

Dear friends!

We are glad to present you a November issue of Arzinger & Partners' Newsletter. In this issue you will find the information regarding legal consequences of the ratification of the Agreement on Eurasian Economic Union (EEU) by the Republic of Belarus, the information concerning the amendments in the procedure of settlements in cash performed among legal entities and private individuals as well as the information on the procedure of import and export of personal goods by private individuals.



*Sergey Mashonsky
Managing Partner*

Newsletter
November 2014



NEWS OF LEGISLATION

Changes in the list of the objects suggested to be transferred to concession have been introduced

The new edition of the list of the objects suggested to be transferred to concession have been introduced by Edict of the President of the Republic of Belarus dated October 16, 2014 No. 494.

Regarding this fact, we pay our clients' attention to the possibility of concluding concession agreements with the Republic of Belarus. By means of such an agreement state provides the right of ownership and use of concession objects, i.e. object which is state owned or type of activity to which state holds monopoly on.



*Edict of the President of the Republic of Belarus dated October 16, 2014 No. 494
"On alterations to Edicts of the President of the Republic of Belarus"*

THE REPUBLIC OF BELARUS HAS RATIFIED THE AGREEMENT ON EURASIAN ECONOMIC UNION (EEU)

On October 9, 2014 the Republic of Belarus ratified the Agreement on Eurasian Economic Union (hereinafter referred to as EEU or Union) signed by the Republic of Belarus, the Russian Federation and the Republic of Kazakhstan on May 29, 2014. The ratification of the Agreement implies a deeper integration among these states in comparison with Customs Union. Apart from that, on October 10 the territory of EEU has widened due to joining Armenia to the Union. Kyrgyzstan is also planning to join the Union.

EEU will provide free movement of goods, services and economic resources in the whole market. It is planned to amend the legislations of the Union up to the end of 2015, in particular, to adopt The Customs Code of EEU aimed commonly at unification of the legislation. First of all it means distinct regulation of customs matters in EEU by means of reduction of reference rules which regulate various issues in national legislation. Secondly, the issues regarding the improvement of customs management using up-to-date technologies will also be regulated. Thirdly, international conventions in the framework of WTO including agreements simplifying trade procedures will be taken into account which provides additional advantages to business entities.

In consequence of such amendments in EEU legislation, the member states including the Republic of Belarus shall harmonize its national legislation in compliance with the amendments made in supranational legislation.

EEU becomes valid from January 1, 2015.



*The Law of the Republic of Belarus dated October 9, 2014 No. 193-Z
“On ratification of the Agreement on Eurasian Economic Union”*

THE LIMITING SIZE OF PAYMENT IN CASH IN CASE OF SETTLEMENTS MADE BY INDIVIDUALS IS STIPULATED



Juri Slepitch
Deputy Director

Legal entities and individual entrepreneurs in case of selling goods, performing works and services are not eligible to accept the payment in cash from a private individual in the amount exceeding 1000 basic values. Such a restriction is stipulated by Edict of the President of the Republic of Belarus dated October 16, 2014 No. 493.

Besides, it is stipulated that incomes paid by banks, which are residents being in the territory of the Republic of Belarus, to private individuals as interests from sum of payment for goods, works or services using bank cards, remote banking service systems, but no more than 2 percent from the sum of such a payment are not recognized as taxation item.

Money stolen from private individuals' accounts to which bank cards have been released and henceforth refunded by banks are not imposed by individual income tax.

The Edict enters into legal force from March 17, 2015.



Edict of the President of the Republic of Belarus dated October 16, 2014 No. 493
"On developing cashless transfers"



REGULATION ON IMPORT AND EXPORT OF GOODS FOR PERSONAL USE BY PRIVATE INDIVIDUALS ENTERED INTO LEGAL FORCE

The list and quantity of goods for personal use imported to the Republic of Belarus and exported from the Republic of Belarus through stations of simplified pass via state border of the Republic of Belarus in accompanied luggage of private individuals have been stipulated.

Clothes and footwear having visible signs of wearing, washing as well as personal hygiene items in case of import or export through stations of simplified pass via state border of the Republic of Belarus – by one unit no more than 5 names.

Notebooks, photo and video cameras, portable radios, GPS-navigators as well as appliances necessary for their use in case of import or export – by one unit of every name.

Alcoholic drinks, excluding beer, in case of import – in one capacity with volume no more than 0,75 l per a private individual more than 18 years old, in case of export – no more than 1 l per a private individual more than 18 years old. Beer in case of import – no more than 0,5 l per a private individual more than 18 years old; in case of export – no more than 2 l per a private individual more than 18 years old.

Food products, money (sum shall not exceed the sum which is not subject to customs declaration in written form), different household appliances, tobacco and tobacco products, etc. have been also included into the list.

Resolution entered into legal force on October 25, 2014.

*Resolution of State Customs Committee of the Republic of Belarus dated September 25, 2014 No. 50
“On establishing list and quantity of goods for personal use imported to the Republic of Belarus and exported from the Republic of Belarus through stations of simplified pass via state border of the Republic of Belarus in accompanied luggage of private individuals”*



COMPANY NEWS

Arzinger & Partners and leading state bank of Belarus ASB Belarusbank LLC signed the agreement on cooperation.

ASB Belarusbank and Arzinger & Partners have intended to perform long-term and mutually beneficial cooperation which will lead to development of all their activity areas, to hold joint events and consultations. Parties have agreed to contribute to promoting services of each other, making positive image of other party in front of potential and existing customers and business partners, as well as to performing measures directed at strengthening business reputation of each other.

“We are so proud to cooperate with such respectable banking structure and hope that the agreement will serve further strengthening connections between us as well as let to perform our mutual relations based on equality, partnership and protecting each other's interests” managing partner of Arzinger & Partners Sergey Mashonsky noted during signing of the agreement.

Arzinger & Partners' lawyers perform orders of ASB Belarusbank concerning consulting and preparing certain legal opinions for many years.



Partner of Arzinger & Partners Dmitry Viltovsky took part in XVIII Belarusian-Polish business meeting “Neighbourliness-2014” which was held from October 1 to October 2, 2014 in Brest.

Plenary session devoted to actual issues of near-border cooperation as well as business mismatching session between Belarusian and Polish business circles were held within the event.

Prospects of cooperation in spheres of construction, agriculture, energy, banking, transport, legal, customs and forwarding services, production of cars and equipment for food industry, construction equipment, food products and a range of agreements were reached.



Maksim Slepitch
Associate

Associate of Arzinger & Partners Maksim Slepitch made speech in front of representatives of business circles of Białystok (Poland) within the visit of Polish businessmen's delegation organized by Department of facilitating trade and investments of Embassy of the Republic of Poland in the Republic of Belarus.

During the speech answers to the most often asked questions of foreign companies concerning importing goods to the Republic of Belarus and their following sell were given. The full presentation's text with useful links is available at Arzinger & Partners' website in “Useful” section.

Deputy Director of Arzinger & Partners Juri Slepitch made speech “Basics of doing business in Belarus” in front of delegation of business circles of Belgium. The visit was organized by Minsk Department of BelCCI.

Basic legislative moments regulating legal status of an investor, order of providing benefits and preferences in case of implementation of projects in the territory of the Republic of Belarus, Arzinger & Partners' experience in drafting investment agreements and legal support of investment activity were mentioned in the speech.

Signing the Agreement on cooperation between Minsk Department of BelCCI and Flemish Chamber of Commerce and Industry of Russia, Kazakhstan and Belarus took place at the meeting.



Senior Associate of Arzinger & Partners Klim Stashevsky took part in the Day of Belarusian Economy in Switzerland which was held on October 29, 2014 in Busnang.

Business meeting, as well as negotiations between Belarusian and Swiss business circles took place. Besides, delegation's representatives visited production spaces of Stadler Rail Group and prominent companies Bühler and ABB.

The point at issue in course of business meeting was prospects of cooperation between the countries in the spheres of transport and logistics, banking and investment activity. Specific attention was paid to investment opportunities and industrial potential of the Republic of Belarus.

In particular, Klim Stashevsky made speech “Investment and concession agreements as instruments of investing into the Republic of Belarus” which aroused considerable interest of the event's participants.





Alexander Korsak
Partner

Arzinger & Partners has successfully completed a range of judicial proceedings in Courts of Arbitration of the Russian Federation connected with settlement of dispute to the amount of more than 3 mln. USD. Partner Alexander Korsak who directly represented the client's interests in courts informed that considering two cases by the courts of the first and the second instances took about nine months all together. The case was difficult but we have managed to gain our legal position. The next step will be execution of judicial acts.

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