

# Rödl & Partner

## BELARUS ALMANACH

2021

## Successful together



# Successful together

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“To succeed in your projects you need a dependable and reliable partner. We share your corporate values and we have the skills to accompany you in your development. Our extensive experience enables us to provide you with expert and specialised advice in all phases of your business.”

Rödl & Partner

# Rödl & Partner

BELARUS  
ALMANACH

2021

## Successful together

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# Belarus





● Minsk

DEMOGRAPHICS

POPULATION (THOUSAND OF PEOPLE)*
approx. 9,408.4
AREA
207,600 km²
POPULATION DENSITY
approx. 45.5 inhabitants per km²
GENDER RATIO (THOUSAND OF PEOPLE)
Women: 5,059 (54 %) Men: 4,349 (46 %)
POPULATION BY AGE GROUP (THOUSAND OF PEOPLE)
<b>Age 0 to 14</b> 1,592 (17 %)
<b>Age 15 to 44</b> 3,719 (40 %)
<b>Age 45 to 64</b> 2,646 (28 %)
<b>Age 65 and over</b> 1,450 (15 %)
LIVING AREA (THOUSAND OF PEOPLE)
<b>Urban</b> 7,303.8 (78 %)
<b>Rural</b> 2,104.6 (22 %)

\*Population as of 1 January 2020, taking into account the results of the 2019 population census



## EMPLOYMENT (THOUSAND OF PEOPLE)

### 2020

Population:  
9,408.4

Labour force (Q2):  
5,068.7 (54 %)

Employed part:  
4,855.9 (96 %)

Unemployed part:  
212.8 (4 %)

### 2019

Population:  
9,475.0

Labour force:  
5,122.4 (54 %)

Employed part:  
4,909.1 (96 %)

Unemployed part:  
213.3 (4 %)

### 2018

Population:  
9,492

Labour force:  
5,141.6 (54 %)

Employed part:  
4,896.7 (95 %)

Unemployed part:  
244.9 (5 %)

### 2017

Population:  
9,505

Labour force:  
5,195.3 (55 %)

Employed part:  
4,901.8 (94 %)

Unemployed part:  
293.4 (6 %)

## SOURCE

The official website of the National Committee on Statistics of the Republic of Belarus

AIRPORTS

BREST AIRPORT

Address: 224004, Airport, the village of Telmy,  
Brest district, Brest region  
+ 375 162 9723 25  
+ 375 162 9721 81  
www.ban.by fbre**st**@ban.by

VITEBSK VOSTOCHNY AIRPORT

Address: 210035, P.O.B. 36, Airport, Vitebsk  
+375 212 2043 03  
+375 212 2043 11  
www.ban.by fvitebsk@ban.by

GOMEL AIRPORT

Address: 247012 Airport, the agrotown of Pokolyubichi,  
Gomel district, Gomel region.  
+375 232 9641 00  
+375 232 9641 01  
www.ban.by fgomel@ban.by

GRODNO AIRPORT

Address: 231766, Airport, the agrotown of Obukhovo,  
Grodno district, Grodno region  
+375 152 7315 07  
+375 152 7315 15  
www.ban.by fgrodno@ban.by

MOGILEV AIRPORT

Address: 213125, Airport, the village of Lubnyshche,  
Mogilev district, Mogilev region  
+375 222 2995 00, +375 222 2995 01  
www.ban.by fmogilev@ban.by

MINSK NATIONAL AIRPORT  
220054, Minsk, National Airport  
Minsk district, Minsk region  
+375 17 2791 300  
+375 17 2791 730  
www.airport.by info@airport.by

ROADS

86,967 km

RAILWAYS

5,480 km

## LARGEST CITIES

### LARGEST CITIES (THOUSAND OF PEOPLE)\*

MINSK
2,020.6
GOMEL
510.3
MOGILEV
357.1
GRODNO
356.9
VITEBSK
364.8
BREST
339.7
BOBRUISK
212.2
BARANOVICHI
175.0
BORISOV
140.7
PINSK
126.3

### SOURCE

The official website of the National Committee on Statistics of the Republic of Belarus

\*Preliminary data on the population as of 1 January 2020 in the context of cities, taking into account the results of the 2019 population census



COUNTRY RATINGS

MOODY'S COUNTRY RATING

B3

COFACE COUNTRY RATING

C (high risk)

ECONOMIC ENVIRONMENT COFACE

B (stable)

CORRUPTION PERCEPTIONS INDEX (CPI)  
where 100 points is "very clean" and 0 points is "highly corrupt"

47 (63<sup>rd</sup> place as of 2020)

WORLD BANK EASE DOING BUSINESS RANKING (2020)

49

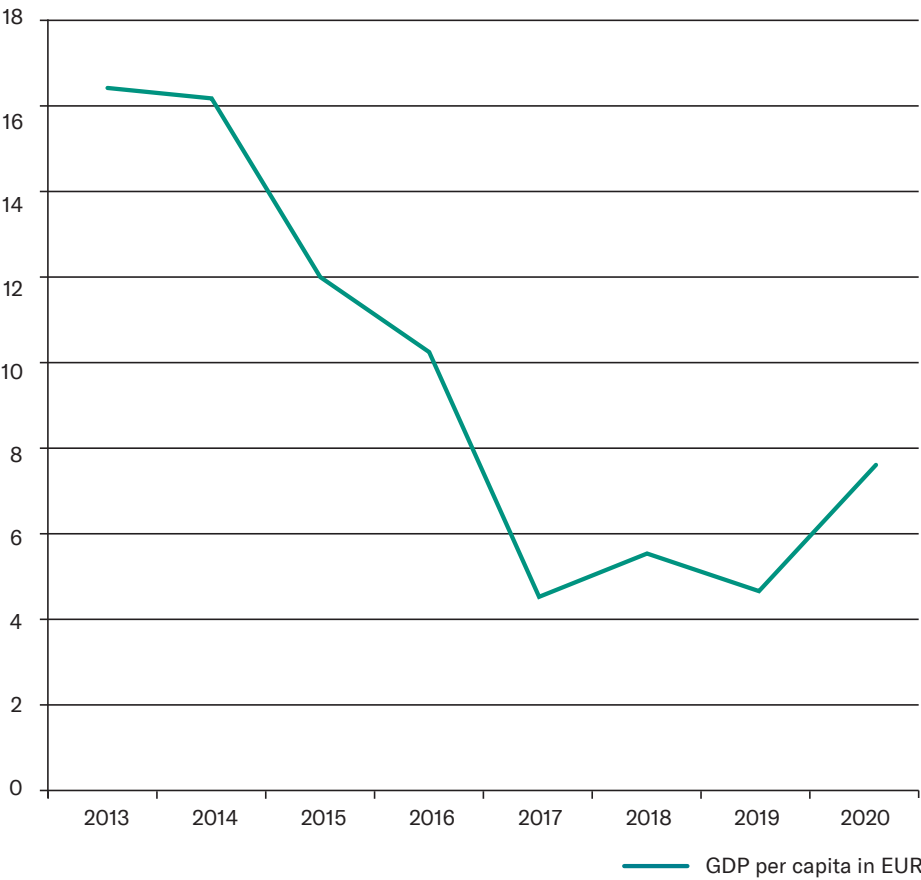


CURRENCY

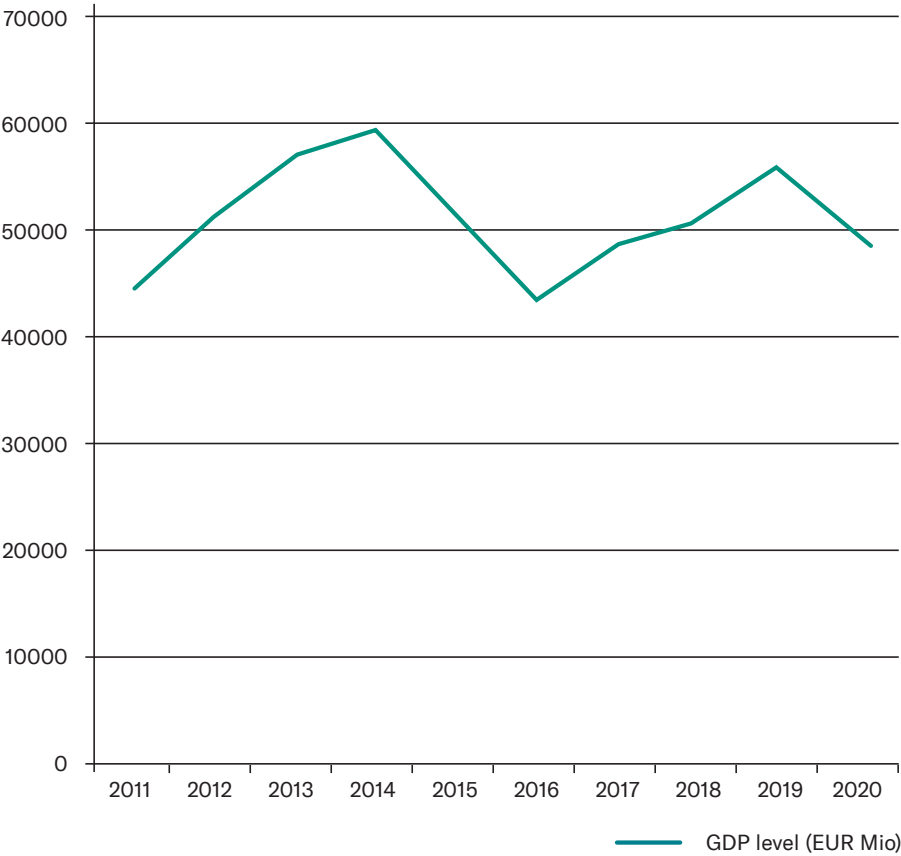
CURRENCY
Belarusian Ruble (BYN)
INTRODUCED
1 July 2016
INFLATION RATES
2013: 16.5 %
2014: 16.2 %
2015: 12.0 %
2016: 10.2 %
2017: 4.6 %
2018: 5.6 %
2019: 4.7 %
2020: 7.4 %
SOURCE
The official website of the National Bank of the Republic of Belarus

INFLATION

Inflation rate in Belarus

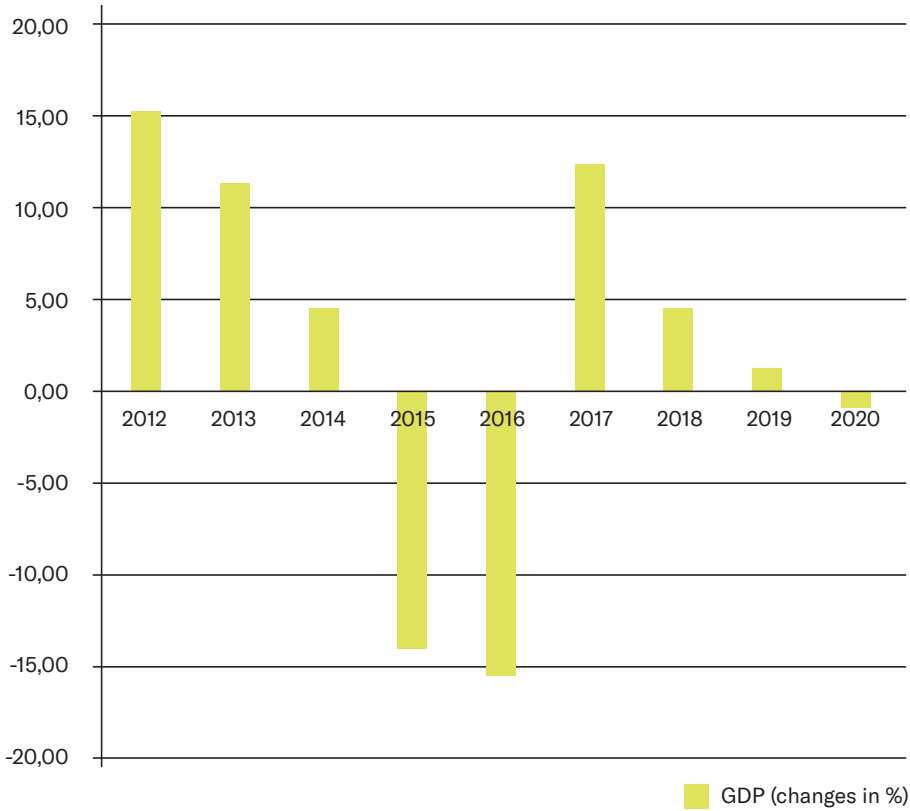


GROWTH





GDP

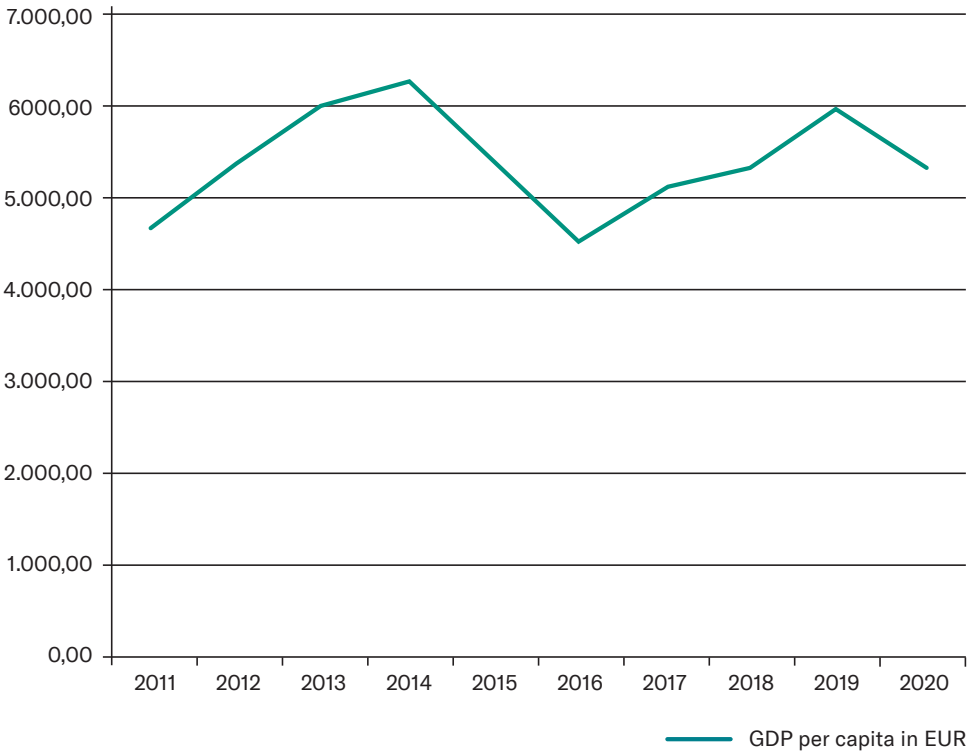


GDP (PER CAPITA IN EUR)

GDP PER CAPITA IN EUR	
2013	6,000
2014	6,260
2015	5,370
2016	4,542
2017	5,100
2018	5,329
2019	5,972
2020	5,210
SOURCE	

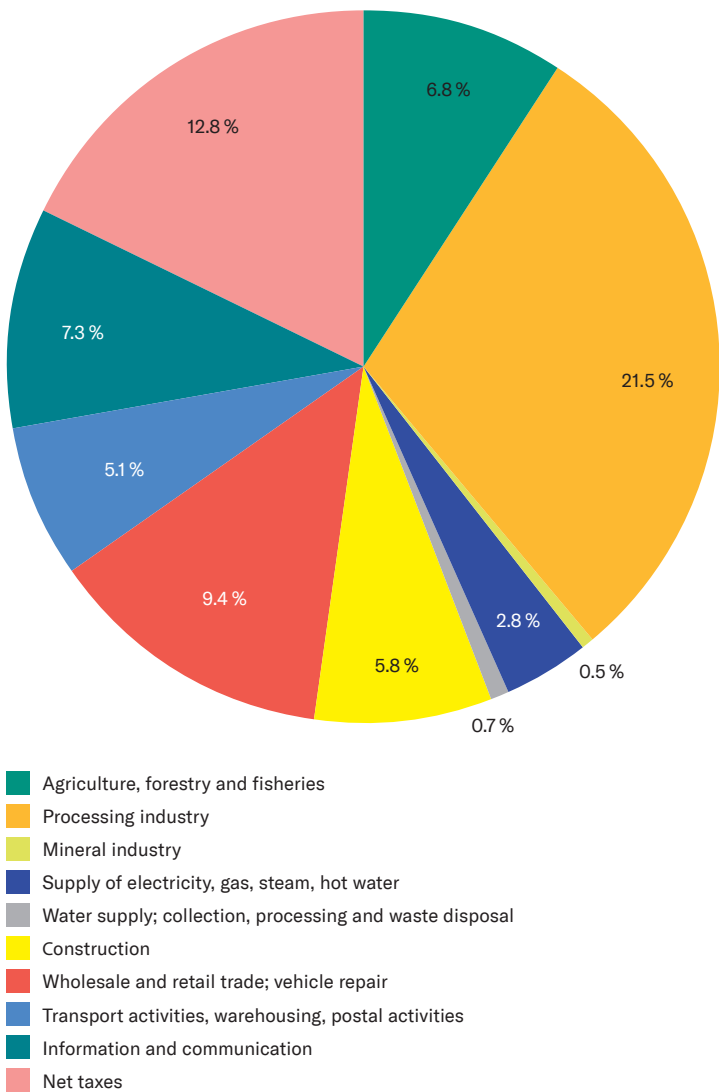
The official website of the National Committee on Statistics of the Republic of Belarus

GDP (PER CAPITA IN EUR)



STRUCTURE OF ECONOMY

Structure of economy 2020 (GDP, share in %)



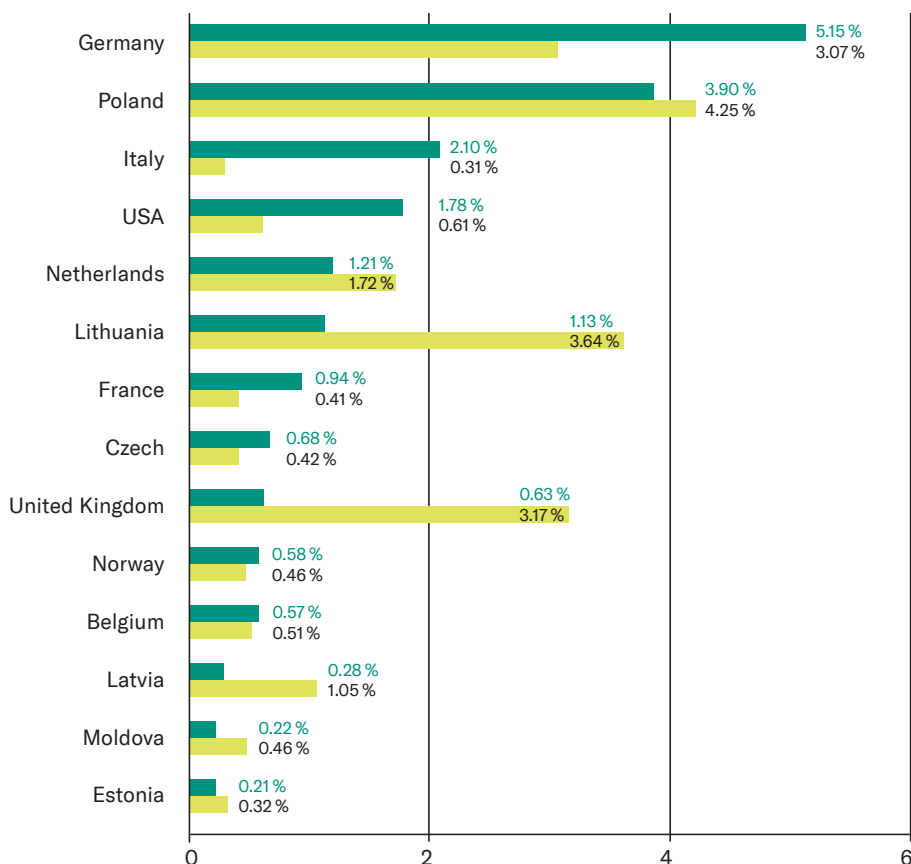
## TRADING PARTNERS

### MAIN TRADING PARTNERS

Country	Import, share in %	Export, share in %
1) Russian Federation	49.77	45.56
2) Ukraine	4.37	10.81
3) China	11.60	2.61

### EUROPEAN TRADING PARTNERS AND USA

Belarus: Export, Import (2020, Share in %)\*

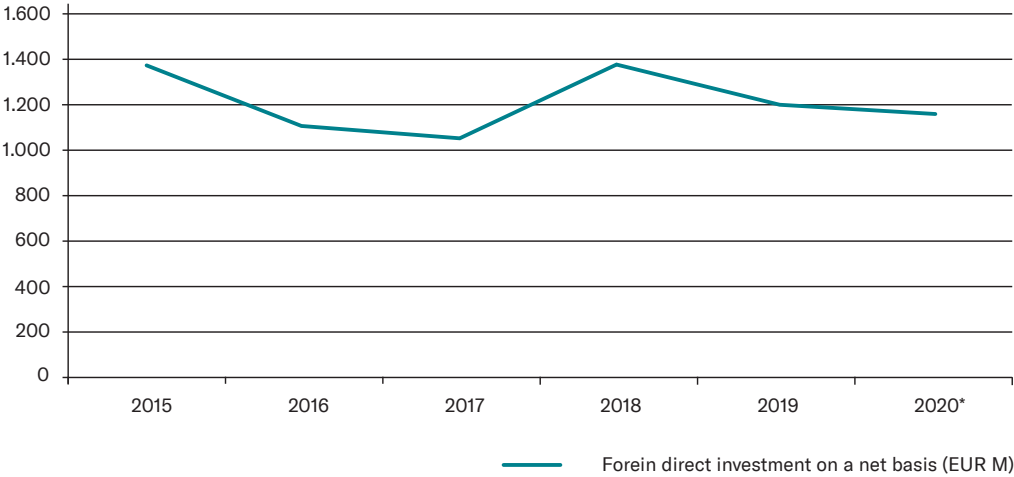


\*Data are for January-October 2020

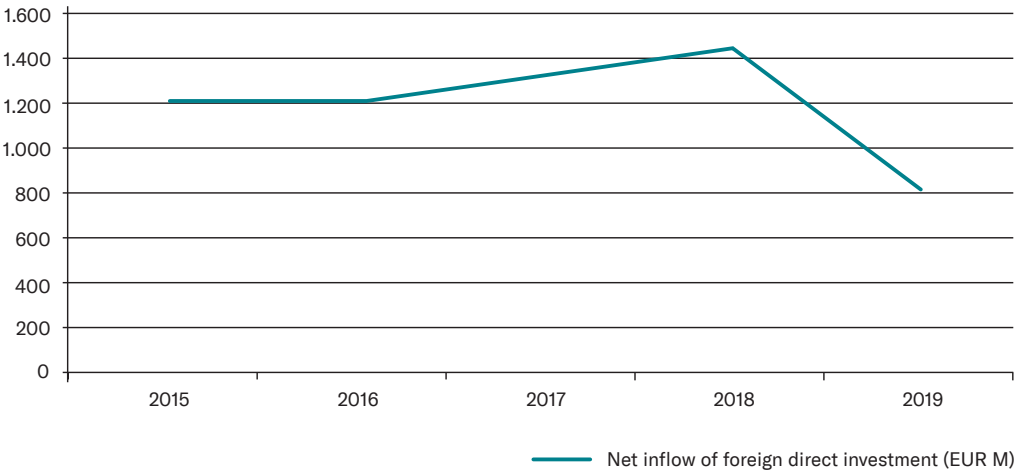
■ Import share ■ Export share

# FOREIGN DIRECT INVESTMENT

Foreign direct investment on a net basis (EUR M)



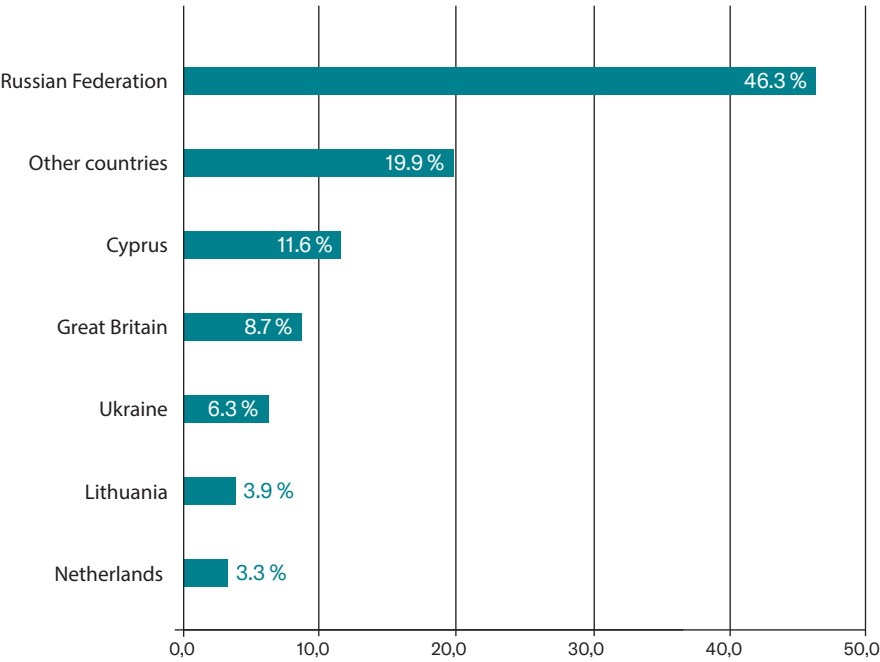
Net inflow of foreign direct investment (EUR M)



\*Data for January-September 2020

COUNTRY OF ORIGIN OF DIRECT INVESTMENT

Countries of origin of foreign direct investment in 2020 (share in %)



\*Data for January-September 2020

TURNOVER WITH GERMANY IN 2019 (EUR M)

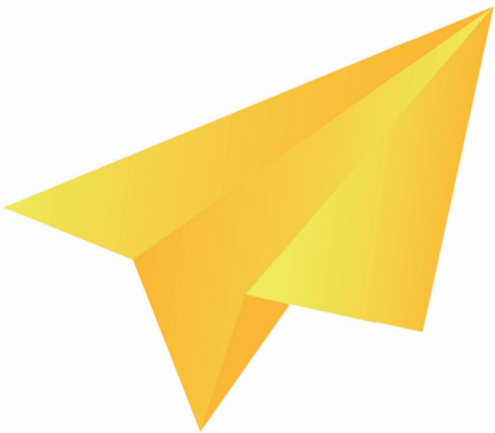
TRADE TURNOVER WITH GERMANY (YEAR-OVER-YEAR CHANGE IN %)
2,710.4 (-7 %)
IMPORTS FROM GERMANY (YEAR-OVER-YEAR CHANGE IN %)
1,541.9 (-5 %)
EXPORTS TO GERMANY (YEAR-OVER-YEAR CHANGE IN %)
1,168.5 (-10 %)
BALANCE
-373.3
SOURCE
<a href="http://germany.mfa.gov.by/">http://germany.mfa.gov.by/</a>



PUBLIC HOLIDAYS

BELARUS

1 January 2021	New Year’s Day
7 January 2021	Eastern Orthodox Christmas
8 March 2021	International Women’s Day
1 May 2021	Labour Day
9 May 2021	Victory Day
11 May 2021	Commemoration day (movable date)
3 July 2021	Independence Day (Republic Day)
7 November 2021	October Revolution Day
25 December 2021	Catholic Christmas



## ESTABLISHING A COMPANY

### BRIEF OVERVIEW

Key aspects related to setting up a legal entity in Belarus

- Foreign investors may establish / become a shareholder of a company in Belarus without restrictions (with the exceptions of banks and insurance companies)
- The authorised capital of a Belarussian legal entity can be paid within 12 months from the date of state registration (with the exceptions of banks and insurance companies)

### PROCEDURES FOR SETTING UP A BUSINESS ENTITY

**Step 1.** The following steps are required prior to incorporation:

- To execute Powers of Attorney for representatives and obtain extracts from the commercial register concerning foreign founders being legal entities
- To draft the set of documents required (Articles of Association, application for state registration, resolution on incorporation/minutes of the founding meeting)
- To choose the premises for the company, elect the company's general manager (managing company) and chief accountant (accounting firm)
- To agree upon the company's corporate name with a registrar
- To pay a state duty of BYN 29 (approx. EUR 9)

**Step 2.** To file the documents with a registrar for state registration of the company

**Step 3.** To make a company seal (optional)

**Step 4.** To set up a current bank account

**Step 5.** To obtain an e-signature for filing and reporting. To purchase a complaint and suggestion book and an inspection record book

**Step 6.** To execute a contract on stock depositary maintenance and to file the documents with a registrar for state registration of the stocks (required exclusively for joint-stock companies)

### CORPORATE GOVERNANCE

#### CORPORATE BODIES OF BUSINESS ENTITIES

##### **1. General shareholders meeting (Sole shareholder)**

Supreme managing body

##### **2. Supervisory board (Board of Directors)**

Must be elected mandatorily in joint-stock companies where the number of shareholders exceeds 50

### 3. Executive body

- Can be formed as a collective (managing board) or a single body
- A single executive body can be appointed as follows:
  - director – natural person and simultaneously an employee of the company
  - manager – individual entrepreneur
  - managing company – legal entity

## TYPES OF COMPANIES

### LIMITED LIABILITY COMPANY

#### Limited liability company (OOO)

- Min. authorised capital – BYN 0.01 (approx. EUR 0.003)
- Number of shareholders – 1 to 50
- The liability of the shareholders is limited to the amount of contribution (with minor exceptions)
- A shareholder may unilaterally resign from the company with no consent of the rest ones required (as a general rule)
- It is possible to set the number of votes shareholders disproportionately to the number of shares in authorised capital they actually hold (e.g. the shareholders can hold 1% and 99% in authorized capital respectively, while at the same time each having 50% of votes)

### ADDITIONAL LIABILITY COMPANY

#### Additional liability company (ODO)

- Min. authorised capital – BYN 0.01 (approx. EUR 0.003)
- Number of shareholders – 1 to 50
- The additional liability of the shareholders is at least BYN 1,450 (approx. EUR 457)
- A shareholder may unilaterally resign from the company with no consent of the rest ones required (as a general rule)
- It is possible to set the number of votes shareholders disproportionately to the number of shares in authorised capital they actually hold (e.g. the shareholders can hold 1% and 99% in authorised capital respectively, while at the same time each having 50% of votes)

### CLOSED JOINT-STOCK COMPANY

#### Closed joint-stock company (ZAO)

- Min. authorised capital – BYN 2,900 (approx. EUR 915)
- The authorised capital is divided into stocks
- Number of stockholders – 1 to 50 (unlimited as from 28. April 2021)
- The liability of the stockholders is limited to the value of their stock (with minor exceptions)

- 
- No public offering is allowed
- 

## OPEN JOINT-STOCK COMPANY

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### **Open joint-stock company (OAO)**

- Min. authorised capital – BYN 11,600 (approx. EUR 3,660)
  - The authorised capital is divided into stocks
  - Number of stockholders – unlimited
  - The liability of the stockholders is limited to the value of their stocks (with minor exceptions)
  - Public offering is allowed
  - A stockholder may freely alienate their stock to the general public (as a general rule)
- 

## UNITARY ENTERPRISE

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### **Unitary enterprise**

- Min. authorised capital – BYN 0.01 (approx. EUR 0.003)
  - May have only one founder – the authorised capital cannot be divided into shares / stock
  - The property of a unitary enterprise is owned by its founder
  - Director (manager) appointed by the owner is the sole governing body of a unitary enterprise
- 

## BANKS

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### **Bank**

- Min. authorised capital – BYN 45 M (approx. EUR 14 M)
  - The authorised capital must be paid up in full prior to state registration
  - There is a quota for foreign equity capital in the banking system. Currently, the quota is 50% and the share of foreign equity capital in the banking system is approx. 21%
  - A bank can only be set up as a joint-stock company, and a banking license is required
  - Number of stockholders – at least 2
- 

## INSURANCE COMPANIES

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### **Insurance company**

- Min. authorised capital – BYN 11 M (approx. EUR 3.5 M)
  - The authorised capital must be paid up in full prior to state registration
  - There is a quota for foreign equity capital in the insurance system. Currently, the quota is 30%
  - A license is required
-

## SELF-EMPLOYED ACTIVITIES OF NATURAL PERSONS

### INDIVIDUAL ENTREPRENEUR

#### **Individual entrepreneur**

- Unlimited liability
- Foreign nationals cannot be registered as entrepreneurs except for those permanently residing in Belarus

## DIRECT ACTIVITY OF FOREIGN ENTITIES

### REPRESENTATIVE OFFICE

#### **Representative office of foreign company**

- Can be set up for auxiliary and preparatory activities only
- Can be set up for 3 years with an option for an extension on the agreed term
- The number of foreign employees may not exceed five
- The foreign head of a representative office does not require a work permit

### DIRECT ACTIVITY

Foreign legal entities may exercise their activity in Belarus directly (as a general rule), that may lead to the creation of a permanent establishment for taxation purposes (for more detailed information, please refer to the section "Tax")

# EMPLOYMENT

## MINIMUM WAGE

- BYN 400 (approx. EUR 126) per month
- BYN 2.35 (approx. EUR 0.75) per hour

## PROBATIONARY PERIOD

- Max. 3 months
- No severance pay
- Notification of dismissal must be provided in writing at least 3 days prior to dismissal or on the last day of the probationary period. The employer must specify the reasons for the failure of probation

## EXECUTIVE BODY

- CEO, by virtue of the law and founding documents, performs the day-to-day management of the company's business operations, including the functions of its sole executive body
- The executive body may also be appointed as a collective authority by virtue of the law and founding documents in the form of a managing board
- The functions of the CEO may be vested by a contract on another business company (management company) or individual entrepreneur (manager)

## TERMINATION OF EMPLOYMENT

The various causes for termination of employment contracts with employees are, *inter alia*, as follows:

1. From a practical perspective, the most common procedure for the termination of employment is via mutual consent of the parties in the following ways:

- The employment contract (agreement) may be terminated at any time (also during the period of leave or temporary disability)
- No preliminary notice is required
- Mutual consent over the termination of employment, including the date of dismissal, must be reached
- No severance pay

2. Termination due to the expiration of a fixed-term employment agreement

- No severance pay

3. Termination due to expiration of an employment contract

- No severance pay
- 1-month prior notice

## TERMINATION OF EMPLOYMENT RELATIONS WITH CEO

The process of terminating employment relations with a company's CEO has specific features. In addition to the general causes, special reasons for the dismissal of a CEO are also stipulated by the laws:

1. Dismissal due to changes in company ownership:

- the dismissal must be formalised within 3 months following the date of such change
- the new owner must pay severance pay amounting to at least three average monthly salaries

2. Termination of a fixed-term employment agreement (contract) upon the request of the CEO:

- at least 1-month prior notice must be given in writing
- if the CEO wishes to terminate the contract without a cause, the CEO must pay the indemnity as stipulated by the employment agreement (contract), upon a request given by the company's owner or general shareholders' meeting

3. Subject to the decision of the company's owner or general shareholders' meeting:

- the fixed-term employment agreement (contract) must provide for compensation for early termination
- the respective decision of the company's owner or general shareholders' meeting
- absence of the CEO's willful misconduct and / or omissions

## EMPLOYMENT RELATIONS WITH FOREIGN NATIONALS

All employment activities of foreign nationals in Belarus are subject to strict legal control

- Each foreign national (with some minor exceptions) who does not have a permanent residence permit in Belarus is under a legal obligation to obtain a special permit to work in Belarus (such work permit is valid for 1 year, for highly qualified specialists – 2 years)
- Information on the availability of an open vacancy must be published in the specific informational system 15 business days prior to applying for a special permit to work
- An employment agreement (contract) with a foreign national is subject to state registration with the migration authorities within 1 month upon execution

## CONTENT OF THE EMPLOYMENT AGREEMENT (CONTRACT)

Employment agreements (contracts) must provide, *inter alia*, for the conditions as follows:

- The employee's official duties
- Work and rest hours
- Remuneration terms
- Key rights and duties of the employee and the employer

The content of an employment contract (a special type of a fixed-term employment agreement) is more detailed than that of an ordinary fixed-term employment agreement or an employment agreement signed for an indefinite period. In addition to general terms and conditions, a contract must provide for the clauses, *inter alia*, as follows:

- Extra incentives and bonuses:
  - Extra incentive paid leave up to 5 calendar days
  - Salary increase
- Both parties (the employer and the employee) are duty bound to inform each other in writing on the decision either to terminate or to extend the employment relations at least 1 month prior to the expiration of the contract
- The amount of the minimum compensation for early termination of the contract due to nonperformance or improper performance of the employer's obligations may not be less than three average monthly salaries of the employee

## REMOTE WORK

Remote work is work performed by an employee outside of the employer's premises

Apart from the compulsory conditions of the employment agreement (contract), an employment agreement (contract) with a remote employee must include, *inter alia*:

- Clear indication that the work is remote
- Procedures and terms for providing the employee with equipment, software and hardware tools, information, protection equipment and other means necessary for the performance of duties
- Procedures and terms for the submission of reports on the work performed by the employee
- Ways and frequency of working contacts between the employer and the employee
- Conditions on the exchange of electronic documents with the remote employee



WAGES NET / GROSS, EUR

TOTAL COSTS EMPLOYER	GROSS WAGE EMPLOYEE	NET WAGE EMPLOYEE
500	369.11	317.44
1,000	738.23	634.87
1,500	1,107.34	952.31
2,000	1,476.45	1,269.75
2,500	1,845.56	1,587.18
3,000	2,288.87	1,971.40
3,500	2,781.63	2,400.10
4,000	3,274.39	2,828.80
4,500	3,767.14	3,257.50
5,000	4,259.90	3,686.19
5,500	4,752.66	4,114.89
6,000	5,245.41	4,543.59
6,500	5,738.17	4,972.29
7,000	6,230.93	5,400.99
7,500	6,723.68	5,829.68
8,000	7,216.44	6,258.38
8,500	7,709.20	6,687.08
9,000	8,201.95	7,115.78
9,500	8,694.71	7,544.48
10,000	9,187.47	7,973.17



BRIEF OVERVIEW

- Several legal frameworks (incentive regimes) exist in Belarus which provide for multiple incentives for doing business in different spheres
- Major investors can especially rely on state support. It is directly stipulated by the laws that an investor may obtain the benefits not provided for by the laws as a party to an investment agreement with the state

GREAT STONE INDUSTRIAL PARK

OVERVIEW

- The China-Belarus Great Stone Industrial Park (Great Stone) is a unique legal framework with the largest scope of incentives set forth in Belarus created for the facilitation of industry in high-tech sectors. Great Stone provides for the most favorable treatment compared to other legal frameworks for doing business in Belarus
- Min. volume of investment – EUR 5 M (EUR 0.5 M in cases where the investment is made within 3 years, or an investment project is implemented in a R&D sphere)

KEY TAX INCENTIVES

- Exemption from CIT within the first 10 years. Upon expiration of the said term, the standard CIT rate is applied with a 50% reduction
- Exemption from real estate and land tax, dividends are taxable at a 0% rate within the first 5 years after setting up
- Incomes of the employees of Great Stone residents are taxable at the rate of 9% instead of the generally applied rate of 13% prior to 1 January 2027. Meanwhile, this incentive has been temporarily suspended. For the period from 1 January 2021 to 1 January 2023, according to the amendments to the Tax Code of the Republic of Belarus, incomes of the employees of Great Stone residents under employment agreements are taxable at the generally applied rate of 13%. Since the incentive is provided by the Edict of the President of Republic of Belarus, which has a higher legal force than the Tax Code, the adoption of the corresponding amendments to the Edict on increasing the tax rate from 9 to 13% for the period from 1 January 2021 to 1 January 2023 is expected soon
- Social security contributions accrued on salaries of employees of Great Stone residents at the generally applied rates (34% for employers and 1% for employees) are calculated out of the average salary in Belarus. Such incentives lead to a significant reduction of expenses of Great Stone residents to be incurred in connection with salary disbursement (the expenses on social security contributions), since the salaries of employees of Great Stone residents, as a rule, are significantly higher than the average salary in Belarus

KEY CUSTOMS INCENTIVES

Exemption from import VAT for the goods produced out of imported foreign goods by the Great Stone resident within the free customs zone

## FURTHER INCENTIVES

- No certification is required for construction works
- Multiple incentives related to the employment of foreign nationals
- It is allowed to nominate (register) the authorised capital of a Great Stone resident in foreign currency
- State-level indemnification from adverse amendments into the laws
- State inspections of the Great Stone residents are prohibited without consent of the Great Stone administration

## HIGH TECH PARK

### OVERVIEW

- High Tech Park (HTP) is the Belarusian “Silicon Valley” with unique legal framework for IT companies / entrepreneurs. The products of HTP residents are ordered by customers from more than 67 countries worldwide
- Min. volume of investments is not provided for by the laws. From the practical perspective, the company entering the HTP has to show the availability of assets for doing business and at least minor profit reflected in its financial statements

### KEY TAX INCENTIVES

- Exemption from CIT. Instead, HTP residents must remit a symbolic 1% of their revenue
- Exemption from VAT arising from the turnover in Belarus (as a general rule, certain types of services that are rendered abroad are not taxable with VAT)
- Incomes of the employees of HTP residents are taxable at 9% instead of the generally applied rate of 13%. Meanwhile, this incentive has been temporarily suspended. For the period from 1 January 2021 to 1 January 2023, according to the amendments to the Tax Code of the Republic of Belarus, incomes of the employees of HTP residents under employment agreements are taxable at the generally applied rate of 13%. Since the incentive is provided by the Decree of the President of Republic of Belarus, which has a higher legal force than the Tax Code, the adoption of the corresponding amendments to the Decree on increasing the tax rate from 9 to 13% for the period from 1 January 2021 to 1 January 2023 is expected soon
- Social security contributions accrued on salaries of employees of HTP residents at the generally applied rates (34% for employers and 1% for employees) are calculated out of the average salary in Belarus. Such incentives lead to a significant reduction of expenses of HTP residents to be incurred in connection with salary disbursement (the expenses on social security contributions) since the salaries of employees of HTP residents, as a rule, are significantly higher than the average salary in Belarus
- Dividends of foreign companies, being the shareholders of HTP residents are taxable at the rate of 5% (unless the lower rate is provided for in double taxation treaties)

## UNIQUE AGREEMENTS

An HTP resident can execute and fulfill agreements which are unknown to Belarusian law, *inter alia*, as follows:

- Convertible loan agreements
- Option agreements
- Indemnification agreements
- Non-compete agreements with employees, which have no legal effect for the employees of any other Belarusian company

## FURTHER INCENTIVES

- Multiple incentives related to the employment of foreign nationals
- Smart-contracts are allowed for the execution of transactions

## FREE ECONOMIC ZONES

### OVERVIEW

- Free economic zones (FEZ) – 6 economic zones located in different areas of Belarus
- All FEZs provide for free customs zones
- Aimed at export and import-substitution industries
- Min. volume of investments – EUR 1 M (EUR 0.5 M given that investments are made within 3 years)

### KEY TAX INCENTIVES

- Exemption from CIT arising from disposal of own goods / services / works
- Exemption from land tax with respect to all land plots provided for the purposes of construction within a FEZ during the period of construction, but no more than for 5 years, as well as with respect to other land plots within the FEZ subject to the performance of activities provided for by the laws
- Exemption from real estate tax within 3 years

## INVESTMENT AGREEMENT

### OVERVIEW

- An investor that intends to implement the investment project in one of the priority sectors can enter into an investment agreement with the Republic of Belarus
- There are two types of investment agreements:
  - One providing for the benefits directly stipulated by the laws; and
  - One providing for the benefits not defined by the laws (such agreement can be concluded upon the resolution of the Council of Ministers of the Republic of Belarus and upon the consent of the President of the Republic of Belarus)

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## KEY INCENTIVES

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Incentives directly provided for by the laws for investors who have entered into an investment agreement, comprise, *inter alia*, as follows:

- A land plot provided to the investor without a public tender
- Exemption from import tax duties and VAT on the equipment imported for the implementation of the investment project

## MEDIUM AND SMALL URBAN SETTLEMENTS, RURAL AREAS

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### OVERVIEW

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- This preferential regime is aimed at the facilitation of business activity in medium / small settlements and rural areas and covers the entire territory of Belarus, except for 22 major Belarusian cities
- Key incentives and preferences for business are subject to certain conditions as follows:
  - The entrepreneur is registered in a rural area / medium or small urban settlement
  - Business activities must be carried out in the rural area / medium, small settlement
  - A certificate of own production is required
  - Separate records of revenues and costs must be kept

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### KEY INCENTIVES

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For 7 calendar years following the date of registration of the commercial organisation (a decision to establish a separate subdivision) companies can enjoy:

- Exemption from CIT on sales of goods / works / services
- Exemption from real estate tax

In addition, entrepreneurs are offered the following incentives:

- Exemption from customs duties on certain types of goods to be contributed into the authorised capital
  - Exemption from the payment of state duties for the issuance of licenses
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## ORSHANSKY REGION

### OVERVIEW

A special incentive regime applied to both new and existing entrepreneurs which are registered and operate within the Orshansky region

### KEY INCENTIVES

The incentives directly provided by the laws comprise, inter alia, the following:

- exemption from VAT on imported technological equipment and spare parts for them;
- reduction of tax rates under a simplified taxation regime:
  - on the disposal of own goods – 1%;
  - on the disposal of own works (services) – 2%;
- Social Security Contributions to Pension Funds from 28% to 24%;
- exemption from the payment of state fee levied for the issuance of work permits to foreign employees



INSOLVENT DEBTOR

A debtor (legal entity) may file for insolvency before a court under the following circumstances:

- Insolvency is becoming persistent
- Insolvency has become persistent

Insolvency criteria are defined based on coefficients set forth by the laws

A debtor (legal entity) is under a legal obligation to file for insolvency in a court under the following circumstances:

- The satisfaction of a single creditor's claim leads to the defaulting of payment in full to other creditors
- The debtor's competent corporate body has decided to file for insolvency
- It has been discovered in the course of the company's liquidation process that the value of its property is not sufficient to satisfy the creditors' claims
- In said cases, the respective application must be served within 1 month after the respective circumstance has occurred

CREDITOR'S PETITION

A creditor will be entitled to file for the insolvency of its debtor before a court subject to the mutual availability of the following circumstances:

- A creditor possesses credible and documented proof of the debtor's insolvency showing that said insolvency is becoming or has already become persistent
- An enforcement recovery of indebtedness has been applied to the debtor within 3 months, or the absence of property deemed sufficient for the extinguishment of the lodged claims has been discovered in the course thereof
- Indebtedness towards such a creditor amounts to BYN 2,900 (approx. EUR 915) or BYN 72,500 (approx. EUR 22,870) in case the debtor is a state-operated enterprise

COMPETENT COURT

Insolvency cases are subject to the exclusive competence of the Regional Economic courts or the Economic court of the city of Minsk



As a general rule the insolvency procedure goes as follows:

### 1. PROTECTING PROCEEDINGS

(rare from the practical perspective)

- The financial situation of the company is examined to define if a reason for the commencement of the bankruptcy proceeding actually exists
- An interim crisis manager is appointed who must submit reports of the debtor's financial situation to the court
- Execution of transactions by the debtor is only allowed upon the consent of an interim crisis manager

### 2. BANKRUPTCY (CONCURS) PROCEEDINGS

- The company's management is performed by an insolvency administrator
- The company's general manager must be discharged from their duties
- The creditors must have two months to submit their claims
- Upon completion of the proceedings:
- The debtor goes into winding-up proceedings; or
- Financial rehabilitation is performed with respect to the debtor; or
- A settlement agreement is concluded

#### 3.1 SETTLEMENT AGREEMENT

- The debtor and the creditors must agree upon the amount and the procedure for the discharging of claims
- Upon approval of the settlement agreement by the court the insolvency proceedings are terminated

#### 3.2 FINANCIAL REHABILITATION

- May be performed for the debtor's recovery

#### 3.3 WINDING-UP PROCEEDINGS

- Aimed at the discharge of the creditors' claims subject to allocation priority
- Upon completion, the debtor must be excluded from the Unified register of legal entities and individual entrepreneurs
- The most frequent outcome of a bankruptcy case

## RIGHTS OF APPEAL AND APPELLATE PROCEDURE

- A court ruling in an insolvency case may be appealed within 15 business days
- As a general rule, any complaint of a party involved in the insolvency case must be examined within 30 business days
- During the bankruptcy (concurs) proceedings, complaints are subject to examination by the creditors' meeting (committee). In cases where consent has not been reached, or the complaint could not have been lodged, it is subject to examination by the court within 30 business days

## ABUSE

The court is entitled to declare null and void the debtor's transactions upon a lawsuit brought by the insolvency administrator in such cases where it has been concluded, *inter alia*, as follows:

- Either after or 6 months before the commencement of insolvency proceedings, *inter alia*, if it led to the priority extinguishment of a single creditor's claim towards the rest
- Either after or 1 year before the commencement of insolvency proceedings if the debtor intentionally caused damage to the creditors' interests, where in fact other parties to such transactions were aware or should have known of such damage
- Either after or 3 years before the commencement of insolvency proceedings, if the insolvency of such a debtor was caused by a criminal offence

## MANAGING DIRECTOR: OBLIGATIONS

Key duties of the general manager:

- To make all efforts to prevent insolvency
- To file for insolvency before the court in the cases specified above

## SUBSIDIARY LIABILITY

In cases where the debtor's property is insufficient, the following persons, whose wrongful (deliberate) actions led to insolvency, may face subsidiary liability:

- Founders (shareholders)
- General manager
- Other persons entitled to give mandatory instructions to the debtor

## ADMINISTRATIVE AND CRIMINAL RESPONSIBILITY

- Several administrative fines are provided for in such instances where wrongful actions have been committed in connection with insolvency proceedings either with respect to natural persons or with respect to entrepreneurs
- Criminal responsibility may be imposed in such instances where there is evidence of deceptive insolvency, concealment of insolvency, deliberate insolvency and hindrance for extinguishment of damages towards a creditor

## GENERAL GUIDELINES

- Commercial arrangements having an entrepreneur as one of the parties thereto require a mandatory written form
- The written form of a contract is formally met through the exchange of documents by post, e-mail or other means of electronic communication
- From a practical perspective, the execution of contracts is effected through the drafting of a single document to be signed by the parties
- Entrepreneurs are formally entitled not to use corporate seals. Nevertheless, in practice, seals are commonly used for the execution of contracts
- A contract is deemed to be concluded once the parties reach consent over essential terms and conditions
- It is permitted to enter into a tentative agreement which sets out the parties' obligation to enter into the main contract in the future
- A contract can be signed personally or through technical connections (fax, software) as well as other equivalents of personal signature that provide for identification of the parties to the contract
- It is expedient to specify the contract's terms and conditions unambiguously to the fullest extent possible. While interpreting contractual provisions, a court pays regard to the literal meaning of words and phrases
- Before signing a contract, legal analysis should be sought, even if issues seem to be simple

## HEADINGS

- The headings must comply with the content of the agreement to the fullest extent possible. Nevertheless, the heading is ineffective if the subject matter of the contract does not correspond with the heading

## DURATION OF CONTRACTS

- Parties are free to agree on any duration of the contract unless otherwise required by the laws

## TERMINATION OF CONTRACT

- As a general rule, a contract can be terminated at any time upon mutual consent of the parties
- A contract can be terminated by the court in cases where gross breach has been committed by the other party, as well as cases provided by the laws or agreed in the contract
- A party may unilaterally deny the execution of the contract in an extrajudicial way in the cases provided by the laws or agreed in the contract

## REPRESENTATION

- The company's executive is entitled to act on behalf of such a legal entity without power of attorney. Information on an executive can be received through the unified state register of legal entities and individual entrepreneurs of the Republic of Belarus (USR)
- Power of Attorney on behalf of a legal entity does not require notarisation

- In certain cases (e.g. large scale transactions, related party transactions) the respective corporate permits must be received in advance (resolution of the general shareholders' meeting, supervisory board). Moreover, the powers of the company's executive for the conclusion of particular transactions may be restrained by the Articles of Association, thus a review of the Articles of a counterparty is highly advisable in any case

## SECURITY INSTRUMENTS

- In the vast majority of cases, the parties agree upon the penalty to ensure fulfilment of contractual obligations
- The laws provide for a statutory penalty for breaching of obligations under certain types of contracts (e.g. delivery contracts), which, as a general rule, can be amended in contractual provisions

## MATERIAL DEFECTS

Legal consequences in the case of a material defect (as a general rule):

- cure of a breach
- price markdown
- remedying the material defect or refund of necessary costs
- withdrawal (only in the case of a gross breach of contractual obligations)

## RIGHT OF FIRST REFUSAL

Belarusian laws provide for the right of first refusal, *inter alia*, in the following cases:

- for the shareholders of a limited liability company / additional liability company – in respect of the shares in the company to be sold to a third party
- for the stockholders of a closed joint-stock company – in respect of the company's stocks to be sold to a third party
- for current tenants – in cases of the extension of a lease contract

## RIGHT TO RESTITUTION

A right to restitution may arise in the following cases:

- In the event of the performance of a transaction not compliant with the law (except for cases prohibited by the law)
- In the event of the performance of a transaction prohibited by the laws – in the event of an intention of a single party to the contract, then all funds received by this party under such a transaction must be returned to the other party
- In the event of the performance of a transaction under misleading fraud or coercion

## DISPUTE RESOLUTION

In cross-border transactions, the following matters should be contractually agreed:

- Applicable substantial law
- Dispute resolution body

As a decent compromise between prominent international arbitration courts (ICC arbitration, LCIA, SCC arbitration) and Belarusian economic courts, an international arbitration court at the Belarusian Chamber of Commerce and Industry can be agreed upon. It provides for qualified dispute resolution, with relatively moderate arbitration charges

## FINAL PROVISIONS

Prevailing language version: if a contract is drawn up in two or several language versions, it should state which language version prevails

In cross-border transactions, there must be specified recitals, corporate name and registered address of the party that is not a resident of the Republic of Belarus

## CONSUMER CONTRACTS

An entrepreneur may not deny a consumer the conclusion of the contract in cases where the entrepreneur is available to provide the consumer with the goods / services / works sought

Consumer rights are being protected by the Consumer Rights Protection Law. Contractual provisions that unreasonably place a consumer at a disadvantage are null and void

## CURRENCY REGULATION

### OVERVIEW

Recently, the state control over currency regulation tends toward a policy of reduction. Nevertheless, multiple rules over this sphere are still in force

The currency transactions, inter alia, comprise the following:

- Those fulfilled between the residents and non-residents of the Republic of Belarus; and / or
- Those providing for the usage of foreign currency / bonds listed in foreign currency

Currency transactions performed between residents and non-residents of the Republic of Belarus are divided into:

- *Current transactions;*
- *Currency flow transactions*

As a general rule, current transactions are performed with no restrictions and comprise, inter alia, the following:

- Payments upon sale and purchase agreements/ service agreements/agreements on the performance of works / license agreements
- Remittance of dividends
- Payment of duties

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Currency flow transactions between the residents and non-residents of the Republic of Belarus comprise all other currency transactions, except for the current transactions, and must be performed as follows:

**By natural persons**

- Subject to permission of the National bank of the Republic of Belarus – with respect to particular operations (e.g. acquisition of stocks/shares in a foreign company, acquisition of immovable assets abroad)
- Without permission of the National bank of the Republic of Belarus – other currency flow transactions

**By legal entities and individual entrepreneurs**

- Without permission of the National bank of the Republic of Belarus, but subject to registration of the transaction with the commercial bank – particular operations (e.g. receipt of loans from foreign nationals, provision of loans to foreign nationals, acquisition of stocks / shares in a foreign company, acquisition of immovable assets abroad)
- Without notification or permission of the National bank of the Republic of Belarus – particular operations (the disposal of shares in a Belarusian company to a foreign resident, payment of authorised capital of a Belarusian company by a foreign resident)
- Subject to notice of the National bank of the Republic of Belarus – all other currency flow transactions

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## FOREIGN-TRADE CONTRACTS

A foreign-trade contract is defined as one entered into between a resident and non-resident of the Republic of Belarus that provides for the transfer of goods, rendering of services, performance of works, provision of exclusive rights for IP items on a chargeable basis

A foreign-trade contract that provides for the transfer of goods that cost EUR 3,000 or more is required to be registered with the bank

As a general rule, in the course of the performance of foreign-trade contracts, Belarusian entrepreneurs have the following legal obligations:

- During import into the Republic of Belarus – to ensure the delivery of goods / rendering of services / performance of works within 90 days following the payment date
- During export from the Republic of Belarus – to ensure the receipt of payment within 180 days following the date of dispatch of goods/rendering of services/performance of works

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## AMENDMENTS FROM JULY 2021

As of 9 July 2021 the new Law “On currency regulation and control” will enter into force, providing further relief to currency regulation. In particular, the following issues will be modified:

- cashless transactions in relations between Belarusian and foreign business entities are performed without restrictions
- simplified classification of currency transactions and requirements thereto
- Belarusian businesses which export goods / works / services must ensure the receipt of funds within the periods defined contractually upon the discretion of the parties
- liberalisation of investments abroad (no need for permission of the National bank of the Republic of Belarus for certain transactions)



# SECURING OF RECEIVABLES

## RETENTION OF TITLE (ROT)

The parties are entitled to agree upon ROT for goods transferred to the buyer upon the receipt of payment for such goods or the occurrence of other circumstances

## CONTRACTUAL PENALTY

- It is necessary to agree upon the contractual penalty. Nevertheless, the laws provide for a statutory penalty for the breaching of obligations under certain types of contracts (e.g. delivery contracts), which, as a general rule, can be amended in contractual provisions
- The amount of the contractual penalty is not limited by the laws. A Belarusian court may reduce a contractual penalty if its amount is clearly disproportionate to the consequences of breaching the contract

## MORTGAGE

The placement and termination of a mortgage are deemed to have occurred upon state registration

## CHATTEL MORTGAGE

- Chattel mortgage is not provided for by the laws
- It is possible to establish a pledge on movable property through which the movable property may be retained in possession of the debtor
- There is a lease agreement (agreement on financial rent) commonly applied in the Republic of Belarus. A lease agreement provides for the following conditions: the lessor acquires a property stipulated by the lessee and then leases it to the latter for a fixed term. It is possible to stipulate in the agreement the lessee's obligation to acquire such property upon the expiration of the lease term

## PLEDGE

- As a general rule, the item under pledge can be any property, including goods and property rights
- As a general rule, a pledge agreement requires a simple written form
- A register of pledged items of movable property exists. In the case of the extinguishment of claims from the value of the pledged property, the pledge holder who entered the data on the pledge must have priority
- As a general rule, the pledged item can be recovered only upon a court ruling. Extrajudicial recovery can be allowed upon a notary certified agreement on pledge recovery

## SURETY

- The surety agreement requires a simple written form
- Surety can also serve as collateral for a contingent obligation
- Surety and debtor hold joint responsibility before a creditor, unless a subsidiary (additional) liability of a surety is set forth in the agreement



## GUARANTEE

- A guarantee may secure only an existing obligation
- A guarantor holds subsidiary (additional) liability in the event of the debtor's default

## BANK GUARANTEE

- Bank guarantees are available and used in Belarus
- Debtors usually prefer to opt for forms of securities other than bank guarantees. Normally, as a prerequisite for the issuance of a bank guarantee, a debtor should provide the bank with a guarantee deposit in the guaranteed amount
- Creditors prefer bank guarantees, as banks usually do not investigate a breach of obligations before paying out the guarantee amount but formally assess the documents submitted
- A bank may not revoke an issued guarantee
- A publicly available register of bank guarantees exists in the Republic of Belarus

## EARNEST MONEY DEPOSIT

An earnest money deposit is defined by the laws as an amount of money paid by a contracting party to secure the conclusion and completion of an agreement

## LETTERS OF CREDIT (LOC)

- LOCs are defined by the laws as non-cash means of payment and are frequently used in practice in large-scale cross-border transactions
- A LOC is deemed irrevocable, unless otherwise defined therein



COURT SYSTEM

A unified court system exists in Belarus that is led by the Supreme court of the Republic of Belarus. The lower courts in the Republic of Belarus are split as follows:

- District (town) courts;
- Regional courts (the Court of the City of Minsk);
- Regional economic courts (the Economic Court of the City of Minsk)

Despite formal unity of the court system, de facto courts in Belarus are divided as follows:

- Courts residing over business disputes;
- “Ordinary” courts

BUSINESS DISPUTES

OVERVIEW

The laws define business disputes as those arising out of business activities. The settlement of such disputes is governed, inter alia, by a separate set of procedural laws – the Code on economic procedures of the Republic of Belarus. As a general rule, the parties to such disputes are as follows:

- Entrepreneurs;
- Entrepreneur and state authority (inter alia, under administrative disputes)
- Natural persons and entrepreneurs (in exceptional cases, e.g. corporate disputes)

The courts with jurisdiction over business disputes are as follows:

- Regional economic courts (the Economic Court of the City of Minsk)
- The Supreme Court of the Republic of Belarus

INSTANCES

FIRST INSTANCE

- As a general rule, Regional economic courts (the Economic Court of the City of Minsk) resolve business disputes as first instance courts
- Exceptional cases (e.g. disputes over IP rights) are adjudicated by the Supreme Court of the Republic of Belarus that acts as first instance courts

APPELLATION INSTANCE

- The rulings of first instance courts (except for the decisions of the Supreme Court of the Republic of Belarus) that did not take legal effect may be appealed within 15 business days following the date of judgement
- Competent courts – Appellate courts of Regional economic courts (the Economic Court of the City of Minsk). In fact, this is an extended composition of the court of the first instance

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## CASSATION INSTANCE

- A cassation appeal can be served on the ruling of the first instance court, as well as on a ruling of the Appellate court within 1 month after it takes legal effect
- The competent court – the Supreme Court of the Republic of Belarus

## SUPERVISORY REVIEW

- In the event that all the remedies available have been used (including appeal and cassation instances) an applicant can file a complaint to the chief executive of the Supreme court of the Republic of Belarus and the Supreme Prosecution Office of the Republic of Belarus (“Chief executives”) in respect of the court decision
- In the event that the court decision is in gross breach of substantial or procedural laws, the Chief executive must lodge an objection, normally to the Presidium of the Supreme Court of the Republic of Belarus
- Once considered the initial court decision can be amended or reversed

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## DURATION OF PROCEEDINGS

- The first instance court is obliged to consider the case within 11-12 weeks. In exceptional cases, the term can be prolonged up to 19-20 weeks
- In the event that a foreign national is party to the dispute, it should be considered within 31-33 weeks. In exceptional cases, the term can be prolonged up to 55-57 weeks
- The appellate instance must consider the appeal within 15 business days, but the term can be extended up to 30 business days in exceptional cases
- The cassation instance must consider the appeal within 1 month
- A complaint lodged under supervisory review must be considered within 2 months. In cases where Chief Executives lodge an objection, such an objection is normally considered within 2 months

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## WRIT PROCEEDINGS

- Writ proceedings represent a simplified form of court proceedings, where decisions are rendered subject to the documents submitted without a trial
- Such proceedings are applied for the consideration of undisputable claims, usually for recovery of indebtedness
- The term of proceedings must not exceed 20 business days
- Maximum court fee does not exceed BYN 203 (approx. EUR 64)

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## SPECIFICITIES

- Due to the continuous increase of the number of cases handled by the courts, cases are often considered formally and without comprehensive research of the facts and circumstances
- Court practice is rather dubious when it comes to disputes that involve state authorities
- Despite a multileveled mechanism of recourse, the chances of appealing a court decision are rather low (according to statistics, only 15% of appellate complaints are sustained)
- Courts are rather depended on the state. Judges are appointed by the President

## STATUTORY REQUIREMENT TO BE REPRESENTED BY A LAWYER

- There is no statutory requirement to engage an attorney-at-law in disputes, i.e. companies may be represented by their employees (in-house lawyers).
- An external counsel can act on behalf of a company as long as they are an attorney-at-law

## FEES AND CHARGES

State duties for considering material claims by Regional economic courts (the Economic Court of the City of Minsk) depend upon the amount of claim and must be calculated as follows:

- The amount of the claim is lower than BYN 2,900 (approx. EUR 915) – BYN 725 (approx. EUR 230)
- The amount of the claim is between BYN 2,900 and 29,000 (approx. EUR 915 and 9,148) – 5% out of the amount of claim, but no less than BYN 725 (approx. EUR 230)
- The amount of the claim is between BYN 29,000 and 290,000 (approx. EUR 9,148 and 91,485) – BYN 1,450 (approx. EUR 457) + 3% out of the amount of the claim in excess of BYN 29,000
- The amount of the claim exceeds BYN 290,000 (approx. EUR 91,483) – 1% out of the amount of the claim, but no less than BYN 9,280 (approx. EUR 2,927)

## DISTRIBUTION OF COSTS

- The losing side of a lawsuit bears the court costs that include, inter alia, the attorney's fees of the opposite party
- If the lawsuit is only partly successful, the costs are distributed on a pro-rata basis
- Reimbursable attorney's fees tend to be significantly reduced by courts

## INTERIM RELIEF

- Grounds for the application of interim relief: possible impediment to the enforcement of the ruling
- Must be allowed during any stage of proceedings

## ARBITRATION

### ARBITRATION COURT

The vast majority of arbitration disputes are considered by the International Arbitration Court at the Belarusian Chamber of Commerce and Industry (<http://iac.by>)

### FEES AND CHARGES

- Registration fee EUR 180;
- Arbitration fee (which depends on the amount of dispute and number of arbitrators). Maximum fee amount – EUR 22,825 + 0,4% out of the amount of claim in excess of EUR 2 M (in case the amount of the claim exceeds EUR 2 M);
- Outlays (services of the expert, secondment costs, etc.).

## ENFORCEABILITY

Decisions are enforced according to the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards

## SPECIFICITIES

Recommended venues are utilized instead of state courts. This guarantees that an unbiased and competent dispute settlement is reached, while the arbitration costs are kept comparatively minor

## NOTARY EXECUTIVE ENDORSEMENT

### OVERVIEW

- A convenient and rapid mechanism that allows for the waiving of litigation in certain cases
- In cases where documents are available as hard copies, especially those confirming acknowledgement of indebtedness by a debtor, the notary must execute an executive endorsement against the debtor
- The notary executive endorsement is an enforcement document: it can be directly submitted for enforcement recovery of indebtedness
- As a general rule, given that all the documents required are available, an executive endorsement can be received within 1 business day. The notary fee does not exceed BYN 290 (approx. EUR 92)

## ADMINISTRATIVE DISPUTES

### OVERVIEW

Administrative liability of entrepreneurs in the Republic of Belarus is set forth in particular paragraphs of the Code on administrative violations of the Republic of Belarus, *inter alia*, for the following violations:

- In the financial sphere, stock market and banking activities
- In the business sphere
- In the taxation sphere
- In the customs sphere

Key features of the administrative process in the Republic of Belarus:

- As a general rule, an administrative process is launched by a state authority to hold the entrepreneurs administratively liable
- Administrative proceedings are carried out not only by the court, but also by a number of executive authorities (e.g. customs and taxation authorities)
- An entrepreneur can be held liable either by a court ruling or by a resolution of the executive authority. The competence of executive authorities and courts is strictly defined and depends upon the type of a violation
- Extended limitation terms for "business violations"

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## COURSE OF PROCEEDINGS

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The course of administrative proceeding mainly depends upon the type of violation committed by the entrepreneur. As a general rule, entrepreneurs are held administratively liable in the following ways:

- **Step 1.** Commencement of administrative proceedings.

The formal reason for the launching of administrative proceedings can be predicated by a state authority on the grounds that the features of a violation exist (e.g. default of the timely payment of taxes)

A state authority which possesses respective grounds and reasons must commence administrative proceedings

- **Step 2.** A state authority prepares the case for hearing and drafts the protocol on administrative violation
- **Step 3.** The case is handed over for a hearing
- **Step 4.** A court or other competent authority hears the case and adopts a resolution thereon (which normally holds the entrepreneur liable or denies his liability)
- **Step 5.** An entrepreneur must be entitled to appeal the resolution upon the case with a Regional economic court (the Economic Court of the City of Minsk)

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## TERMS

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- Normally the overall term for preparation and hearing of the cases on violations committed by entrepreneurs does not exceed 11-12 weeks
  - The term of considering the appeal on resolution upon the administrative violation case must last for up to 1 month
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# Taxes

## TAX RATES

### CORPORATE INCOME TAX

#### STANDARD RATE

18%

#### PREFERENTIAL RATE

5% in relation to the profit of companies received from the sale of goods of own production which are included in the list of high-tech goods

10% in relation to the profits of science and technology parks, technology transfer centers and residents of science and technology parks.

12% in respect of profits on dividends accrued by Belarusian companies, as well as on dividends from sources outside the Republic of Belarus.

6% in relation to profits on dividends accrued by Belarusian companies, provided that during three preceding consequent calendar years the profits were not distributed among the shareholders who are residents of the Republic of Belarus.

0% in relation to profits on dividends accrued by Belarusian companies, provided that during five preceding consequential calendar years the profits were not distributed among the shareholders who are residents of the Republic of Belarus.

#### SPECIAL RATES

25% in relation to the profit of banks, insurance companies, microlenders and Forex-companies

30% in relation to the profit of mobile network operators and microlenders for period from 1 January 2021 to 1 January 2023

### WITHHOLDING TAX ON INCOME OF FOREIGN COMPANIES

#### DIVIDENDS

12% on income in the form of dividends and equivalent income.

Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.

#### INTEREST

10%

Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.

ROYALTIES
15% Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.
WITHHOLDING TAX ON PAYMENTS TO FOREIGN NATIONALS (NATURAL PERSONS)
DIVIDENDS
13% Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.
INTEREST
13% Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.
ROYALTIES
13% Other (reduced) rates may be provided for by international treaties of the Republic of Belarus.
VAT
STANDARD RATE
20%
PREFERENTIAL RATE
0% In particular, in cases of the export of goods
10% For example, when selling plant-growing products, products of animal and fish farming, produced in the Republic of Belarus, while import into the territory of the Republic of Belarus and (or) selling foodstuffs and goods for children, medicines and medical products, subject to the statutory defined list
INCOME TAX
INCOME FROM EMPLOYMENT
13%



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## OTHER INCOME

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13 %

16 % (with respect to incomes of individual entrepreneurs, attorneys-at-law, notaries)

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## PREFERENTIAL RATES

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### **Preferential rates (except for the income in a form of dividends)**

9 % for certain types of income, *inter alia*, as follows:

- income of individuals from residents of High Tech Park under employment contracts;
- income of individual entrepreneurs that are residents of High Tech Park;
- income of individuals participating in the implementation of business projects in the field of new and high technologies from non-residents of High Tech Park under employment contracts;
- income of individuals received under employment contracts from residents of the Chinese-Belarusian Great Stone industrial park until 1 January 2027

Meanwhile, these incentives have been temporarily suspended. For the period from 1 January 2021 to 1 January 2023, according to the amendments to the Tax Code of the Republic of Belarus, the above-mentioned incomes are taxable at the generally applied rate of 13 %

4 %:

with regard to income in the form of winnings received by individuals from the organisers of gambling – legal entities of the Republic of Belarus.

6 %:

on income from activities received in the period from 1 January 2018 to 31 December 2022 by individual entrepreneurs, carrying out certain types of activities in rural areas (for example, the organisation of catering services, provision of personal services).

### **For income in form of dividends:**

0 %

- within 5 calendar years, as from the first calendar year in which dividends are accrued with respect to dividends accrued by residents of the Chinese-Belarusian Great Stone industrial park
- in relation to income in the form of dividends, provided that during the five preceding consecutive calendar years the profits were not distributed among the shareholders of the Belarusian company who are residents of the Republic of Belarus

6 %

in relation to income in the form of dividends, provided that during the three preceding consecutive calendar years the profits were not distributed among the shareholders of the Belarusian company who are the residents of the Republic of Belarus

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## STATE SOCIAL SECURITY CONTRIBUTIONS

### EMPLOYER CONTRIBUTION (INCOME FROM EMPLOYMENT)

- Pension insurance contributions: 28%
- Social insurance contributions: 6%

The contributions are not levied on the amount in excess of the 5-time average salary accrued in Belarus (approx. 2,050)

### EMPLOYEE CONTRIBUTION (INCOME FROM EMPLOYMENT)

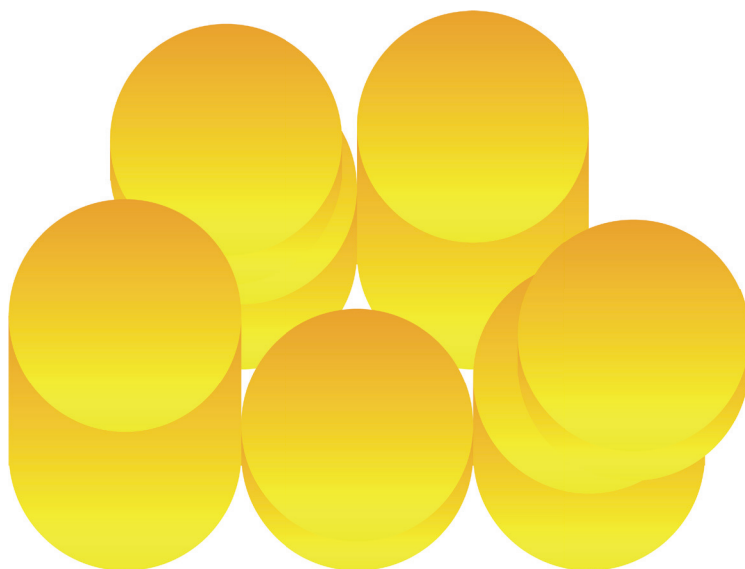
Pension insurance contributions: 1%

### CONTRIBUTIONS FOR OTHER TYPES OF INCOME

For individuals who independently pay compulsory insurance contributions:

- Pension insurance contributions: 29%
- Social insurance contributions: 6 %

The basis for contributions is calculated by a natural person independently. However, such basis may not be less than the minimum salary in Belarus (approx. EUR 126)



## IMMOVABLE PROPERTY TAX

Tax rates are differentiated depending on the categories of payers and objects of taxation. The rates are set in percentage calculated from the value of property per annum.

For individuals:

- 0.2% for individuals who have the right of ownership with respect to 2 or more residential premises in multi-unit and (or) blocked residential buildings;
- 0.1% for other objects of taxation.

For companies:

- 1% in relation to capital buildings (buildings, structures) or their parts;
- 0.1% in relation to capital buildings (buildings, structures) or their parts for garage cooperatives and cooperatives operating parking lots, gardening partnerships, housing and construction, consumer cooperatives, owners of partnerships established for the maintenance of residential buildings, in part, attributable to citizens – members of cooperatives, partnerships.

Immovable property tax rates in relation to capital structures erected by companies after 1 January 2019 are differentiated starting from the second to fifth year from the date of their acceptance into exploitation:

- 0.2% during the second year (12 months)
- 0.4% during the third year (12 months)
- 0.6% during the fourth year (12 months)
- 0.8% during the fifth year (12 months)

NOTICE: Buildings commissioned for the first time are exempted from immovable property tax for the first year following the commissioning date

## LAND TAX

Tax rates vary depending on land categories and are split into two types: as a percentage rate out of the cadastral value of a land plot and in the form of a fixed amount per hectare.

For agricultural lands:

- rates are set in Belarusian rubles per hectare and depend on the cadastral valuation of land (in cases where cadastral value is available);
- rates with regard to lands for which cadastral value is defined are set in Belarusian rubles per hectare in accordance with the average land tax rate for the districts of the Republic of Belarus (based on territorial location);
- tax rates for land plots occupied by capital buildings (buildings, installations) and other objects are set at a fixed amount: 0.97 BYN (0.3 EUR) per hectare.

Tax rates for lands belonging to residual localities as well as outside of such localities vary according to the types of functional use of land plots and amount to from 0.1% up to 3% out of cadastral value.

## SIMPLIFIED TAXATION SYSTEM

Minor and medium businesses in Belarus may apply a simplified taxation system (STS), instead of the ordinary one. The usage of the STS may allow payment of a single "simplified tax" instead of certain taxes, including CIT/PIT. The STS can be applied by Belarusian companies, individual entrepreneurs, notaries and attorneys.

### **Tax rates**

The STS provides for the payment of the simplified tax out of gross revenue at the rates as follows:

- 5% (in case of the STS without payment of output VAT)
- 3% (in case of the STS with the payment of output VAT)

### **Exceptions**

- The list of exceptions when the usage of the STS is not allowed is outlined statutory and comprises, inter alia, manufacturers of alcoholic drinks, gambling, insurance businesses, banks, residents of the Great Stone Industrial Park, HTP, Free Economic Zones, stock traders. Moreover, the usage of the STS is prohibited for the companies where legal entities hold more than 25% of shares in aggregate.

### **Key preconditions**

Businesses can apply the STS either upon incorporation or effective from the beginning of the next financial year. In the latter case businesses can switch into the STS subject to the preconditions as follows:

For legal entities:

- Gross revenue for January – September of the ongoing year is no more than BYN 1,623,479 (ca. EUR 520,000); and
- The average number of employees is 100 or less;

For individual entrepreneurs:

Gross revenue for January – September of the ongoing year is no more than BYN 348,941 (ca. EUR 110,000).

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### LOCAL TAXABLE PERSONS

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There is no separate registration in Belarus for the purposes of calculating and payment of VAT, there exists a single tax registration within which all necessary taxes are paid in case of objects of taxation.

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### FOREIGN TAXABLE PERSONS

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The obligation of tax registration arises prior to the commencement of activities in the territory of the Republic of Belarus:

- In the event of setting up a representative office;
  - In the event of acquisition of rights for immovable assets located in Belarus;
  - In the event attraction or cultural events are carried out in Belarus
  - In the event of the rendering of services/performance of works in Belarus if the period of such services / works defined in the respective contract exceeds 180 days during any single 12-month period
- 

A large, stylized graphic of the letters 'VAT' in a bold, rounded, red font. The letters are thick and have a slight gradient, with the 'V' and 'A' being a darker red and the 'T' being a lighter shade. The 'V' and 'A' are connected, and the 'T' is separate. The overall style is modern and minimalist.

# CORPORATE INCOME TAX: OBLIGATION TO ADVANCE TAX PAYMENT

## REPORTING DEADLINES

No later than 20 March of the year following the expired fiscal period - calendar year.

The annual amount of income tax is determined on an accrual basis from the beginning of the fiscal period – a calendar year.

Within the tax period there are reporting periods - calendar quarters, according to the results of which taxpayers are required to submit tax returns to the tax authority:

- For the I quarter - no later than 20 April;
- For the II quarter - no later than 20 July;
- For the III quarter - no later than 20 October;
- For the IV quarter - no later than 20 March.

Tax returns on dividends paid by Belarusian companies are to be submitted no later than on the 20<sup>th</sup> of the month following the one in which the respective decision on the payment of dividends has been adopted.

## PAYMENT DEADLINE

For the I quarter – no later than 22 April;

For the II quarter – no later than 22 July;

For the III quarter – no later than 22 October;

For the IV quarter - advance payment no later than 22 December in the amount of  $\frac{2}{3}$  of the amount of income tax for the III quarter. All additional outstanding taxes that are arrived at based on recalculations and adjustments made at the end of reporting year must be paid no later than 22 March. Tax on dividends paid by Belarusian companies is due by the 22<sup>nd</sup> of the month following the month in which the decision on payment of dividends has been taken.

## OBLIGATION TO ADVANCE TAX PAYMENT

Business companies are not bound by the obligation to make advance payments of tax, except for the advance payment for the IV quarter of the reporting year in the amount of  $\frac{2}{3}$  of the amount of income tax for the III quarter.

## PAYMENT DEADLINE

Payment of the advance payment of income tax for the IV quarter of the reporting year is made no later than 22 December of the current year.

## GENERAL CRITERIA

Permanence of activities – business operations are carried out on a permanent basis. For example, the provision of services (performance of works) within a period exceeding 180 days continuously or in aggregate in any twelve-month period commencing or ending in the relevant tax period; or

Availability of dependent agent

Other criteria of permanent establishment may be defined in the provisions of double taxation treaties

## CONSTRUCTION SITE

A construction site, installation or assembly facility is recognised as a permanent establishment if such a site or facility exists in the Republic of Belarus for a period exceeding 180 days in any twelve-month period commencing or ending in the relevant fiscal period

In the case of a construction site, installation or assembly facility, a permanent establishment is deemed to exist from the commencement of the activity

Depending on the provisions of double taxation treaties, longer periods may be set forth as a criterion for recognising the creation of a permanent establishment – 12 or 24 months

## DEPENDENT AGENT

An organisation or an individual performing activities on behalf of a foreign company and (or) in its interests and (or) having and using the authority of a foreign company to enter into contracts or agree upon their essential conditions

Exception: if an organisation or an individual acts in the framework of his / her usual activities, namely:

- acts independently and is not subject to control by a foreign company;
- independently bears entrepreneurial risk for the results of such activities

## EXCEPTIONS

Exceptions in determining the criteria for the existence of a permanent establishment are laid down by both national laws and double taxation treaties which take precedence over national law.

BELARUS
NUMBER OF APPLICABLE DTTS

> 60

RATES LAID DOWN IN DOUBLE TAXATION TREATIES			
COUNTRY	DIVIDENDS	INTEREST	ROYALTY
Austria	5 / 15	5 / -	5
Azerbaijan	15	10 / -	10
Armenia	10 / 15	10 / -	10
Bangladesh	10 / 12	7,5 / -	10
Bahrain	5	5 / -	5
Belgium	5 / 15	10 / -	5
Bulgaria	10	10 / -	10
Great Britain	15 / 5 / -	5 / -	5
Hungary	5 / 15	5	5
Venezuela	5 / 15	5 / -	5 / 10
Vietnam	15	10 / -	15
Georgia	5 / 10	5 / -	5
Denmark	15	-	-



COUNTRY	DIVIDENDS	INTEREST	ROYALTY
Egypt	15	10	15
Israel	10	10/5/-	5/10
India	10/15	10/-	15
Indonesia	10	10	10
Iran	10/15	5/-	5
Ireland	5/10/-	5/-	5
Spain	5/10	5	5
Italy	5/15	8/-	6
Kazakhstan	15	10/-	15
Qatar	5	5/-	5
Cyprus	5/10/15	5	5
China	10	10/-	10
China (Hong Kong)	5	5/-	3/5
PDRK	10	10/-	10
Korea	5/15	10/-	5
Kyrgyzstan	15	10/-	15
Kuwait	5/-	5/-	10
Laos	5/10	8/-	5
Latvia	10	10/-	10

COUNTRY	DIVIDENDS	INTEREST	ROYALTY
Lebanon	7,5	5 / -	5
Lithuania	10	10 / -	10
Macedonia	5 / 15	10	10
Malaysia	15	15 / -	10 / 15
Moldova	15	10 / -	15
Mongolia	10	10 / -	10
Netherlands	5 / 15 / -	5 / -	10 / 5 / 3
United Arab Emirates	5 / 10	5 / -	5 / 10
Oman	5 / -	5 / -	10
Pakistan	11 / 15	10 / -	15
Poland	10 / 15	10 / -	-
Russia	15	10 / -	10
Romania	10	10 / -	15
Saudi Arabia	5	5	10
Serbia	5 / 15	8	10
Singapore	5 / -	5 / -	5
Syria	15	10	18
Slovakia	10 / 15	10 / -	5 / 10
Slovenia	5	5 / -	5
USA	-	-	-
Tajikistan	15	10 / -	15

COUNTRY	DIVIDENDS	INTEREST	ROYALTY
Thailand	10	10 / -	15
Turkmenistan	15	10 / -	15
Turkey	10 / 15	10 / -	10
Uzbekistan	15	10 / -	15
Ukraine	15	10	15
Finland	5 / 15	5 / -	5
France	15	10 / -	-
Germany	5 / 15	5 / -	3 / 5
Croatia	5 / 15	10	10
Czech Republic	5 / 10	5 / -	5
Switzerland	5 / 15	8 / 5 / -	3 / 5 / 10
Sweden	5 / 10 / -	5 / -	3 / 5 / 10
Sri Lanka	7,5 / 10	10 / -	10
Ecuador	5 / 10	10	10
Estonia	10	10 / -	10
South Africa	5 / 15	5 / 10 / -	5 / 10
Japan	15	10 / -	- / 10

# TAX DEADLINES

## VAT

- Tax returns are to be filed no later than on the 20<sup>th</sup> date of the month following the expired reporting period\*.
- The payment is to be made no later than the 22<sup>nd</sup> day of the month following the expired reporting period.

\*the reporting period can be chosen upon discretion of businesses as the monthly or the quarter one

## INCOME TAX TO BE WITHHELD

Income tax for an employee is withheld and paid by its employer (tax agent) no later than the day of remittance of salary to such employee

## INCOME TAX (LOCAL RESIDENTS)

As a general rule, natural persons, who declare their incomes by themselves:

- must submit tax returns no later than 31 March of the year following the reporting one
- must pay the tax no later than 1 June of the year following the reporting one

## INCOME TAX (NON-RESIDENTS)

- Tax returns are to be filed to the tax authority at the place of the intended receipt of income before the sale of goods (works, services), other property, lease or other use of property located in the territory of the Republic of Belarus
- In the case of a disposal of real estate, a tax return must be filed to the tax authority at the place of location of the item of immovable assets
- Tax must be paid upon receipt of the respective notice from the tax authorities prior to the commencement of activities (within 5 working days upon receipt of the notification from the tax authorities in case of disposal of real estate)

## STATE SOCIAL SECURITY CONTRIBUTIONS

- General rule: employer contributions must be paid no later than the established date of payment of salary for the reporting month but no later than on the 20<sup>th</sup> date of the month, following the reporting one
- If the company has no more than 100 employees, contributions must be paid at least once a quarter, but no later than the 20<sup>th</sup> day of the month following the reporting quarter
- Natural persons as independent payers must pay contributions annually no later than the 1 March of the year following the reporting calendar year

## IMMOVABLE PROPERTY TAX

### Legal entities

- Tax returns are to be filed on an annual basis no later than 20 March of the current reporting year
- Tax must be paid upon the discretion of a company as a single installment once in a year no later than on 22 March of the tax period, or every quarter by the 22<sup>th</sup> day of the third month of each quarter in the amount of one-fourth of the annual amount of tax due

### Natural persons

The tax must be paid up to 15 November of the current year

## LAND TAX

### Legal entities

- General rule: tax returns are to be filed on an annual basis no later than 20 February of the current reporting year
- The tax must be paid upon the discretion of a company as a single installment once a year no later than on 22 February of the tax period, or every quarter by the 22<sup>th</sup> day of the second month of each quarter in the amount of one-fourth of the annual amount of tax due

### Natural persons

The tax must be paid up to 15 November of the current year

TRANSACTIONS UNDER CONTROL		
PARTY TO A TRANSACTION	SUBJECT OF A TRANSACTION	THRESHOLD OF A TRANSACTION
Resident of an offshore zone	Foreign-trade transaction	> BYN 400,000 (approx. EUR 125,000) with a single party within a calendar year
Related party		> BYN 400,000 (approx. EUR 125,000) for large taxpayers* → BYN 2,000,000 (approx. EUR 630,915) with a single party within a calendar year
Related party – Belarusian resident, which is not treated as a CIT payer (exempted from CIT)**	Acquisition / disposal of goods (except for real estate), services, goods, property rights	> BYN 400,000 (approx. EUR 125,000) with a single party within a calendar), for large taxpayers → BYN 2,000,000 (approx. EUR 630,000) with a single party within a calendar year
Related party	Disposal or acquisition of real estate	Any amount
Taxpayer which subject to specific taxation regimes		
Any person	Foreign-trade transaction: acquisition / disposal of strategic goods	> BYN 2,000,000 (approx. EUR 630,915) with a single party within a calendar year

\* Belarusian companies are included into the list of large taxpayers, subject to conditions as follows: a) Annual revenue which is equal or exceeds BYN 180 M (approx. EUR 57 M ) and b) total amount of the assessed taxes in a year exceeds BYN 14 M (approx. EUR 4.4 M) or the difference between the amount of tax deductions and total VAT amount assessed in a year exceed BYN 14 M (approx. EUR 4.4 M.)

\*\* The residents of the Republic of Belarus which do not pay CIT comprise, *inter alia*, as follows:

- Residents of Free economic zones, High Tech Park, Industrial park "Great Stone";
- Taxpayers, which apply specific taxation regimes (simplified taxation system, unified tax as well as some other taxation regimes which do not provide for payment of CIT)

\*\*\* The list of strategic goods is approved by the Council of Ministers of the Republic of Belarus and comprises, *inter alia*, oil and petroleum products, oil gases.

## INFORMATION TO BE INCLUDED IN TP DOCUMENTATION

The scope of information depends upon the nature of the transaction. TP information must be submitted in the following forms:

- TP documentation (must be submitted with respect to foreign-trade transactions with strategic goods, certain transactions which are performed by large taxpayers)
- Economic justification (with respect to other transactions under control)

The TP information to be provided includes, *inter alia*, the following:

- Overview of transaction, information on the party thereto, availability of interdependence
- Information on incomes and expenses under transaction
- Overview of the object of transaction
- Information on market prices

In addition, in cases where TP documentation is prepared, the following information must be also included:

- Group / Holding structure;
- Overview of activities of the parties;
- Approach for definition of price

## PERMITTED METHODS IN ORDER OF PRIORITY

- Comparable Uncontrolled Price
- Resale Price Method
- Cost Plus Method
- Net Margin Method
- Profit Split Method

## PREFERABLE DATABASE FOR FINANCIAL ANALYSIS

No preference

## SUBMISSION DEADLINE

TP documentation must be submitted upon the demand of the tax authority, who may request it not earlier than 1 June of the calendar year following the year where a transaction under analysis has been performed

Once the tax authority submits a request, either TP documentation and economic justification must be submitted within the following terms:

- In cases where the tax authorities hold an internal (in-office) inspection – within 10 business days upon receipt of the request;
- In cases where the tax authorities hold an external (out-of-office) inspection – within 2 business days upon receipt of the request

## FINES FOR FAILURE TO SUBMIT TP DOCUMENTATION

In the event of a defaulting of the provision of information under TP rules, the company's employee-in-charge may be held administratively responsible in the form of fine up to BYN 580 (approx. EUR 183)

## POSSIBILITY TO CONCLUDE AN ADVANCE PRICING AGREEMENT (APA)

- Large taxpayers as well as companies that have performed controlling transactions in the amount of more than BYN 2 M (approx. EUR 630,000) are entitled to enter into a TP agreement with the Ministry on taxes and duties
- In cases where the terms of such agreements are duly fulfilled by the company, no extra CIT will be charged under controlled transaction
- A TP agreement may be concluded either with respect to a single transaction or several similar transactions for up to 3 years with the option to extend for a further 2 years
- State duty in the amount of BYN 14,500 (approx. EUR 4,575) is levied for consideration of the application
- The submitted application on conclusion of the TP agreement must be considered within 3 months with an option to extend for a further 6 month in cases where it is necessary to obtain information from a foreign country

## PRICE OF APA

BYN 14,500 (approx. EUR 4,575)

## THIN CAPITALIZATION RULES

As a general rule, in case the company's overall controlled indebtedness as of the latest day of the reporting year exceeds its equity capital by 3 times or more, the company shall define its maximum amount of controlled expenses to be considered as the deductible ones for the purposes of CIT. Such calculation shall be based on the **capitalization ratio** to be calculated as follows: overall controlled indebtedness/equity capital/3.

The amount of the controlled expenses to be attributed to the deductible ones shall be calculated based on the capitalization ratio.



# Accounting

## SUBMISSION DATES FOR ANNUAL FINANCIAL STATEMENTS

- Annual financial statements are approved by the authorised body of the company (GSM / Sole Shareholder). They are to be submitted to the tax authority at the place of registration no later than 31 March of the year following the reporting year
- The annual General meeting of the company's shareholders is held within the period established by the Articles of Association, but no later than three months after the end of the reporting year

## CONTENTS / STRUCTURE OF ANNUAL FINANCIAL STATEMENTS

General annual financial statements of a commercial company consist of:

- Balance sheet
- Income and expenditure account
- Statement of changes in equity
- Cash flow statement
- Notes to all financial statements provided for by the laws of the Republic of Belarus

## ACCEPTABLE ACCOUNTING STANDARDS

- The accounting principles applied by a company must be consistent with the requirements and general principles laid down by the Accounting and Reporting Act of the Republic of Belarus
- As a general rule, companies are obliged to use Belarusian national standards of financial accounting and reporting
- IFRS (International Financial Reporting Standards) standards operate in Belarus as technical regulations and are applied in parallel with the Belarusian national standards of financial accounting and reporting
- Socially significant organisations, banks, investment fund management organisations, joint-stock investment funds must apply only IFRS (International Financial Reporting Standards)

## STATUTORY AUDIT REQUIREMENT – CRITERIA

Annual mandatory audits are subject to the annual accounting (financial) statements prepared in accordance with the laws of the Republic of Belarus, and in accordance with IFRS, if an obligation for its preparation is established by the laws

Annual mandatory audits of accounting (financial) statements must be conducted no later than 30 June of the year following the reporting year

The following legal entities are required to have their annual financial statements audited by an auditor:

- joint-stock companies obliged to publish the annual report for general access
- the National Bank of the Republic of Belarus
- banks, bank groups and bank holdings
- exchanges
- insurance organisations, insurance brokers
- residents of the Belarus High Tech Park
- organisations performing the guaranteed compensation of the bank deposits of natural persons
- professional participants of the securities market
- joint stock investment funds
- managing companies of the investments funds
- other companies whose revenue from the realisation of goods (performance of works, rendering of services) for the preceding reporting year exceeds the equivalent of EUR 4,574,132 at the official rate of the Belarusian ruble to Euro established by the National Bank of the Republic of Belarus on 31 December of the preceding reporting year

Companies are obliged to notify the tax authority of the fact that they are carrying out a mandatory audit of their annual accounting (financial) statements no later than July 1 of the year following the reporting year

# Key contacts

## CHAMBERS OF COMMERCE

### **Belarusian Chamber of Commerce and Industry**

220029, Minsk, 11, Kommunisticheskaya St.

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<http://cci.by>

## KEY MINISTRIES OF THE REPUBLIC OF BELARUS

### **Ministry of Architecture and Construction**

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### **Ministry of Foreign Affairs**

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### **Ministry of taxes and duties**

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### **Ministry of Economy**

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<http://economy.gov.by>

### **Ministry of Antimonopoly Regulation and Trade**

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### **Ministry of Finance**

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<http://minfin.gov.by>

## KEY STATE COMMITTEES OF THE REPUBLIC OF BELARUS

<b>State Committee for Property</b> 220005, Minsk, per. Krasnozvezdny, 12 T +375 17 2881 019 F +375 17 2882 725 <a href="mailto:info@gki.gov.by">info@gki.gov.by</a> <a href="http://gki.gov.by">http://gki.gov.by</a>	<b>State Customs Committee</b> 220007, Minsk, Mogilevskaya st., 45/1 T +375 17 2189 000 F +375 17 2189 000 <a href="mailto:gk@customs.gov.by">gk@customs.gov.by</a> <a href="http://customs.gov.by">http://customs.gov.by</a>
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## LOCAL GOVERNMENTAL BODIES

<b>Brest Regional Executive Committee</b> 224006, Brest, Lenina st., 11 T +375 162 2196 66 F +375 162 2196 66 <a href="mailto:contact@brest-region.by">contact@brest-region.by</a> <a href="http://brest-region.by">http://brest-region.by</a>	<b>Vitebsk Regional Executive Committee</b> 210010, Vitebsk, Gogolya st., 6 T +375 212 4257 57 F +375 212 4257 81 <a href="mailto:vitolisp@vitebsk.by">vitolisp@vitebsk.by</a> <a href="http://vitebskregion.gov.by">http://vitebskregion.gov.by</a>
<b>Gomel Regional Executive Committee</b> 246050, Gomel, Lenina Ave., 2 T +375 232 3345 19 F +375 232 3345 19 <a href="mailto:kanc@oblispolkom-gomel.by">kanc@oblispolkom-gomel.by</a> <a href="http://www.gomel-region.by">www.gomel-region.by</a>	<b>Grodno Regional Executive Committee</b> 230023, Grodno, Ozheshko st., 3 T +375 152 7231 90 F +375 152 7202 32 <a href="mailto:grobisp@mail.grodno.by">grobisp@mail.grodno.by</a> <a href="http://region.grodno.by">http://region.grodno.by</a>
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<b>Mogilev Regional Executive Committee</b> 212030, Mogilev, Pervomaiskaya st., 71 T +375 222 3280 59 F +375 222 3202 55 <a href="mailto:oblisp@mogilev.by">oblisp@mogilev.by</a> <a href="http://region.mogilev.by">http://region.mogilev.by</a>	

BELARUS

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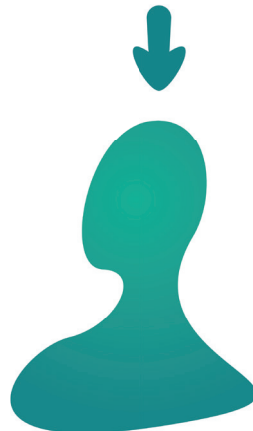
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# About us

As attorneys, tax advisers, management and IT consultants and auditors, we are present with 109 own offices in 49 countries. Worldwide, our clients trust our 5,120 colleagues.

The history of Rödl & Partner goes back to its foundation as a solo practice in 1977 in Nuremberg. Our aspiration to be on hand wherever our internationally-active clients are led to the establishment of our first, own offices, commencing with Central and Eastern Europe in 1991. Alongside market entry in Asia in 1994, the opening of offices in further strategic locations followed, in Western and Northern Europe in 1998, USA in 2000, South America in 2005 and Africa in 2008.

Our success has always been based on the success of our German clients: Rödl & Partner is always there where its clients see the potential for their business engagement. Rather than create an artificial network of franchises or affiliates, we have chosen to set up our own offices and rely on close, multidisciplinary and cross-border collaboration among our colleagues. As a result, Rödl & Partner stands for international expertise from a single source.

Our conviction is driven by our entrepreneurial spirit that we share with many, but especially German family-owned companies. They appreciate personal service and value an advisor they see eye to eye with.

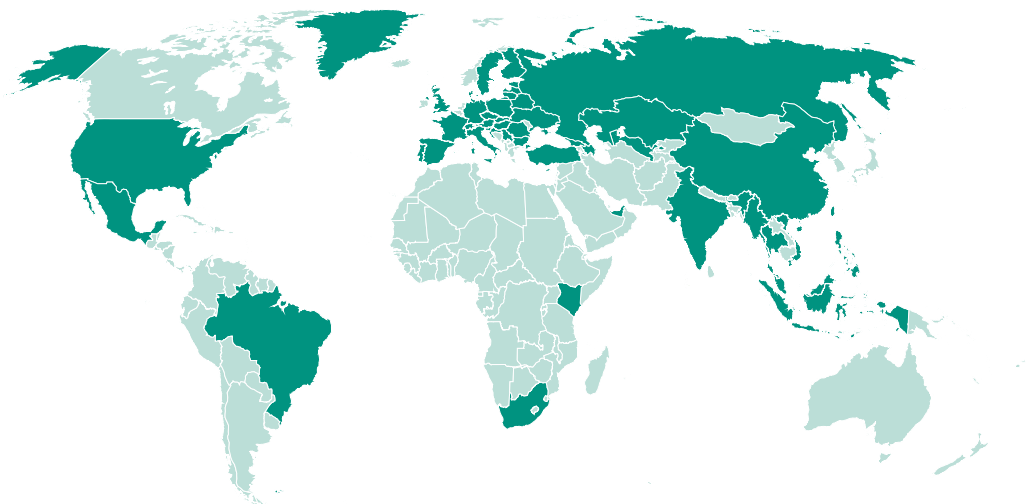
Our 'one face to the client' approach sets us apart from the rest. Our clients have a designated contact person who ensures that the complete range of Rödl & Partner services is optimally employed to the client's benefit. The 'caretaker' is always close at hand; they identify the client's needs and points to be resolved. The 'caretaker' is naturally also the main contact person in critical situations.

We also stand out through our corporate philosophy and client care, which is based on mutual trust and long-term orientation. We rely on renowned specialists who think in an interdisciplinary manner, since the needs and projects of our clients cannot be separated into individual professional disciplines. Our one-stop-shop concept is based on a balance of expertise across the individual service lines, combining them seamlessly in multidisciplinary teams.

## WHAT SETS US APART

Rödl & Partner is not a collection of accountants, auditors, attorneys, management and tax consultants working in parallel. We work together, closely interlinked across all service lines. We think from a market perspective, from a client's perspective, where a project team possesses all the capabilities to be successful and to realise the client's goals.

Our interdisciplinary approach is not unique, nor is our global reach or our particularly strong presence among family businesses. It is the combination that cannot be found anywhere else – a firm that is devoted to comprehensively supporting German businesses, wherever in the world they might be.



# Rödl & Partner in Belarus

Since 2006, we have been advising our clients through the Belarusian department in Moscow; in 2007, we established our own office in Minsk (Rödl & Partner IOOO, a limited liability company under Belarus law). Our audit and business process outsourcing departments in Minsk were founded in September 2008.

While Rödl & Partner is a full-service provider in Belarus, serving our clients as a “one-stop-shop”, we specialize in legal consulting (especially in connection with foreign direct investments, cross-border construction and assembly activities as well as sales activities), tax compliance and optimized tax planning, auditing and accounting. Our customers include some of the largest international corporations, listed companies, as well as owner-managed small and medium-sized enterprises. All our employees speak not only Russian, but also German and / or English, and have many years of experience in supporting and advising international companies.





- Since 2007 in Minsk
- More than 30 multi-lingual experts
- 4 service lines:
  - Legal
  - Tax
  - Financial services
  - BPO
- Advising some of the largest international transactions in Belarus (including the largest private M&A transaction in the history of the Republic of Belarus)
- Legal, tax and financial advisers to some of the most prominent cross-border localisation, construction and mining projects of recent years
- Supporting leading international brands to expand to the local market and using Belarus as a sales and distribution hub for the Eurasian Economic Union



## DISCLAIMER

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