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VAT on Donated Foods with Expiring Shelf Life Has Been Removed

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Parliament has abolished VAT on donated food and foodstuffs. This was done through the amendments to the Value Added Tax Act adopted at second reading, which will enter into force on 1 January 2017.

With the removal of VAT on donations of food products, Bulgaria has caught up with the other European countries. The condition is that the total value of the foodstuffs gratuitously provided to food bank operators for the current calendar year shall not exceed 0.5 per cent of the total value of the taxable supplies of foodstuffs made by the respective company during the previous calendar year. It is important that the food is not past its expiry date, and the time limits for donation will be determined by the Minister of Agriculture and Food, after coordination with the

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Minister of Finance, upon a proposal by the Executive Director of the Bulgarian Food Safety Agency (BFSA).

The adopted amendments also introduce additions to the Food Act, which will regulate the authorisations for food bank operators.

Bulgarian Food Bank

Bulgaria ranks third in Europe in terms of poverty and at the same time, together with the other 27 EU Member States, our country is part of the statistics according to which 50% of the food produced in the EU that is fit for consumption and healthy, or nearly 80 million tonnes, is wasted every year – in households, supermarkets, restaurants and along the supply chain.

As a result of the economic crisis, the incomes of every third family have declined, which in turn has reduced expenditure on basic needs, including food. Thus, 41% of households limit the use of basic utilities; 29% reduce the consumption of staple foods; 8% skip one of their daily meals.

“Bulgarian Food Bank” is a foundation that operates as a link between the food industry and social organisations in order to significantly increase access to food assistance in Bulgaria. Thus, all organisations that receive food to distribute it to people in need go through an application and approval process by BFB, in order to ensure clean and healthy food for the end consumer. Since BFB became a member of the Global FoodBanking Network (GFN) in 2012, its main task has been to integrate Bulgaria into global food practices. The abolition of VAT on donations of food products is a result of this tireless work. The bank’s partners that have made a significant contribution in seeking a model for food assistance as a means of combating poverty in the country are the Bulgarian Food Safety Agency (BFSA), the Ministry of Agriculture and Food (MAF), the auditing company PricewaterhouseCoopers, the law firm Schoenherr, Danone Serdika, Sodexo, the Bulgarian Red Cross, Caritas, the National Network for Children, and many others.

“Food for Thought” is a project (from 13 October to 6 November 2016) of the “Credo Bonum” foundation, which includes a series of dinners cooked with rescued products from BFB. Public figures, representatives of retail chains, producers and HoReCa businesses will sit together at the table to discuss reducing food waste and how each of them can contribute to solving this problem.

The dinners will take place at various venues in Sofia in October and November, and the focus will fall on food and its leading importance in a world full of contradictory problems such as hunger, poverty and, at the same time, abundant overproduction.

More on the topic:

The Ministry of Agriculture and Food is preparing a new Food Act

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