the Class B investments a certificate shall be issued according to a sample.

(2) The certificate shall contain the following requisites:

1. serial number;
2. name and location of the investment project and the economic activity in which it will be carried out;
3. the information under Section I, Part 1A, items 1 – 5 and 7 of the application under Art.12, para.1;
4. the class of the investment;
5. the rights of the Investor for use of the measures for promotion of the investments under Art.10, para.4 in the cases when they have stated the intention to use them in the application under Art.12, para.1;
6. the date of issue and term of validity;
7. the grounds for issuance;
8. the signature and seal of the Mayor of Plovdiv Municipality.

(3) The validity of the certificate may not exceed 3 years from the date of its issuance, except for the cases, provided in Art.23.

(4) The certificate shall be issued in two copies in Bulgarian language – one copy shall be kept in the administration of the Plovdiv Municipality, and the other one shall be provided to the Investor. In case the Investor is a foreign person or a Bulgarian investor makes a request, the certificate shall also be issued in English.

(5) A register shall be kept in the Plovdiv Municipality for the submitted applications for issuance of a Class B Investment Certificate and the issued Class B certificates.

(6) The employees, performing administrative functions in connection with the application of the measures for promotion of the investments, shall be obliged not to disseminate the information, which has become known to them in connection with the performance of their official duties, related to the investment project and the attached documents.

(7) The restriction under para.6 does not include information about:

1. the general presentation of the Investor and of the investment project, containing information about the size and the type of the investment;
2. the manufactured products and services, intended for the internal market or for foreign markets;
3. the location and the terms for implementation of the project;
4. the number of jobs, as well as the number of trained persons and the financial parameters of the training project;
5. the objectives, content, and specific parameters of the measures for promotion of investments under the Ordinance in connection with the requirements for publicity and transparency of the provided aid for implementation of the investment project, arising from the legislation of the European Community and the Republic of Bulgaria in the field of state aid;
6. the data under Art.21, para.2.

Art.21. (1) The issued certificates shall be entered in an electronic database of the Municipality.

(2) The electronic database under para.1 contains the following information:

1. number and date of the application for the issuance of a certificate;
2. number, date of issue, and term of validity of the certificate;
3. amount and class of the investment;
4. economic activities, in which the investment will be made and the main products;
5. location of the investment;
6. the applied measures for promotion of the investment upon observance of the requirements for monitoring and transparency of the information in the field of the state aids.

(3) The issued certificate, the application, the documents under Art.12, and the motivated proposal to the Municipal Council shall be stored in the Municipality in accordance with the requirements of the State Aid Act and the National Archives Fund Act.

(4) The electronic database under para.1 shall be maintained by officials, determined by the Mayor of the Municipality, as the data shall be updated annually with the received information under Art.22.

(5) In case of change of the circumstances, entered in the electronic database under para.1, the Investors shall be obliged to submit an application to the Mayor of the Municipality within 14 days from the occurrence of the change, in which the occurred change shall be described, and the respective documents certifying the change shall be attached.

(6) In case of legal succession to the enterprise or the production – subject of the investment, the new person shall submit to the Mayor of the Municipality the documents under para.5, as well as a declaration with a report and analysis for the implementation of the initially requested investment project.

(7) The entry of the change shall be carried out after assessment by the Commission under Art.16, para.1 of the submitted documents, objectified in a report, approved by the Mayor of the Municipality, within 14 days from the receipt of the application.

(8) The entry shall be made, provided that the requirements of Art.8 and Art.9 have been met.

(9) When the change of the circumstances, entered in the electronic database under para.1, leads to a change in the data entered in the certificate, a new certificate shall be issued, in which the changed circumstances shall be reflected. The new certificate shall be provided after the return of the originally issued one.

(10) In case the initially issued certificate is lost or destroyed, the Mayor of the Municipality shall issue a duplicate of the certificate after an application submitted by the Investor with a written declaration for the circumstances, under which the certificate has been lost or destroyed.

Art.22. At the end of each year within the term of validity of the certificate and during the period of maintenance of the investment and employment according to Art.10, para.3, item 4, the certified investors shall submit to the Mayor of the Municipality information on the development of their investment project, including data of the volume of the invested funds, according to their investment plan, compliance with the schedule, jobs created, as well as incentives used under this Ordinance.

Art.23. At the request of an Investor, the validity of a Class B Investment Certificate may be extended once for up to two years by the order of its issuance, when:

1. the administrative servicing has not been performed within the terms under Art.29;
2. the measure under Art.24 has not been realized for a reason, for which the Investor is not responsible;

3. the investment project has not been completed in full or in part due to force majeure within the meaning of Art.306 of the Commercial Act.

CHAPTER FOUR IMPLEMENTATION OF INVESTMENT PROMOTION MEASURES

PART I ACQUISITION OF PROPERTY RIGHTS OR LIMITED REAL RIGHTS OVER REAL ESTATE – PRIVATE MUNICIPAL PROPERTY

Art.24. (1) At the request of an Investor, who has received a Class B Investment Certificate, the Mayor of the Municipality may:

1. sell real estate – private municipal property, at the location of the investment, without conducting an auction or competition, after assessment of the property under Art.27, para.1 and decision of the Plovdiv Municipal Council.

2. establish a limited real property right for real estate – private municipal property against remuneration, at the location of the investment, conducting an auction or competition, after assessment of the property under Art.27, para.1 and decision of the Plovdiv Municipal Council.

(2) An Investor who has submitted a request under para.1, shall indicate the real estate chosen by him – private municipal property, upon submission of the application under Art.12.

(3) In case of more than one application for the same real estate – private municipal property, with indicated incentive measure respectively under item 1 or item 2 of para.1, the assessment shall be made in view of the amount of the investment and the open jobs by the Municipal Council under Art.10, para.3, items 2 – 4 on the basis of a proposal of the Mayor of the Municipality, objectifying an opinion of the Commission under Art.16, para.1.

(4) In case of simultaneous incentive measures announced by Investors under para.1, item 1 and item 2 for the same real estate – private municipal property, with similar parameters of the amount of the investment and the open jobs under Art.10, para.3, items 2 – 4, priority shall be given to the measure declared under para.1, item 2.

(5) In case of similar parameters of the amount of the investment upon a requested measure under para.1, item 1 or item 2, priority shall be given to the person who has offered more newly created jobs for highly qualified personnel, together with the amount of the basic salary above the established average for the country according to data of the National Statistical Institute.

(6) Before concluding a sale contract or a contract for establishment of a limited real right over a property, the Mayor, through the Business Development Department, shall check in the Bulgarian Investment Agency whether an incentive measure under para.1 has been requested for the same property upon issuance of Class A or Class B Certificate.

(7) The Plovdiv Municipality reserves the right not to provide the requested incentive measure under para.1, if before the conclusion of the contract under the preceding paragraph, for the same real estate – private municipal property, an application has been filed at the Bulgarian Investment Agency for use of an incentive measure under Art.22a, para.1, item 2 and item 4 of the Investment Promotion Act.

Art.25. (1) Within one month from the entry into force of the decision of the Municipal Council for issuance of a Class B certificate, the Mayor shall issue an order and shall conclude a contract

with an Investor for sale, respectively establishment of a limited real right on the real estate – private municipal property, applied for the respective incentive measure under Art.24, para.1.

(2) The Mayor of the Municipality shall sell the respective real estate or shall establish a limited real right over it against remuneration upon presence of the following conditions:

1. the Investor has submitted a request to the Mayor of the Municipality for use of the measure under Art.24, para.1, item 1 or item 2, and

2. the Investor has been issued a Class B certificate.

(3) The request under the preceding paragraph shall contain the name of the Investor, the number and date of the Class B certificate, and the determined real estate with indicated location in the investment project with issued certificate.

(4) The application under Art.12, para.1, the documents under Art.16, para.1, item 4 and item 5 of the Investment Promotion Act and the respective documents for established legal entity under Art.11, in case it has been registered, shall be attached to the written request under para.2.

(5) Buildings and other sites, which have been financed with funds of the European Union, may not be subject to the request under para.2 and of the contract under para.1, except in the cases when a 10-year term has expired from the completion of the construction to the submission of the request.

Art.26. (1) The request under Art.25, para.2 shall be considered by the Commission under Art.16, para.1 within 14 days of its receipt.

(2) When considering the request under Art.25, para.2, the Commission shall request an opinion from the Business Development Department for the results of the performed inspection under Art.24, para.6.

(3) In case of a positive opinion, the Mayor of the Municipality and a person authorized by him shall conduct negotiations with the Investor for conclusion of a sale contract or remunerative establishment of a limited real right over the requested real estate with the Investor.

(4) In the process of negotiations additional information may be required from the Investor, as an appropriate term for its submission shall be provided.

Art.27. (1) The assessment of the real estate or of the limited real right shall be assigned by the Mayor of the Municipality or a person authorized by him and shall be carried out by at least two independent appraisers, in observance of the requirements of Art.30, para.1 of the Regulations for implementation of the Investment Promotion Act, as the final market price cannot be lower than the arithmetic mean value of the prepared independent estimates. An assessment can also be assigned for the compliance of the size of the property for the purposes of implementation of the investment project.

(2) After the preparation of the assessment under para.1, the Municipal Council shall approve a price for the sale of the real estate – private municipal property or for establishment of the limited real right over the real estate – private municipal property.

Art.28. (1) For the sale or the remunerative establishment of a limited real right over the real estate – private municipal property, as an incentive measure under Art.10, para.4, item 3, and the implementation of the investment project, a contract shall be concluded between:

1. the Investor and/or the persons under Art.11, para.1, on the one hand, and

2. the Mayor of the Municipality and a person authorized by him;

(2) The contract under para.1 shall be prepared by the Business Development Department and the Legal Regulatory Services Directorate at the Plovdiv Municipality and shall contain all the requirements of the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act and the present Ordinance regarding the investment project and the Investor:

1. subject matter of the contract;
2. Parties to the contract;
3. name of the investment project and number of the issued Class B certificate;
4. main rights and obligations;
5. type and amount of the investment;
6. term for implementation of the investment project and term for maintenance of the investment;
7. description of the real estate – subject of the sale or of the establishment of a limited real right, according to the requirements of the Cadastre and Property Register Act;
8. price of the real estate or of the limited real right;
9. term and conditions for transfer of the real estate or for establishment of the real right;
10. prohibition for disposition and encumbrance of the real estate with real encumbrances, as well as for transfer of the limited real right over the real estate to another person within three years from the completion of the investment;
11. establishment of a mortgage in the cases of transfer of the real estate, and in the other cases – other collateral;
12. conditions for exercising the rights over the mortgage;
13. manner and term for reporting the implementation of the investment project;
14. type and amount of the liability for non-fulfillment of the obligations under the contract;
15. control over the fulfillment of the obligations of the Parties;
16. methods of settling any disputes between the Parties;
17. grounds for early termination or cancellation of the contract, including under the conditions of Art.28, para.34 or upon establishment of delay within the meaning of Art.16, para.1, item 5 of the Investment Promotion Act, unless the due payments are not paid within a period suitable for the Parties;
18. other elements, on which an agreement has been reached between the Parties.

(3) The contract shall be concluded under a condition, as the Investor becomes the owner of the real estate in case of full, exact and timely execution of the investment according to the declared in the application under Art.12.

(4) Non-fulfillment of the investment project regarding the term and the amount of the investment shall be included in the respective contract as grounds for cancellation. Reasons for cancellation can also be the non-commencement of work on the investment project within two years from the conclusion of the contract under para.1. The investment shall be considered unfulfilled when its amount is below the required minimum amount determined under Art.10, para.3, item 2, and if the condition under item 4, established with financial statements and reference, certified by a registered auditor, according to the Independent Financial Audit Act, has not been fulfilled. The costs of the auditor's activity shall be at the expense of the Investor. Upon termination of the contract as a result of non-fulfillment of the investment, the right of ownership over the buildings and other permanently attached to the land tangible fixed assets, engineering and/or technical infrastructure, etc., as well as the created documentation and information, shall be for the Plovdiv Municipality, as the same shall not owe any payment to the Investor.

- (5) The rights over the real estate under para.1 may be transferred or established only if the amount of the planned investment as costs for fixed tangible assets is more than 5 times higher than the market value of the real estate under Art.27, para.1. The non-fulfillment of the requirement shall be included in the respective contract with the Investor as a ground for its cancellation under para.4.
- (6) The investment project and the issued Class B certificate shall be an integral part of the contract under para.1.
- (7) The contracts under para.1 shall be concluded in written form and shall be entered by order of the entry judge at the location of the real estate. A copy of the entered contract shall remain with the Business Development Department with the purpose of implementation of actions for post-investment control.
- (8) The expenses for the sale of the real estate or for the establishment of the limited real right shall be at the expense of the Investor.
- (9) The establishment of a mortgage shall be for a term not less than 5 years for large enterprises and technology parks and 3 years for small and medium-sized enterprises, as of the date of implementation of the investment project.
- (10) The Investor and/or the person under Art.11 cannot dispose of the acquired by the order of para.1 real estate and to transfer the limited real rights established thereon to third parties until the expiration of at least 5 years for large enterprises, and in the case of small and medium-sized enterprises – three years from the date of its completion. The investment shall be maintained on the territory of the Plovdiv Municipality for at least 5 years, and in the case of small and medium-sized enterprises – for three years, as of the date of its completion within the meaning of Art.14, item 5 of Regulation (EU) No 651/2014.
- (11) The Mayor of the Municipality or a person authorized by him shall send to the Bulgarian Investment Agency a copy of the contract within 7 days from its conclusion.
- (12) The contracts under para.1 shall be concluded under the conditions of the current legislation in the field of the state aids and by an order, determined by the Regulations for implementation of the Investment Promotion Act and the present Ordinance.
- (13) Upon sale or establishment of a limited real right over real estate in the contract under para.1, special obligations in the public interest may be settled, which are related to the land and the buildings, but not to the buyer or to its commercial activity, provided that each potential buyer is required to be able to fulfill the special obligations, whether it carries out an activity or not and regardless of the nature of the activity.
- (14) The funds required to fulfill the obligations of the owner of the real estate arising by law are not deducted from the sale price (for example: care for the land and buildings and their maintenance as part of the usual social obligations of the owners, payment of taxes and other similar costs).

PART II

SHORTENED TERMS FOR ADMINISTRATIVE SERVICING

Art.29. (1) After the issuance of a Class B Investment Certificate the Municipality shall perform administrative servicing of the Investors through municipal and regional administration in terms with one third shorter than the ones provided in the respective normative acts, except in the cases of para.2 – 5, in case it is declared as an incentive measure with the application under Art.12.

(2) The administrative servicing shall be carried out by the competent authorities from the municipal/regional administration within 5 days from the receipt of a request from the Investor in the cases of:

1. Art.140, para.1, Art.141, para.8, item 2 and Art.144, para.3, item 1 of the Spatial Planning Act;

2. Art.26, para.3 of the Roads Act;

(3) The administrative servicing shall be carried out by the competent authorities within 14 days from the receipt of a request from the Investor in the cases of:

1. Art.141, para.8, item 1 and Art.144, para.3, item 2 of the Spatial Planning Act;

2. Art.62a, para.1 of the Water Act.

(4) The administrative servicing shall be carried out by the competent authorities within 30 days from the receipt of a request from the Investor in the cases under Art.62a, para.3 of the Spatial Planning Act.

(5) In order to provide administrative services to the Investors, who have received a certificate for investment class, the bodies of the state sanitary control and the bodies for fire safety and protection of the population, according to their competence, shall issue the necessary documents within 14 days.

(6) The Municipality may refuse to implement the measure under this section, in case it is not applied within two years from the issuance of a Class B certificate.

PART III INDIVIDUAL ADMINISTRATIVE SERVICING

Art.30. Individual administrative servicing, necessary for the implementation of Class B investments, shall be performed by the employees of the Business Development Department together with employees of other municipal structures, before the respective competent bodies.

Art.31. (1) Individual administrative servicing shall be provided at the request of an Investor, who has received a Class B Investment Certificate upon a declared measure under Art.10, para.4, item 2, necessary for the implementation of the respective investment project.

(2) The request shall be submitted to the Mayor of the Municipality by the Investor or by a person authorized by him:

1. on paper and electronic media or electronically without the use of an electronic signature;

2. by electronic means with the use of a universal electronic signature by the order of the Electronic Document and Electronic Signature Act.

(3) The request shall be entered in the office of the Municipality, noting the date of its receipt, and a registration number shall be issued.

(4) For the received requests for use of the measure under Art.10, para.4, item 2, the Business Development Department shall keep a register, in which the following shall be indicated:

1. registration number of the request;

2. number and date of the application for issuance of a certificate;

3. number, date of issue, and term of validity of the certificate;

4. amount and class of the investment;

5. economic activities, in which the investment has been made and main products;

6. location of the investment;

7. other information from the application under Art.12.

(5) For each filed request the Mayor of the Municipality shall appoint by order employees from the Business Development Department and/or from other municipal structures, whose competence is the implementation of the incentive measure, which shall perform individual administrative servicing of the respective Investor, necessary for the project.

Art.32. (1) For the purposes of realization of individual administrative servicing, the Investor shall authorize one or more of the persons under Art.31, para.5.

(2) Upon implementation of individual administrative servicing the persons under Art.31, para.5 are obliged:

1. to provide clear, accurate, reliable, and complete information to Investors on issues within the competence of the municipal and regional administration and to assist in solving specific problems that arise in the process of realization of the investment;

2. to answer inquiries of the Investor in connection with the procedures, necessary for the realization of the investment, and to direct him or her to the administrative bodies, competent on the respective issue;

3. to provide clear, accurate, reliable, and complete information about the procedures necessary for the implementation of the investment project, which shall include:

(a) the exact name of the responsible administration;

(b) corporate seat and registered address of the respective administration;

(c) correspondence data: telephone, e-mail address, and website;

(d) working hours of the administrative service unit in the administration;

(e) the legislation for the provision of the administrative service.

4. to explain the requirements that have to be met by the application or the request for performance of the administrative service, the complaint, the protest, the signal, or the proposal under the respective procedure;

5. to provide to the Investor:

(a) complete and accurate information about the necessary documents, terms, and fees under the special laws;

(b) samples of documents, which shall be filled in for the provision of the administrative service;

(c) information on the term of validity of the individual administrative act, on the issuance of which the application is submitted;

6. to render assistance to the Investor in the completion, submission and receipt of the necessary documents for the realization of the project, from the involved institutions, after payment of the fees due (according to the respective law);

7. to make contact and to assist for the issuance and receipt by the respective competent bodies of all necessary documents for realization of the respective investment and for implementation of the related economic activity.

(3) The Investor shall be obliged to render assistance to the persons under Art.31, para.5 for the purposes of implementation of the individual administrative service.

(4) The Investor shall be obliged to provide to the persons under Art.31, para.5 the necessary documents, including documents for the paid fees.

(5) The Investor may authorize one or more of the persons under Art.31, para.5 to submit and receive from the respective competent authorities all required documents for implementation of the investment project or to participate together with representatives of the Investor in all activities related to the submission and receipt by the competent administrative bodies of all required documents for implementation of the investment project.

Art.33. The individual administrative service shall be provided for the term of realization of the Class B investment and the related economic activity, but for a term not longer than the term of validity of the certificate.

Art.34. The individual administrative service shall be provided by the municipal administration free of charge. The fees established by a normative act for the issuance of documents and/or for the performance of an administrative service shall be at the expense of the Investor.

Art.35. All employees from the municipal and regional administration shall be obliged to render assistance to the persons under Art.31, para.5, by performing individual administrative services.

Art.36. The Municipality shall have the right to terminate the implementation of the individual administrative service, in case the Investor has not started work on the investment project within two years from the issuance of the Class B Investment Certificate.

Art.37. The administrative servicing under this section shall be carried out in observance of the principles and the order of the Administration Act, the Administrative Procedural Code and the normative acts for their application.

CHAPTER FIVE CONTROL OVER THE IMPLEMENTATION OF INVESTMENT PROJECTS

Art.38. (1) The control over the implementation of the investment projects of municipal significance with issued Class B certificate shall be carried out by the Mayor of the Municipality or a person authorized by him.

(2) The control under para.1 shall be carried out with regard to the implementation of the investment as a minimum amount and minimum number of new jobs created and their maintenance within 5 years for large enterprises and 3 years for small and medium-sized enterprises.

(3) For the purposes of exercising control the Investor shall be obliged to submit to the Municipality an annual report no later than 31.12 of the current year, with attached:

1. for certification of the amount of the performed investments for the reporting period, an annual financial report shall be submitted by the order of the Accountancy Act. A reference according to a sample shall be attached to the financial statements, in which the assets for the main economic activity and their value shall be described. The report shall be prepared in accordance with the rules for recognition of tangible/intangible fixed assets (current/non-current), established in the International Accounting Standards (IAS) and the National Standards for Financial Statements of Small and Medium-sized Enterprises and shall be certified by a registered auditor under the Independent Financial Audit Act. The costs of the auditor's activity shall be at the expense of the Investor. For the purposes of assessing whether the assets described in the report concern the main economic activity of the Investor or other additional activity, the control body under para.1 may also perform a factual inspection.

2. for certification of the number of hired full-time employees under the conditions and by the order of the Labor Code and for the created new jobs for the reporting period, documents from

the National Revenue Agency, copies of employment contracts, copies of acts for termination of employment and notifications about them according to the Labor Code, declaration – form for paid social security contributions to the state social insurance funds, supplementary mandatory pension insurance and the National Health Insurance cash register, copy of the payroll or reference for the paid funds for remuneration of employees – by name and with other relevant documents, shall be attached.

(4) In case of established non-fulfillment of a minimum amount of the investment and a minimum number of new occupied jobs, the Mayor of the Municipality shall give a six-month term for achievement of the parameters declared by the Investor.

(5) In case of non-achievement of the declared parameters under para.4, the Mayor of the Municipality shall have the right to terminate the provision of the measures declared by the Investor under Art.10, para.4.

Art.39. The Mayor of the Municipality or a person authorized by him shall prepare an annual report on the issued Class B Investment Certificates and the provided incentive measures, which he shall present to the regional governor and to the Executive Director of the Bulgarian Investment Agency.

CHAPTER SIX OTHER ACTIVITIES TO ATTRACT AND ENCOURAGE INVESTMENTS

Art.40. (1) In order to create a general favorable environment for the business, to improve the competitive environment, and to support the economic activity, the Business Development Department shall also perform other activities aimed at attracting and supporting investments in the Plovdiv Municipality.

(2) The Business Development Department:

1. assists the Mayor of the Municipality in the implementation of the incentive measures under Art.10, para.4 to an Investor who has received a Class B certificate;
2. assists the Mayor of the Municipality or the person authorized by him in exercising the control under Chapter Five;
3. performs specific tasks related to reduction of the barriers in the trade at local level, reduction of the administrative and legal barriers, and issuance of the necessary permits by the respective regional administrations;
4. organizes the administrative support of start-up and development of start-up companies by rendering support to entrepreneurs, as well as of the process of Europeanization and internationalization of innovative companies by facilitating their access to information;
5. analyzes the condition of all spheres of public and economic life, follows the tendencies, and plans strategically the goals and the measures for development of the Municipality;
6. performs operational work and study of the possibilities and coordination for attracting foreign and Bulgarian investments in the Plovdiv Municipality;
7. renders assistance to investors in the Plovdiv Municipality – under administrative regimes and when working with other institutions;
8. collects, processes, analyzes, and stores information related to economic sectors and industries, with macroeconomic indicators and statistical data for the territory of the Plovdiv Municipality. Provision of business information to current and potential investors, if necessary;

9. makes contact and renders direct assistance to the representatives of the business on the territory of the City of Plovdiv;
 10. organizes national and international business forums, conferences, discussion meetings, and round tables in the City of Plovdiv with representatives of local and foreign companies and promotes before them the potential of Plovdiv, as well as in order to acquaint the interested parties with the opportunities for cooperation;
 11. coordinates and assists in the organization of meetings between the Plovdiv Municipality and interested persons – potential investors, representatives of already operating companies, representatives of educational institutions, branch associations, civil associations, youth organizations, NGO structures, etc.;
 12. prepares documents, articles, studies, publications, reports, analyzes, and application forms in Bulgarian and/or foreign language for the needs of the department;
 13. participates in various forums and conferences in the country and abroad, in order to present the potential of the City of Plovdiv to chambers, business associations, consultants, investors from various economic sectors, trade and economic services, international delegations, representatives of diplomatic corporations, state power, twin cities, foreign journalists, etc.;
 14. other activities, assigned by the Mayor of the Municipality.
- (3) All employees of the municipal and early regional administration shall be obliged to render assistance to the Business Development Department for implementation of the activities under para.2, by providing the necessary information/service within 14 days, as of the date of the application.

CHAPTER SEVEN ADMINISTRATIVE PENAL PROVISIONS

- Art.41.** (1) The Business Development Department shall submit reports, with which it shall signal the Mayor of the Municipality for established administrative violations of the obligations under Art.34, para.5 of the Investment Promotion Act for the drawing up of penal decrees.
- (2) The penal decrees shall be issued by the Mayor of the Municipality or a Deputy Mayor appointed by him.
- (3) The revenues from the imposed fines shall enter the municipal budget.
- (4) The establishment of the violations, the issuance, the appeal, and the execution of the penal decrees shall be carried out by the order of the Administrative Violations and Sanctions Act.

ADDITIONAL PROVISIONS

- § 1.** All terms and conditions used in the Ordinance correspond to the legal definitions given in the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act and Regulation (EU) No 651/2014, and upon any unsettled cases the relevant provisions of the indicated normative acts shall prevail.
- § 2.** For any unsettled cases in this Ordinance the relevant provisions of the Investment Promotion Act, the Regulations for implementation of the Investment Promotion Act, the State Aid Act, the Administrative Violations and Sanctions Act, the Administrative Procedure Code and Regulation (EU) No 651/2014 shall prevail.

TRANSITIONAL AND FINAL PROVISIONS

§ 3. (1) This Ordinance has been adopted on the grounds of Art.22h, para.1 of the Investment Promotion Act and Art.21, para.2 of the Local Self-Government and Local Administration Act with Decision No 311, taken with Protocol No 18 of 21.12.2020 of the Plovdiv Municipal Council.

(2) This Ordinance shall enter into force after its publication.