

MESSAGE FROM TRINITY

Dear Clients and Partners,

Welcome to our quarterly newsletter. We would like to bring to your attention the latest changes in accounting legislation and corporate requirements.

If you have any suggestions or comments please feel free to contact us directly.

Now, please take a short break and read our "News You Can Use"!

Trinity - Sofia office

ACCOUNTING UPDATE

CURRENT DEVELOPMENTS

The rate for calculating advance monthly payments for corporate income tax has been set at 1.1, up from 1.0, effective from August 1, 2010 until the end of 2010.

A ban on cash payments over a certain limit (BGN 5,000 or BGN 10,000 are likely thresholds) is expected to come into force by the end of this year, following a recent Council of Ministers bill to that effect.

In line with EU regulations, the VAT differential on tourist services will be harmonized. The current levels are 7% for organized tourists and 20% for individuals and tax authorities are considering a flat 9% rate in 2011.

National Revenue Agency alert: all Bulgarian companies doing business with Romanian companies should check again the validity of their VAT registration at http://ec.europa.eu/taxation_customs/vies/, due to a new system for registration of local businesses in force since 1 August 2010.

LEGAL UPDATE

NEW LEGISLATION

Effective from 30 July 2010, all paid leave days should be taken during the current year. Any accrued paid leave days for past years must be used by 31 December 2011.

DEADLINES

30th of November is the deadline for payment of the 4th installment of the property tax and household waste fee for 2010 by physical and legal entities.

ATTENTION: We would like to remind you of the **31 December, 2010 deadline for re-registering in the Trade Register** for companies, cooperatives and branches of foreign companies.

TRINITY NEWS

New Corporate Secretarial service

Trinity-Sofia MCS department is launching a new service: **Corporate Documents Review**. This includes on-site and off-site review of incorporation documents, articles of association, board and shareholders' resolutions, assigning of management agreements, filings in the Trade Register. Our clients remain in complete control of the direction of the review efforts while we handle all the details of the review process.

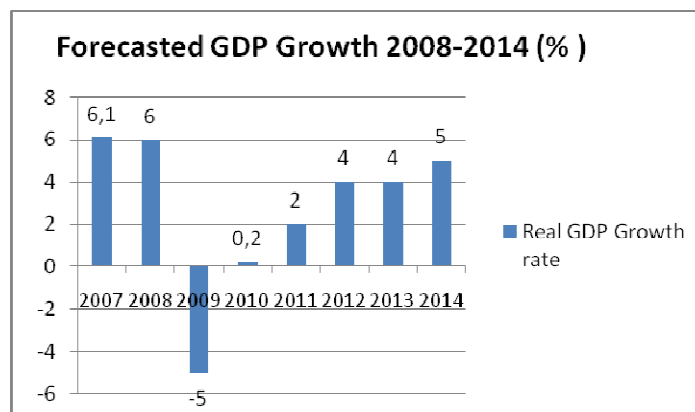
Corporate Documents Review may be beneficial prior to a change of ownership, a tax inspection, pre-litigation, or other specific activities.

Please call us for more information on +359 2 801 2020.

INVESTOR NEWS

Positive potential

Despite the current effects of the economic downturn, Bulgaria is one of the economies in CEE that is in relatively good shape. Bulgarian authorities have maintained prudent macroeconomic policies, which have helped to steer the economy through the global financial crisis. Even though risks remain, such as low capital inflows and domestic demand, an increase in exports should lead to a recovery this year, and real GDP is projected to increase by 0.2 percent in 2010.



FUN SPOT

Laws of Accounting

1. Trial balances don't
2. Bank reconciliations never do
3. Working Capital does not
4. Return on Investments never

Thanks for reading! If you'd like to let us know what you think about this newsletter, please get in touch with us at sofia@trinitycs.com.