

UPDATE ON GRANT FOR MEDIUM-SIZED BUSINESSES IN BULGARIA IN LIGHT OF COVID-19

The application process for a grant for medium-sized enterprises¹ has been opened. The **deadline for application** (i.e., filing of a project proposal) is **16:30 EEST on 24 August 2020**.

The procedure has undergone several changes since its initial announcement (for more information you can take a look at our previous article on the subject [here](#)). Therefore, we would like to share briefly what we believe are the most significant changes in the procedure, in particular, mainly in the criteria that must be met by applicants:

- **Maximum range of grant per individual project – BGN 150,000 (approximately EUR 76,694), but no more than 5% of the amount of the turnover for 2019.** The minimum amount per individual project has remained unchanged – BGN 30,000 (approximately EUR 15,339), however, the maximum amount has been increased from BGN 100,000 (approximately EUR 51,129) to BGN 150,000, but no more than 5% of the amount of the turnover for 2019 (as opposed to not more than 1% of applicant's net revenues for 2019 according to the previous version of the procedure);
- **Period of economic activity criterion** – eligible applicants must have **at least two complete financial years prior to the announcement of the procedure (i.e., 2018 and 2019)** with economic activity, as opposed to the previous version of this criterion where applicants had to be registered prior to 1 January 2019;
- **Monetary criterion** – eligible applicants must have **a turnover for 2019 of at least BGN 1,000,000 (approximately EUR 511,292)**, as opposed to the previous version of this criterion where the applicants had to have net revenues between BGN 3 million (approximately EUR 1.5 million) and BGN 50 million (approximately EUR 25.5 million) for 2019;
- **Calculation of the drop** – eligible applicants must have **a drop in the turnover of at least 20%** for one of the calendar months in the period from 1 February 2020 to the month preceding the month of application (e.g., July if the project proposal is filed in August) **compared to the turnover for the same month in 2019**, as opposed to the previous version of this criterion where applicants had to have a drop in revenues of 20% or more in a calendar month in the period from 1 February 2020 until the month preceding the month of application compared to the average monthly revenue in 2019;
- **Coverage of personnel costs** – personnel costs should be under **employment contracts concluded before 1 July 2020**, as opposed to the previous version of the procedure where the covered personnel costs were under both employment contracts and management and control contracts and the contracts had to be concluded before 13 March 2020.

As evident from the above, among others, turnover has become more relevant than net revenues.

¹ Under Bulgarian law, medium-sized companies are companies with (i) an average number of staff of fewer than 250 and (ii) an annual turnover not exceeding BGN 97.5 million (approximately EUR 49,850 million) and/or whose asset value does not exceed BGN 84 million (approximately EUR 42,948 million).

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For any further information and assistance with respect to the above and any other COVID-19 related legal matters, please do not hesitate to contact us at covidhelpdesk@peterkapartners.com.

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