

# Belarus. Investment Guidebook.

Investment Opportunities,  
Legal and Economic Environment

Prepared by:





Dear Reader,

In today's rapidly changing world, a state's success in attracting foreign direct investment largely depends on its ability not only to understand current, but also to anticipate future business needs and therefore act proactively in creating a favorable investment climate. Relying on its key competitive advantages — unique geographic location, substantial human, industrial, and logistics potential, and progressive legislation — Belarus continues to consistently improve business conditions, effectively adapting to new realities and successfully implementing the course toward digital transformation of the national economy. A stable domestic political environment, a high level of public security, clear and continuously improved legal regulation of investment activity aimed at reducing risks and costs for investors, a wide range of preferential regimes, and an individual approach — this is only a small part of the benefits available to every investor assessing the prospects of establishing a business in our country.

A reliable and competent partner for businesses at all stages of investment project implementation in Belarus is the National Agency of Investment and Privatization, which uses its many years of experience and expertise to provide professional advisory, communication, and organizational support to investors on a gratuitous basis. This guidebook compiles the most up-to-date information on the most promising sectors of the Belarusian economy for FDI, opportunities within various preferential regimes, legal aspects of investing, key directions of Belarus' multi-vector international cooperation, and much more.

Yuri Chebotar,  
Minister of Economy of the Republic of Belarus

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Dear Readers,

The team of the Belarusian office of an international law firm GRATA International, in preparing the business guide «Invest in Belarus – 2025», prepared the legal section, where you will find not only a comprehensive overview of the legal environment for investment, but also insights into the national tax climate and other important aspects of doing business.

In addition to traditional information on the organization and management of business, comparison of preferential zone regimes, and public-private partnerships (PPPs), special attention is given to the specifics of anti-monopoly control, rules for conducting foreign exchange operations, regulation of land relations, cryptocurrency, protection of intellectual property, counter-sanctions measures, and dispute resolution.

We do hope this business guide will help you form a clear and accurate understanding of Belarus, and our team will be happy to answer all your questions and support your business.

With care,  
GRATA International, Belarus – your legal partner in Belarus

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A channel on corporate law,  
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# Investment Opportunities

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# 1. Belarus in Global Rankings

Since 1995, Belarus has been steadily improving its performance in the Human Development Index (HDI). According to the Human Development Report 2025, Belarus is classified as a country with a very high level of human development and ranks 65th in the global HDI.

Belarus maintains strong positions in the overall number of reforms aimed at improving the business climate. Significant progress has been made in liberalizing entrepreneurial activity. The system for supporting small and medium-sized enterprises (SMEs) continues to develop: the Belarusian Fund for Financial Support of Entrepreneurs provides guarantees for the obligations of business entities; there are opportunities to receive non-repayable, gratuitous funding from local budgets for business development; and part of capital expenditures incurred in the implementation of investment projects financed through Development Bank loans is reimbursed from the national budget.

Belarus ranks 30th out of 167 countries in the Sustainable Development Goals (SDG) Index, according to the Sustainable Development Report of 2024.

Belarus holds 66th place among 170 countries in the Social Progress Index 2025, according to the Social Progress Index 2025 Report.

In 2024, Belarus entered the TOP-15 fastest-growing European economies in terms of GDP growth (according to «Visual Capitalist»).

According to the ranking of the best countries to live in made by the American magazine U.S. News & World Report, Belarus holds 89th place. The same magazine ranked Belarus the 29th most influential country in the world.

Belarus ranks 82nd in the Global Startup Ecosystem Index by StartupBlink. This ranking evaluates startup ecosystems of 100 countries and 1,000 cities. In 2024, Belarus dropped by two positions compared to the previous year. Among European countries, Belarus ranks 42nd.



Belarus took 55th place out of 146 in the global ranking of countries by gender equality.

The country ranked 88th out of 94 in the Healthcare Index-2024.

Belarus ranked 46th globally by average age of population. According to the CIA World Factbook, the average Belarusian is 42 years old.

Belarus ranked 112th in the Index of Economic Freedom.

Belarus took 22nd place among 170 countries in the «Access to Basic Knowledge» indicator of the Social Progress Index-2025.

Belarus ranked 56th among 199 countries in the Welcoming Countries Rank 2025 – the ranking of the world’s most hospitable countries.

Belarus ranks 26th among 234 countries and autonomous territories by the number of concluded bilateral investment treaties (according to UNCTAD).

Belarus holds 32nd place in the Environmental Performance Index (EPI) 2024.

Belarus ranks 56th in the Climate Change Performance Index (CCPI) - 2025.

According to the Numbeo Quality of Life Index, Belarus holds 51st place, rising from 57th in 2023 and surpassing such countries as Russia, Brazil, China, and Kazakhstan.

QUALITY OF LIFE INDEX 2025		
Country		Rating
Luxembourg		1
USA		14
Poland		37
Belarus		52
Turkey		53
China		57
Ukraine		67
Russia		71

SOCIAL PROGRESS INDEX 2025		
Country		Rating
Norway		1
USA		31
Poland		33
Ukraine		63
Belarus		66
Kazakhstan		58
Russia		77
China		72

HIGHEST AVERAGE IQ 2025		
Country		Rating
China		1
Russia		6
Belarus		16
USA		30
Germany		35
Poland		40
Kazakhstan		35
Ukraine		78

## 2. Investments for sustainable growth and security

Resolution of the Council of Ministers No. 372 as of May 12, 2016 determines a list of priority sectors of economy for investment:



information and communication technologies



creation and development of the logistics system



railway and air transport



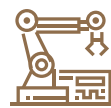
construction, reconstruction and equipping of checkpoints across the State Border of the Republic of Belarus and other facilities of Border Service Agencies of the Republic of Belarus



production of electrical engineering, optical-mechanical, instrument-making commodities, household appliances and electronics



leather and footwear industry



metallurgy



grain processing industry



recycling of secondary material resources



construction, reconstruction and equipping of facilities of Border Service Agencies of the Republic of Belarus



textile industry



canning industry



culture



public service activities



oil and fat industry



creation and development of the logistics system



mechanical engineering

KA key area of investment will be the implementation of production digitalization projects. Artificial intelligence, robotics, biotechnology and genetic engineering, big data, neural networks, nanotechnologies, cloud, quantum, and smart technologies represent the future vectors of development for the national economy. Meanwhile, «smart city» technologies and digital services will ensure a comfortable living environment.

Investment in human capital development is expected to expand – primarily in healthcare and in projects promoting a healthy lifestyle, as well as in education, with the aim of forming a class of «intellectual» personnel for the digital economy.

The Great Stone China–Belarus Industrial Park hosts 170 resident companies from 15 countries, including Russia, China, European countries, and the Americas. They are developing four major clusters: mechanical engineering (31 projects); electronics and telecommunication (15 projects); biotechnology and pharmaceuticals (23 projects); integrated logistics (15 projects).

Another dynamically developing investment area will be «green» projects related to the creation and development of environmentally friendly and zero-waste production, safe waste-processing technologies, hydrogen technologies, clean energy, and low-carbon transport infrastructure.

Promising opportunities also include projects for processing local mineral resources and agricultural raw materials, creating new high-productivity jobs, and constructing necessary infrastructure facilities in small towns and rural areas.

In 2024, foreign investment in the real sector of the Belarusian economy amounted to 6.9 billion USD, while Belarusian outward investment reached 4.9 billion USD.



## 2.1 Pharmaceutical industry

Pharmaceutical production in the Republic of Belarus provides duty-free access to the large and dynamic market of the five member states of the Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia).

### DEVELOPED HR-POTENTIAL

The pharmaceutical industry of Belarus employs more than 10,000 professionals with different levels of qualification, all with a wide range of skills. Every year they are joined by specialists experienced in the development of original and generic medicines using biotechnology and organic synthesis methods; in the registration and promotion of pharmaceuticals on domestic and international markets; in quality control at all stages of the product life cycle; in wholesale and retail operations; and in pharmaceutical marketing and management.

### STATE SUPPORT FOR INVESTMENT PROJECTS

On August 30, 2021, the President of the Republic of Belarus signed Decree Nr. 327 «On the Development of the Pharmaceutical Industry», aimed at further developing the pharmaceutical sector; establishing new pharmaceutical production facilities; increasing production volumes of medicines; and expanding exports. More than 20 investment projects are planned for implementation at pharmaceutical enterprises by 2030, and around 300 new names of medicines will be developed.

In accordance with the Decree, pharmaceutical organizations may receive subsidies for:

- reimbursement in 2022–2030 of part of interest payments on loans obtained under the guarantees of the Government of the Republic of Belarus, used to implement investment projects involving the creation, technical modernization, and reconstruction of production capacities aimed at establishing new facilities and/or expanding the range of medicines;

- reimbursement in 2022–2025 of part of expenses related to:

- 1) conducting preclinical (non-clinical) and clinical studies (trials), as well as performing examination and registration (or registration confirmation) procedures for medicines, including bringing registration dossiers into compliance with EAEU requirements;

- 2) obtaining certificates of compliance with the Eurasian Economic Union's Good Manufacturing Practice rules;

- 3) inspection and certification of pharmaceutical production sites for compliance with international Good Manufacturing Practice standards.

In addition, the Decree provides for exemption of pharmaceutical manufacturers from VAT and customs duties on technological equipment, components, spare parts, raw materials, and supplies imported into Belarus for exclusive use within the country as part of specific investment projects.

The volume of the pharmaceutical market in Belarus in 2024 amounted to 1,463.73 million USD, reflecting a 24.4% increase compared to 2023. Domestic pharmaceutical production totaled 758.35 million USD, exports – 206.31 million USD, and imports – 911.44 million USD. Russia accounted for 65% of exports in value terms, and Kazakhstan – for 16%.

One of the most important trends in the Belarusian pharmaceutical market is the development of active pharmaceutical ingredients production and the biotechnology sector. Priority areas include vaccine production, monoclonal antibody-based medicines, blood-derived medicines, and immunobiological products.

The foundation of medicine production consists of pharmaceutical substances. Belarusian medicines predominantly use imported substances, with relatively few of them made entirely from domestic ingredients. However, both the number and share of locally produced medicines continue to grow. Domestic medicines account for around 65% of pharmacy sales and over 80% of the hospital sector – largely due to a significant price difference (on average three times cheaper) compared to imported medicines. Belarusian pharmaceutical enterprises (around 40 legal entities) produce approximately 1,800 types of medicines across various pharmacotherapeutic groups, including

more than 760 produced by the holding company «Belpharmprom» alone. In total, around 5,700 medicines are registered in the domestic market. In 2024, the best-selling medicines in the country were acetylsalicylic acid (2% of the market), omeprazole (1.8% of the market), ascorbic acid and metformin (1.6% of the market), and ibuprofen (1.5% of the market).

Growth in domestic medicine production is promising for export to the EAEU market, where total sales in 2024 reached nearly 31 billion USD, 66% of which accounted for by the retail (pharmacy) sector and 34% by the hospital (public procurement) sector. Mutual trade in pharmaceutical products within the EAEU has increased by more than 50% over the past seven years. Russia accounts for 89% of medicine output, Belarus for 7%, and Kazakhstan for 4% in the production structure. At the same time, the Eurasian Economic Union covers only 50% of its demand with domestic production, with the remaining 50% imported.

Belarus is working to certify industrial pharmaceutical production and pharmaceutical substances in compliance with Good Manufacturing Practice (GMP) standards of Belarus, the European Union (EU), PIC/S, and the FDA (USA). About 90% of all production sites have already been certified. To strengthen export potential, certificates of conformity to GMP-PIC/S (Ukraine) and GMP-EU (Romania) standards have been obtained.

Industry development plans include increasing domestic medicine production volumes and expanding the product range to ensure availability of up to 70% of international non-proprietary names and to enhance pharmaceutical export.





## 2.2 Transport and Logistics

### A COUNTRY FOR LONG-TERM COOPERATION

The transport sector is one of the most important components of the country's socio-economic infrastructure. It is intended to ensure, promptly and efficiently, the population's need for transportation services, the functioning of all sectors of the economy, and the national security of the state.

Belarus is located at the crossroads of major trans-European transport corridors (II «West–East» Corridor and IX «North–South» Corridor with branch IX B). Its advantageous geographical position has determined the development of a well-established transport infrastructure. The Trans-European Transport Corridor and its branch are designed to give shippers in eastern Ukraine and central Russia access to the specialised seaports of Klaipėda, Ventspils and Kaliningrad.

The transport infrastructure of Belarus is represented by a wide network of railways, air routes, automobile roads, river and pipeline transport.

Belarus is currently implementing a comprehensive set of measures aimed at developing its logistics system and transit potential.

As of 1 January 2025, more than 12,000 organizations of various forms of ownership and 37,000 individual entrepreneurs operate in the country's transport sector. The industry employs around 275,7 thousand people.

The share of transport activities in GDP increased from 4.9% to 5.1% in 2024.

Work continues on the development of optimal logistics schemes for the delivery of Belarusian goods to foreign markets.

In 2024, the transport sector achieved all its target indicators. Exports of transport services amounted to 4.5 billion USD (50% of the country's total services exports), or 119.6% compared to 2023.

Passenger turnover in 2024 reached 26,500 million passenger-kilometers, or 110.87% relative to 2023.

Passenger transportation volume totaled 1,723 million people, 5.73% more than in 2023.

Cargo turnover in 2024 amounted to 74 billion ton-kilometers, 1.54% higher than the 2023 level.



The length of railways is 5,473.5 km, 25% of which is electrified, 2025



The total length of automobile roads is 104.1 thousand km, 90.9 thousand km (87.3%) of which have hard surface. The toll road network covers 1,786 km, 2025



The total length of pipelines is nearly 11.7 thousand km, two-thirds of which are gas pipelines and one-third are oil pipelines, 2025



The total length of waterways in operation is 2.1 thousand km, 2025

## WATER TRANSPORT

The inland waterways of the Republic of Belarus are located within the river basins of the Dnieper, Berezina, Sozh, Neman, Pripyat, Western Dvina, and Svisloch. According to the Ministry of Natural Resources and Environmental Protection, the total length of rivers in the country is 90.6 thousand km, about 3.5 thousand km of which are suitable for navigation. Currently, 2,138.4 km are in use, including 1,255.3 km with guaranteed waterway dimensions.

To ensure accessibility, improve the quality and safety of water transport services, and fulfill Belarus's international obligations in the field of merchant shipping, the state institution «State Water Transport Administration» was established in 2020. Among its functions is maintaining the State Ship Register of the Republic of Belarus.

Port operations are supported by seven river ports: Brest, Pinsk, Mikasevichi, Mozyr, Rechitsa, Gomel, and Bobruisk, located in the Gomel, Mogilev, and Brest regions. One branch — the Mogilev river port — has been reorganized into a technical unit and is part of the Rechitsa port.

For many years, the main share in the cargo structure has been occupied by local transportation of construction sand extracted from the bottom of rivers (more than 90%) and delivered to ports for further sale.

In addition, transit shipments of products from RUPP «Granit» (crushed stone and screenings) are transported from Mikasevichi to the ports of Mozyr and Pinsk, as well as to a temporary berth near David-Gorodok. These shipments cover significantly longer distances (around 200 km) compared to construction sand (5–20 km). The river ports of Gomel, Bobruisk, and Mozyr have railway access lines designed for the transportation of goods in combined modes.

The characteristics of the waterways make it possible to transport both local cargo and international shipments (via the Pripyat and Dnieper rivers to the Black Sea). Such transportation is particularly efficient for heavy and oversized cargo, as energy consumption per unit of transport work is significantly lower than that of road transport and 1.5–2 times lower than rail transport.

In this regard, it is important to revive former waterways connecting the basins of the Black and Baltic Seas, including the Dnieper–Vistula–Oder waterway connection.

A number of export–import cargo flows of Belarus, Poland, Ukraine, and other European countries, as well as flows from Scandinavia, are connected to this transport system, with volumes estimated in millions of tons.

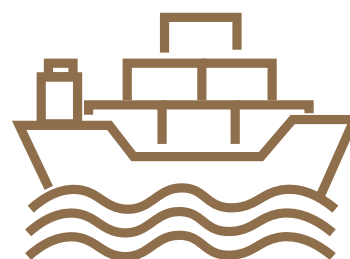
The development of water tourism, the reconstruction of inland waterways providing access to Ukraine and the Black Sea, the development of the infrastructure of the international waterway E-40, the modernization of the transport fleet, the creation of the State Water Transport Administration, and other initiatives contribute to the improvement of the water transport system.

## AIR TRANSPORT

Air transport comprises enterprises and organizations that carry out passenger and cargo air transportation both within Belarus and internationally, as well as perform various aviation operations.

Several airlines registered in the country operate international air services, most of them cargo carriers. Belavia is the main passenger airline.

There are 11 certified airfields in the Republic of Belarus, 6 of which are international. In addition to the capital, airfields are located in all regional centers: Gomel, Brest, Grodno, Mogilev, and Vitebsk. The airports are situated relatively close to each other; the average distance from Minsk to the regional airports is 240 km, while the distance between Vitebsk and Mogilev airports is 130 km.



The leader in passenger turnover is Minsk National Airport. In 2023, it serviced more than 2.5 million passengers, a 20.7% increase compared to 2022. In 2024, growth reached 17% (about 2.93 million passengers). Twelve airlines operated regular flights.

Minsk National Airport is certified for compliance with international flight safety and aviation security standards. The airport can simultaneously accommodate 58 aircraft. Facilities also include stands suitable for heavy aircraft such as the AN-124 with a maximum take-off weight of 365 tons. The cargo complex of Minsk National Airport can handle more than 400 tons of cargo per day and includes storage facilities for various cargo types. The airport is included within the boundaries of the Great Stone China–Belarus Industrial Park.

## ROAD TRANSPORT

В Беларуси насчитывается более 3 млн лег. Belarus has more than 3 million privately owned passenger cars. Organizations own 137,320 passenger vehicles. The total number of vehicles in the country, including trucks, buses, and others, approaches 4.4 million. In 2024, the number of vehicles increased by 106 thousand, or +2.5% compared to 2023.

The number of privately owned electric passenger vehicles increased from 6,413 in 2023 to 20,745 in 2024 (+323.5%). Organizations own 5,611 electric passenger cars and 72 electric trucks (compared to 13 in 2023). Individuals own 12 electric trucks (2 in 2023). There are 147 electric buses in the country.

In 2024, road transport accounted for 59.6% of total national passenger turnover, amounting to 1,027 million passengers.

Cargo transportation adapted to sanctions pressure. With sanctions in place, many types of goods previously imported from the EU and the USA have been replaced by products from friendly countries, primarily China, Vietnam, India, and Turkey. Export flows were redirected accordingly. As a result, transport companies had to restructure their routes.

The most in-demand permits for Belarusian road carriers were for transit through Russia, China, Georgia, Kazakhstan, Mongolia, and Turkey.

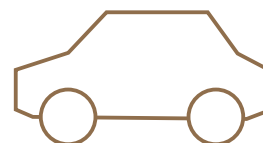
## RAIL TRANSPORT

The operator of the railway network is the state association «Belarusian Railway» (BR). Today, the Belarusian Railway is the leader of the national transportation system.

It continues to develop successfully and accounts for around 70% of the total cargo turnover of all public transport modes in Belarus. In 2024, BR transported nearly 62 million passengers (serving more than 2,100 populated areas across the country), over 100 million tons of cargo, and more than 1.6 million TEU containers. More than 7,000 transit container trains passed through the territory of Belarus.

The Belarusian Railway also actively participates in the development of alternative routes, including the Northern Sea Route.

Alongside transportation using the transit potential of the Russian Federation, rail transport with the countries of Central Asia is expanding. Traffic with Turkmenistan, Tajikistan, and Kyrgyzstan has grown. Transport operations along the North–South corridor are also developing.



Multimodal transportation of pilot cargo batches has been organized along the international transport corridor Belarus–Russia–Kazakhstan–Uzbekistan–Afghanistan–Pakistan. The developed logistics schemes enable road transportation across Afghanistan and Pakistan with access to the Port of Karachi, allowing further shipment by sea.

Major export cargo flows (oil products, fertilizers, ferrous metals, timber cargo, etc.) have already been reoriented to routes relying on the transport and logistics infrastructure of friendly countries. Effective coordination with the railways of Russia, China, Kazakhstan, Iran, Azerbaijan, and Turkmenistan has created a stable transport and logistics framework for railway transportation.

### PIPELINE TRANSPORT

Pipeline transport accounts for an average of 40% of Belarus's total cargo turnover.

Particularly important are the pipelines «Druzhba» (a major oil pipeline that has transported more than 3 billion tons of oil during its operation) and «Yamal–Europe» (the main gas pipeline), through which energy resources transit from Russia to the European Union via Belarus. The total length of pipelines is almost 11.7 thousand km, two-thirds of which are gas pipelines and one-third are oil pipelines.

### LOGISTICS INFRASTRUCTURE

Due to its strategic geographic position at the intersection of key transport corridors, the Republic of Belarus plays an essential role in international passenger and cargo transportation. International transport corridors crossing the country connect Western Europe with Southeast Asia, Scandinavia with Turkey and other countries of the Middle East.

As of 01.01.2025, 53 transport and logistics centers (TLCs) operated in Belarus. According to expert assessments, the leading centers in terms of service volume are those owned by «Belintertrans», «Beltamozhservice», «Brestvneshttrans» TLCs, the joint venture «Tranzit», and the joint venture «Dominik».

A major TLC is under construction in the Great Stone China–Belarus Industrial Park. Currently, the first phase of the logistics complex is in operation—over 40,000 sq. m of space with technological areas for loading and unloading operations and a container terminal.

The next phase will involve the construction of an 800,000 sq. m bimodal cargo terminal with the participation of the managing company of Europe's largest river port «Duisburger Hafen», the logistics operator «China Merchants Group», and «Hupac Intermodal SA» (Switzerland). The construction of this terminal will significantly increase transportation flows through Belarus.

The key priorities of the Concept for the Development of Belarus's Logistics System up to 2030 include leveraging transit between Europe and China (including within the Chinese initiative «One Belt, One Road»), ensuring transportation services for Belarus's economic links with the European Union markets, participating in the logistics integration of the EU and the Eurasian Economic Union, and cooperating with global logistics companies.

According to the plans of the Ministry of Transport and Communications, by 2030 up to 30% of all export shipments will be destined for countries of the «Far Arc», therefore Belarusian carriers expect to work with a number of countries in Asia, Africa, South and Latin America. Nevertheless, the Russian transport services market remains a priority for Belarus. This is supported by the development of the «Seamless Transit» project, aimed at simplifying cargo transportation to Central Asia, the South Caucasus, and along the Trans-Caspian route through Russia. In 2024, the Southern Transport Corridor along the China – Kazakhstan – Uzbekistan route was already launched, while in 2025 the Northern Transport Corridor (China – Kazakhstan – Russia – Belarus) is being rolled out. For now, this project covers rail transportation, but the possibility of extending this approach to automobile cargo transport is under consideration.

The market for production and logistics real estate in the Minsk region (Minsk city + 25 km from the MKAD ring road) accounts for more than 80% of the total supply of production and logistics real estate in Belarus. The stock of production and warehouse facilities in the Minsk region in the first quarter of 2025 increased from 1,707 thousand sq. m. since the end of 2024 and reached 1,725 thousand sq. m.

Almost 300 thousand sq. m. is the projected volume of new production and warehouse space to be commissioned in 2025–2026, about 220 thousand sq. m. of which may enter the market in 2025. More than 70% of space during this period will be delivered in a built-to-suit format.

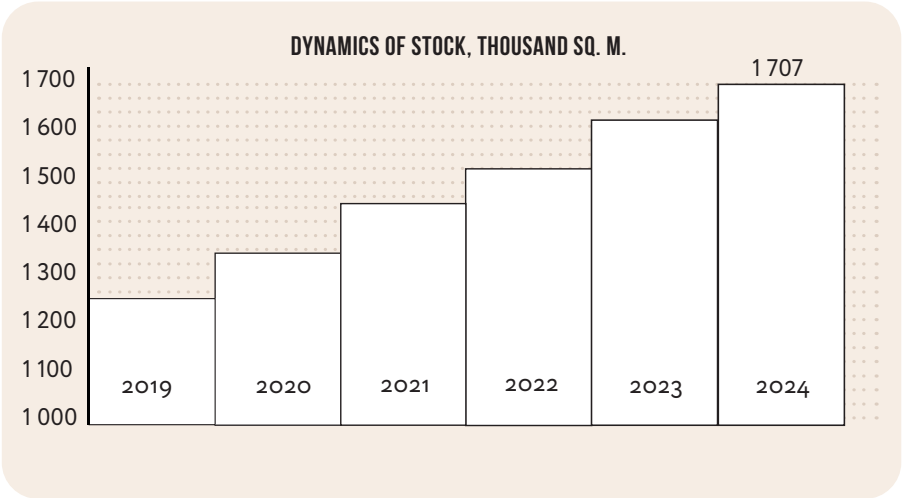
The main increase in supply is expected due to the commissioning of the Wildberries logistics center, which accounts for 45% of the upcoming stock. The area of the «Prilesye» transport and logistics center will expand by 38 thousand sq. m., and almost 20 thousand sq. m. will be commissioned at the «G13» logistics center. A Light Industrial building with an area of 12 thousand sq. m. in the Great Stone Industrial Park, as well as new space in the Minsk Technopark at Partizansky Avenue, 8, are in the final stages of completion.

In 2024, all new space supply that entered the market was fully absorbed. The expected absorption of production and warehouse facilities by the end of 2025 will be at least 100 thousand sq. m., excluding the Wildberries logistics center.

The market for production and warehouse real estate in the Minsk region continues to experience a shortage of available space. In the short term, vacancy in this segment of commercial real estate will remain below the natural level (currently 1.5%).

The annual increase in stock of 4–12% does not meet the growth in market demand. Moreover, the commissioning of new facilities in 2024 was the lowest since 2020. International projects may appear in the Minsk Free Economic Zone and the Great Stone park. In the near future, the commissioning of new production and warehouse facilities will accelerate, and market stock will reach 2 million sq. m. within 2–3 years.

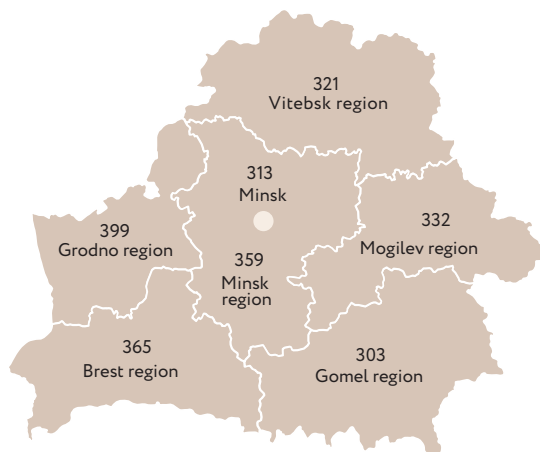
Forecast rental rates will range from €4.0–6.0 per sq. m. per month for Class B and €5.0–7.0 per sq. m. per month for Class A. Vacancy during the year will remain at around 2.5% ±1.5 p.p.



## 2.3 Mechanical Engineering

NUMBER OF CARS PER 1000 POPULATION IN 2024, UNITS

Source:  
National Statistical Committee  
of the Republic of Belarus



Mechanical engineering is one of the main industries defining the development of the global economic system. Its technological level determines the price and quality parameters of industrial and related sectors' production and ensures their competitiveness. Belarus's mechanical engineering sector includes the production of electrical equipment, machinery and equipment, computer, electronic and optical devices, as well as transport vehicles and equipment. Contemporary innovation processes in Belarusian mechanical engineering are based on advanced-level technologies (bio- and nanotechnologies, information and communication technologies, aerospace technologies), the use of cutting-edge materials with specified properties, and advances in micro- and optoelectronics, all of which form the technological foundation of the knowledge-based economy. The production capacity of Belarus's mechanical engineering sector is characterized by a highly skilled workforce and a developed infrastructure, which includes accumulated expertise, research institutions, supply and distribution channels. The production lineup includes tens of thousands of product types: from microchips to the world's largest mining dump trucks.

In 2024, 63.4% of mechanical engineering products were sold abroad. Passenger cars manufactured by CJSC «BELGEE», mining dump trucks by OJSC «BELAZ», tractors by OJSC «MTZ»,

truck tractors and buses by OJSC «MAZ», televisions by UE «N-TV» and OJSC «Vityaz», electronic integrated circuits by OJSC «Integral», harvesters by OJSC «Gomselmash», elevators by OJSC «Mogilevliftmash», refrigerators by CJSC «ATLANT», and many other products by our national flagships were supplied to 124 countries worldwide.

Belarus accounts for about 8% of global tractor production, 30% of heavy mining dump trucks, and 17% of harvesters. The Minsk Tractor Works is among the world's eight largest producers of wheeled tractors.

Belarus's mechanical engineering complex includes more than 1,200 enterprises, the main ones being:

- OJSC «Amkodor». One of the leading manufacturers of specialized machinery and equipment in Belarus and across the CIS.

- OJSC «Belarusian Automobile Plant», a major global producer of large and extra-large load capacity mining dump trucks.

- OJSC «Minsk Tractor Works», considered one of the world's leaders in the production of agricultural machinery.

- OJSC «Minsk Automobile Plant», specializing in the production of cargo and passenger automotive machinery.

- OJSC «Integral», a developer, manufacturer, and exporter of microelectronic components and electronic devices.

- OJSC «Minsk Motor Plant», the country's leading producer of diesel engines.

## DEVELOPMENT OF ELECTRIC TRANSPORT IN BELARUS

In April 2021, the Government of Belarus approved the Comprehensive Program for the Development of Electric Transport for 2021–2025.

Within the framework of the Program, the following initiatives are envisaged:

- establishing production of cargo, passenger, specialized, passenger-car, and individual electric transport, as well as its components;

- organizing scientific support, standardization, certification, and conformity assessment of electric transport (and its core components) to ensure its safe operation on public roads;

- establishing charging infrastructure for electric transport based on a nationwide network of charging stations (currently 1,400 charging stations are operational);

- forming a set of measures to stimulate the development of electric transport.

As of January 1, 2025, there were 3,222,436 passenger cars registered in Belarus, including 26,356 electric vehicles, meaning electric vehicles account for 0.8% of the country's passenger car fleet.

In 2024, the number of electric vehicles in the country increased by 3.4 times (as of early 2024, there were 7,710 registered EVs).

Minsk remains the leader in transport electrification, with almost half of all privately owned electric vehicles located in the capital. The number of electric buses is also growing – 147 (compared to 124 previously) – and the number of electric cargo vehicles increased to 84 (up from 15).

## 2.4 Food Manufacturing

Food manufacturing occupies a leading position in the structure of industrial production in Belarus. It accounts for over 25% of the total volume of manufactured industrial products.

Between 1995 and 2023, Belarus increased its production of milk and meat by 1.5 times, grain output by 25.8%, and sugar beet production by 4.5 times. In agricultural organizations, the average milk yield per cow grew 2.4 times to 5,854 kg, grain yield increased 1.45 times to 33.5 centners per hectare, and sugar beet yield rose 2.5 times to 479 centners per hectare. As a result of comprehensive modernization and technical re-equipment in the agro-industrial complex, labor productivity in the sector increased 18.3 times from 2000 to 2023.

Belarus is almost entirely self-sufficient in food. The country has achieved the highest level of food self-sufficiency in the EAEU – 96% (compared to over 94% for the union as a whole). For certain product groups, the indicators are significantly higher: for dairy products – 283%, meat – 134.9%, eggs – 123.2%, potatoes – 110.8%. The production volume of meat products amounts to 139 kg per capita, eggs – 379 per capita, and potatoes – 438 kg per capita. Belarus also has one of the highest levels of self-sufficiency in dairy products in the world – 283%, meaning that almost three times more dairy is produced than consumed domestically.

The Republic of Belarus is one of the world's leading exporters of food products. In 2024, exports of agricultural products and foodstuffs amounted to



8.5 billion USD, accounting for 21.1% of the country's total exports.

Belarus holds leading positions in exports of certain types of food: 7th place in the world for exports of butter (2023), 10th place for exports of skimmed milk powder, 9th place for exports of cheese and cottage cheese, 13th place for exports of whole milk powder.

Producing 1% of the world's milk, Belarus accounts for 6% of global dairy exports and ranks among the major exporters alongside New Zealand, the EU, the USA, and Australia. Belarus is also among the world leaders in per-capita consumption of whole-milk products and butter, surpassing some EU countries as well as Canada and the USA. Milk, kefir, yogurt, cottage cheese – production exceeds 113 kg per capita, compared to just over 100 kg in New Zealand, 70 kg in Canada, about 50 kg in EU countries, and 48 kg in Russia. Butter is one of Belarus's strongest global positions. It is a major

export commodity, and Belarusians rank second in the world in per-capita butter consumption – 4.7 kg per capita. Only New Zealand ranks higher. Consumption is lower in Canada (under 4 kg) and only slightly above 2.5 kg in the USA and Russia.

The growth potential of food manufacturing is expected to remain high in the coming years, offering strong opportunities for both domestic and foreign investors.

Food manufacturing in Belarus is attractive for foreign investment. Successful examples include projects producing import-substituting licensed products in the brewing and confectionery sectors, along with a number of joint ventures.



## 2.5 IT Sector

Information and communication technologies play the role of an essential tool for the development of the high-tech sector of the economy, creating conditions for the transition to a digital economy, institutional improvement, and the formation of a favorable business environment.

To date, the Republic of Belarus has achieved significant progress in the digital sphere. A well-developed data transmission network meeting international standards has been created, along with reliable data storage and processing centers, identification mechanisms, online payment systems, modern electronic services, and information security tools.

Belarus holds leading positions in the CIS region in terms of the adoption of information and communication technologies and improves its position annually in the ICT Development Index (IDI). The overall score for 2025 amounted to 90.7 points compared to 88.5 in 2024. The country

received the maximum value (100%) for two indicators of the index:

- the cost of the fixed broadband internet basket;
- the number of individuals with a mobile phone.

Selected telecommunication indicators:

- Internet accessibility: 91.5% of the population of Belarus uses the internet; 92.5% of households have access to the network;
- Internet traffic: average mobile broadband traffic (per subscription) – 166.0 GB; fixed broadband – 2,005.3 GB;
- Mobile communications: extensive 3G coverage (99.9%) and 4G/LTE coverage (98.4%); the number of mobile broadband subscriptions – 103.7 per 100 inhabitants;
- Service costs: mobile and voice communications basket – 1.2% of GNI per capita; fixed broadband internet – 0.7%.



According to the «Global Innovation Index 2024» published by the World Intellectual Property Organization, Belarus ranked:

- 38th out of 133 countries in the ICT Access indicator;
- 55th out of 133 countries in the ICT Use indicator

Over the next five years, the pace and priorities of digital development will be shaped by the national program «Digital Development of Belarus». Its implementation is expected to further enhance the technological level of development, both nationally and globally, as well as form a unified architecture for data and data-management policies.

The Hi-Tech Park (HTP) plays a crucial role in supporting IT and the digital transformation of Belarus. It attracts new residents, offering tax benefits and other advantages.

The HTP is one of the main drivers of the Belarusian economy. Today, the HTP accounts for 3% of the country’s GDP.

Currently, the HTP has over 1,000 residents and about 60,000 employees. Around 100 development centers of foreign corporations operate within the Park. In 2024, HTP residents created almost 7,000 new jobs.

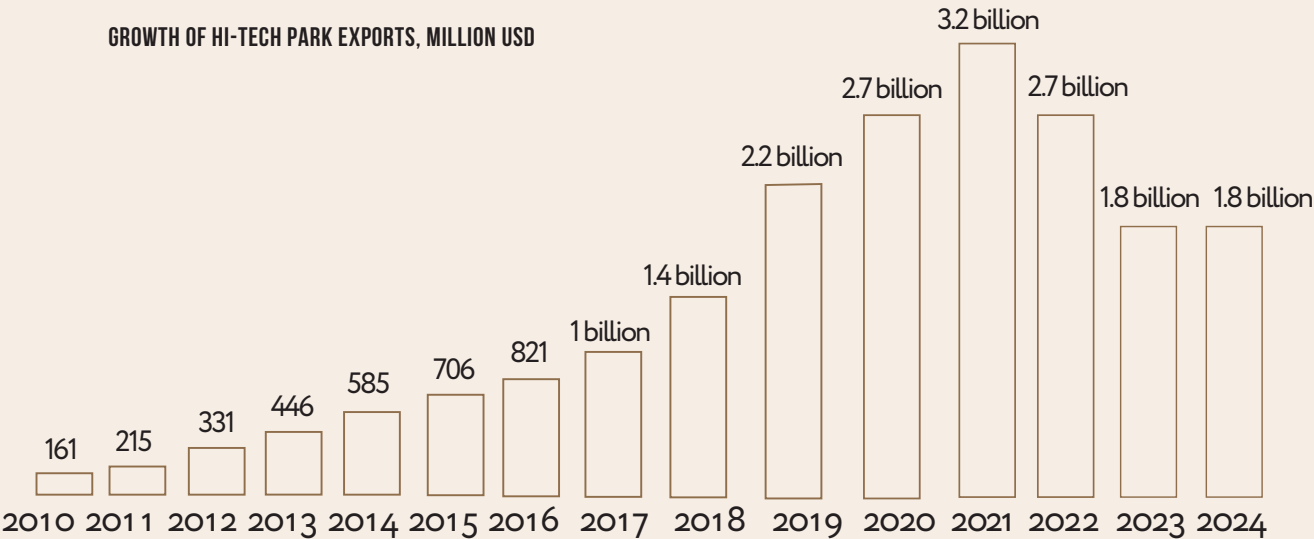
More than 35% of the Park’s residents are companies with foreign capital. Since 2017, the HTP has attracted a total of approximately 2.3 billion USD in foreign investments.

In 2024, HTP exports amounted to 1.8 billion USD. The Park’s positive trade balance in 2024 reached 1.6 billion USD. The total production output of HTP residents in 2024 was 2.43 billion USD.

Residents may engage in 40 types of activities, including advanced solutions in artificial intelligence, software development, engineering solutions, games and mobile applications, as well as IT in healthcare, agriculture, fintech, and other fields. Residents may also work in robotics, medical, financial and advertising technologies, and the creation and development of artificial intelligence and augmented reality. The HTP serves as a regulatory «crypto sandbox» – 15 companies operating with tokens are currently based here.

For companies interested in developing IT business, the HTP is one of the largest clusters in Central and Eastern Europe. Owing to the Park’s legal regime, which applies throughout Belarus, a resident may be registered and operate anywhere in the country.

GROWTH OF HI-TECH PARK EXPORTS, MILLION USD



The uniqueness of the HTP lies in the successful combination of high-quality technical education, a high level of professionalism among IT specialists, and strong government support for the IT industry.

### **IT Education and the IT Industry**

Thanks to the establishment of the Hi-Tech Park, Belarus has become one of the leading competence centers in information technologies in the CIS and Eastern Europe. This is largely due to the high level of IT education.

HTP companies have created and maintain more than 90 joint research and production laboratories based at higher education institutions. In addition, specialized educational courses have been developed and are delivered by residents at university departments. More than 40 university department branches have been opened directly at HTP residents' premises and on the territory of the Hi-Tech Park.

HTP residents actively invest in the education system and the quality of graduate training. Specifically, funds are allocated for the development of the material and technical base of universities, schools, lyceums, and technical colleges; for organizing seminars and training sessions for teachers and students; and for supporting and holding national and international competitions, conferences, and Olympiads in physics, mathematics, and informatics, as well as for fostering innovative entrepreneurship among young people.

The Hi-Tech Park is actively involved in building elements of a continuous IT training system in Belarus: from kindergarten to school to university. Access to specialized additional education for children and youth has been ensured across the regions.



### 3. "One window" for investors: The National Agency of Investment and Privatization

A photograph of four business professionals in a modern office setting. Three people are seated around a small table, and one person is standing, gesturing towards them. The office has large windows that look out onto a sunset or sunrise, creating a warm, orange and yellow glow. The office floor is highly reflective, showing clear reflections of the people and the furniture. The overall atmosphere is professional and collaborative.

The National Agency of Investment and Privatization strives to help foreign investors find a niche for doing business in Belarus. The Agency acts as a single support center for foreign direct investors on a free basis.

## 3.1 Services



### CONSULTING AND INFORMATION SERVICES FOR INVESTORS

- Work with investor appeals
- Providing information on the conditions for doing business and investment climate in Belarus
- Analysis of priority sectors of the economy for attracting investments
- Investment proposals
- Public-private partnership (PPP) projects



### Business missions

- Visit arrangements (visa facilitation, accommodation, logistics)
- Meetings schedule development (negotiations with local authorities, private institutions, potential partners)
- Support and assistance at meetings



### PROJECT MANAGEMENT

- Developing of a roadmap for project implementation
- Search for suppliers, service providers and JV partners
- Liaising with state bodies and industry regulators
- Assistance in solving administrative issues
- Assistance in dealing with issues related to PPP projects



### "INVESTOR'S ROADMAP" INTERACTIVE PORTAL (<https://map.investinbelarus.by/>)

- Database of investment proposals, concessions and PPP projects
- Database of real estate and land property
- Analytical materials, competitive advantages of the regions of Belarus



### SITE SELECTION SUPPORT

- Search for greenfield and brownfield project opportunities
- Site visits
- Cooperation with local authorities



### POST-INVESTMENT SERVICES

The agency provides re-investment promotion and enterprise development support, including:

- Assistance in the selection of suitable site, real estate and investment projects
- Search for business partners
- Arranging negotiations with local and state authorities
- Assistance in solving problems with investment project implementation
- Providing information about investment incentives
- Consideration of investors' proposals on improving the investment climate, etc.

## 3.2 Public-private partnership (PPP) in Belarus



### PPP AS AN ALTERNATIVE INSTRUMENT OF INFRASTRUCTURE DEVELOPMENT

#### PPP AS A TOOL FOR CREATING AND DEVELOPING INFRASTRUCTURE

PPP is an institutional and organizational alliance between the state and business in order to implement socially significant projects for the creation or modernization of infrastructure facilities.

The Agency has a PPP Center that searches for and promotes PPP projects, attracts investors to implement these projects, and cooperates with key concerned government agencies and international organizations to develop the PPP market in Belarus.

#### IMPLEMENTATION OF PPP PROJECTS AIMS AT:

- consolidation of material, financial, intellectual, scientific, technical and other resources;
- balancing the interests and risks of both public and private parties
- attracting extra-budgetary funds to implement investment projects, plans and initiatives aimed at infrastructure facilities development.

#### THE PPP PROJECT DEVELOPMENT INVOLVES THE FOLLOWING STEPS:

##### STEP 1 PREPARING A PROPOSAL ON A PPP PROJECT IMPLEMENTATION:

A PPP project in Belarus can be initiated by government agencies or private businesses (legal entities, including foreigners, or sole proprietors).

The public or private initiator prepares the concept of a PPP project, which is then coordinated with government agencies within their competence.

If the concept is approved, the project initiator develops the proposal documents, which include a feasibility study, a project passport, and a draft PPP agreement. The developed documents of the proposal are also coordinated with the state bodies involved.

After coordinating the proposal documents, the public initiator or the body involved (in the case of a private initiative) forms a package of documents for consideration by the Currency and Credit Committee (CCC) or a local authority (depending on the level of the PPP project).

## STEP 2 MAKING A DECISION ON A PPP PROJECT IMPLEMENTATION:

After approval by the CCC or the local authority, the public initiator or the involved body submits, in due order, a draft legal instrument on the PPP project implementation. The decision on a PPP project implementation can be made by the President, the Council of Ministers or the local Council of Deputies. The decision is made in the form of a legal instrument.

## STEP 3 COMPETITION TO SELECT A PRIVATE PARTNER:

The state partner develops the competitive documentation, creates a competition committee and conducts a competition to select a private partner. The competition committee selects the winner.

## STEP 4 CONCLUSION AND EXECUTION OF A PPP AGREEMENT

A PPP agreement is concluded between a public and a private partner within twelve months from the date the competition winner was identified, for the duration of the PPP project.

## DIRECT NEGOTIATIONS

A PPP agreement can be concluded without a competition, but using the direct negotiation procedure, if the following conditions are met:

- the proposal for a PPP project implementation was prepared by a private initiator;
- the implementation of a PPP project does not require budgetary funds and (or) funds from state extra-budgetary funds, including funds to finance cost recovery and profit (income) from a private partner;
- there are no statements of interest from other potential investors.

## THE LEGISLATIVE FRAMEWORK OF PPP IN BELARUS

The PPP projects in Belarus are implemented according to the following legal instruments:

- Law of the Republic of Belarus No. 345-Z of December 30, 2015 "On Public-Private Partnership";
- Resolution of the Council of Ministers of No. 532 of July 6, 2016 "On measures to implement the Law of the Republic of Belarus of December 30, 2015 "On Public-Private Partnership";
- Resolution of the Ministry of Economy of the Republic of Belarus No. 49 of July 27, 2016 "On measures to implement the Law of the Republic of Belarus of December 30, 2015 "On Public-Private Partnership";
- Resolution of the Ministry of Economy of the Republic of Belarus No. 20 of December 30, 2022 "On certain issues of public-private partnership"

FOR ADDITIONAL INFORMATION ABOUT PPP  
IN BELARUS PLEASE VISIT OUR PAGE AT  
<https://investinbelarus.by/public-private-partnerships/>

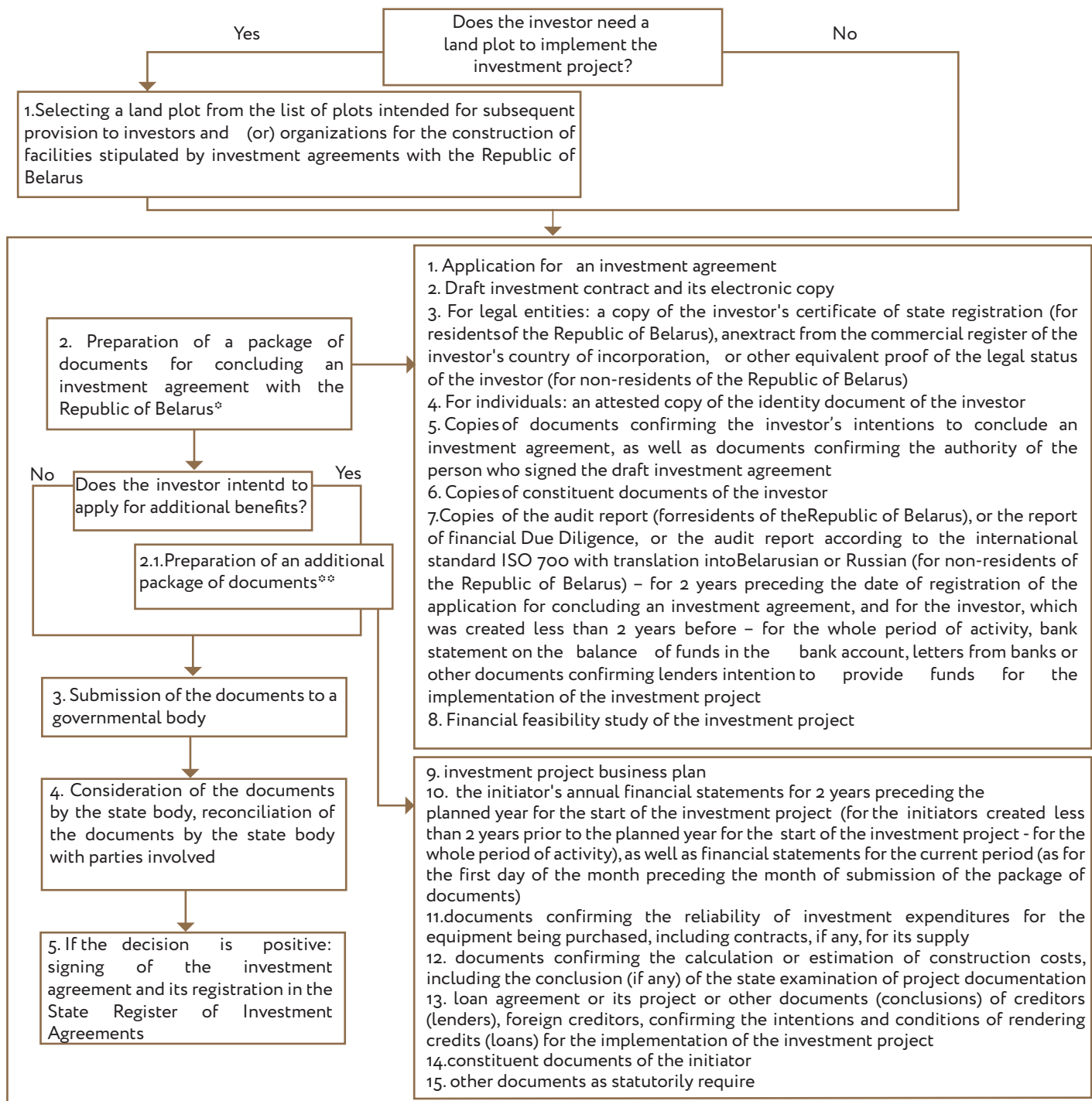
OR SEND US AN EMAIL REQUEST TO  
[mail@investinbelarus.by](mailto:mail@investinbelarus.by)



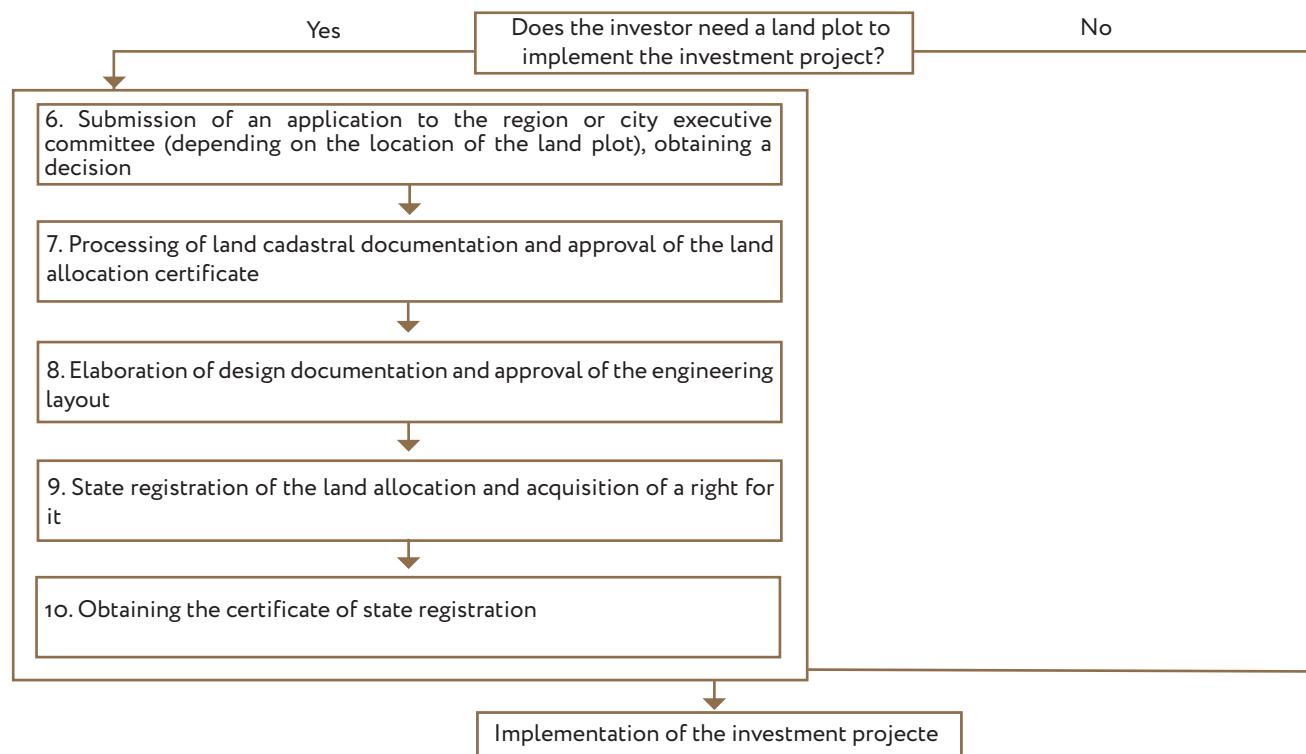


## 3.3 Investor's guide: step-by-step algorithms

### CONCLUDING OF AN INVESTMENT AGREEMENT WITH BELARUS



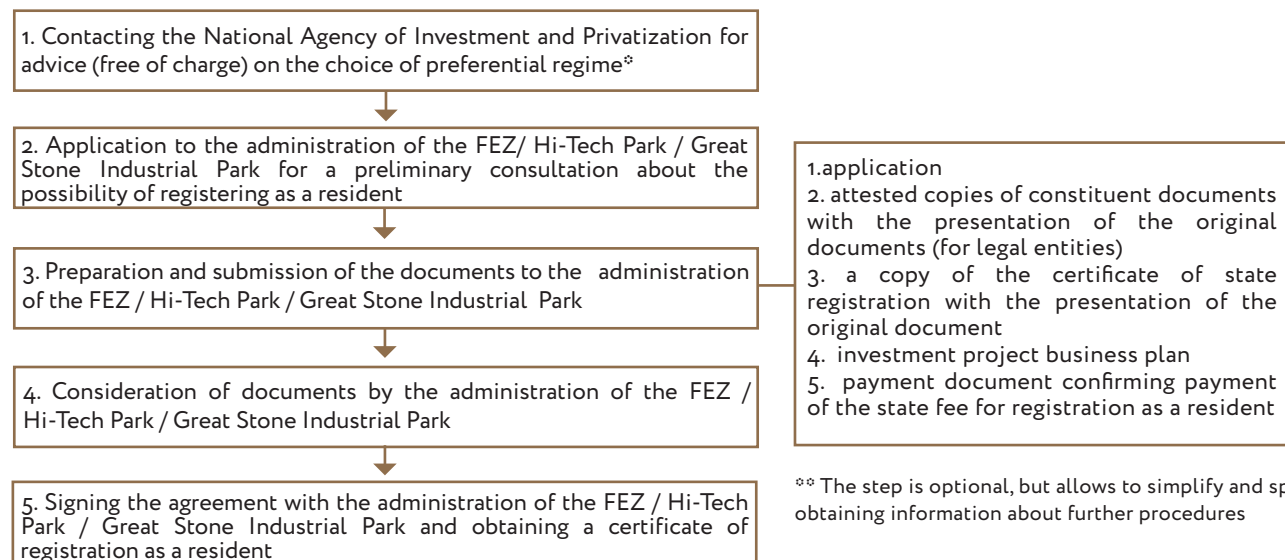
## Concluding of an investment agreement with the Republic of Belarus (continued)



\* for details of the requirements for the list, translation, legalization of the documents - see paragraph 4 of the Regulation on the procedure for concluding, amending and terminating investment agreements between an investor (investors) and the Republic of Belarus, approved by Resolution of the Council of Ministers of the Republic of Belarus dated July 19, 2016 N 563

\*\* Chapter 3 of the Regulation on the procedure for concluding, amending and terminating investment agreements between an investor (investors) and the Republic of Belarus, approved by Resolution of the Council of Ministers of the Republic of Belarus dated July 19, 2016 N 563; clause 16 of the Regulation on the organization of the development, approval and consideration of business plans for investment projects, as well as the examination of investment projects, approved by the Decree of the Council of Ministers of the Republic of Belarus dated May 26, 2014 No. 506

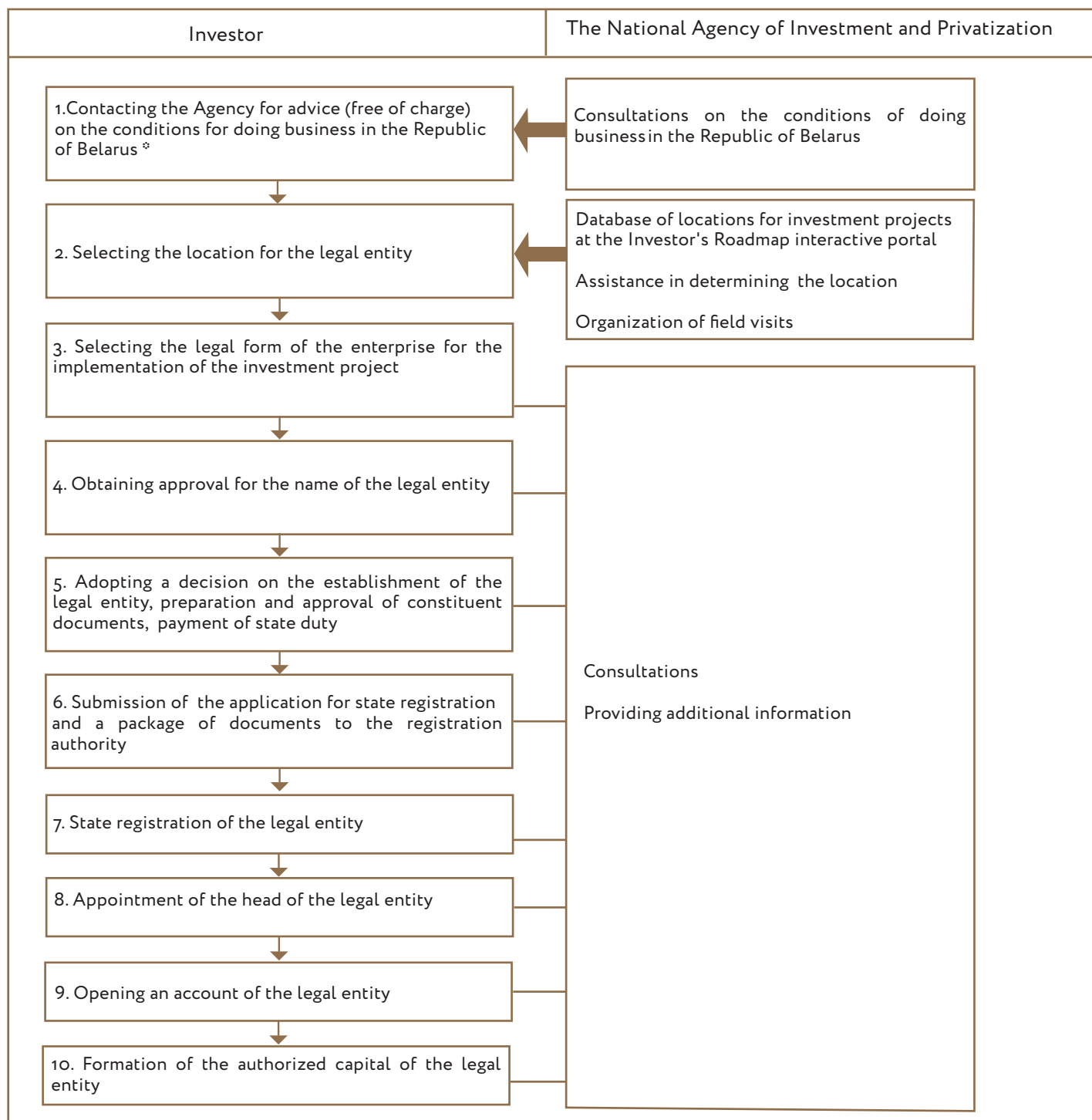
## Benefiting from preferential regimes of the Republic of Belarus: registration as a resident of a Free Economic Zone (FEZ), Belarus Hi-Tech Park, or the Great Stone Industrial Park



\*\* The step is optional, but allows to simplify and speed up obtaining information about further procedures



### The procedure for creating a legal entity



\* The step is optional, but allows to simplify and speed up obtaining information about further procedures

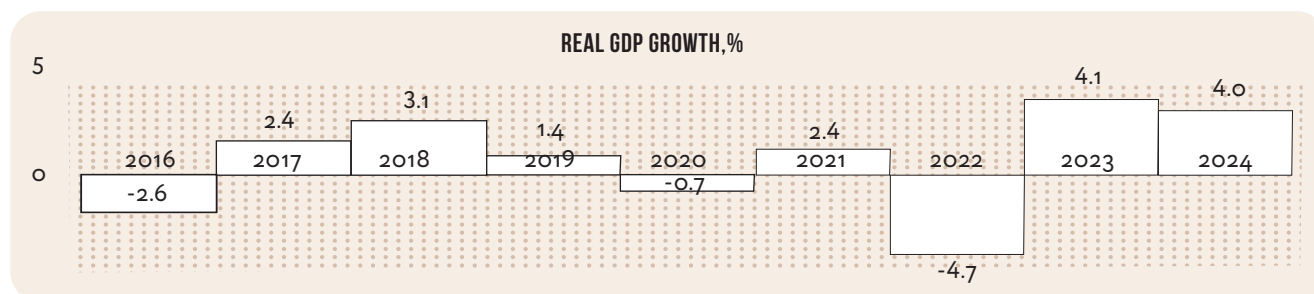
# The Economy of Belarus

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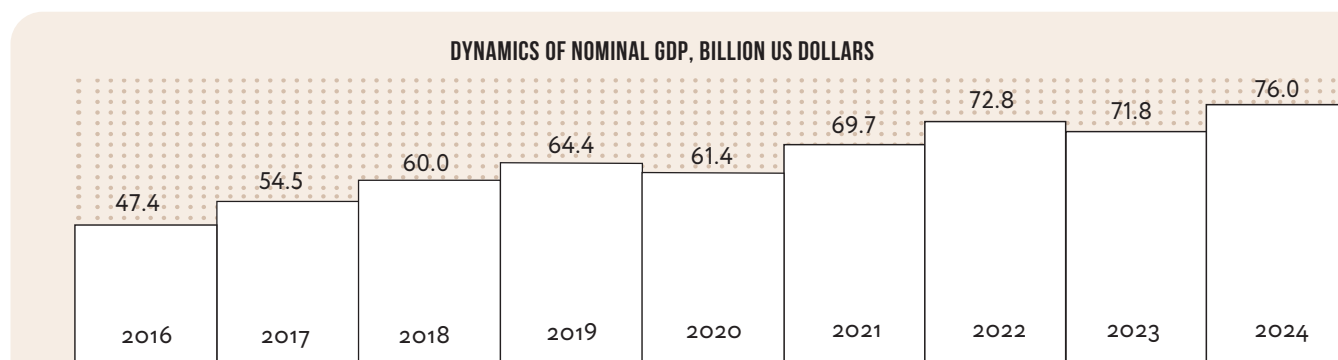
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## 4. General Information on the Economy of Belarus

### Real GDP



### Nominal GDP



Source: National Statistical Committee of the Republic of Belarus



The Republic of Belarus is an export-oriented state with a developed industry, services sector, and agriculture. Belarus follows a socially oriented market economy model, which has proven its viability and efficiency.

Overall, during 2010–2024, the country's GDP increased by 25.2% in comparable prices, while labor productivity grew by 41.8% over this period.

Gross domestic product per capita at purchasing power parity increased from 15.3 thousand USD in 2010 to 33.0 thousand USD in 2024.

In 2024, Belarus' GDP amounted to 75.87 billion USD and increased by 4.4% compared to 2023; the average annual number of people employed in the economy was 4,122 thousand; the nominal average monthly salary was 775.60 USD; fixed capital investment reached 14.58 billion USD.

The Main Directions of the Monetary Policy of the Republic of Belarus for 2025 were approved by Resolution Nr. 325 of the Board of the National Bank dated October 10, 2024.

In 2025, the National Bank will create monetary conditions conducive to achieving the goal of limiting inflation. Control over the growth of broad money will continue. The exchange rate policy will be implemented under a floating exchange rate regime, which provides for the formation of the Belarusian ruble exchange rate based on the balance between the demand for and supply of foreign currency in the domestic market.

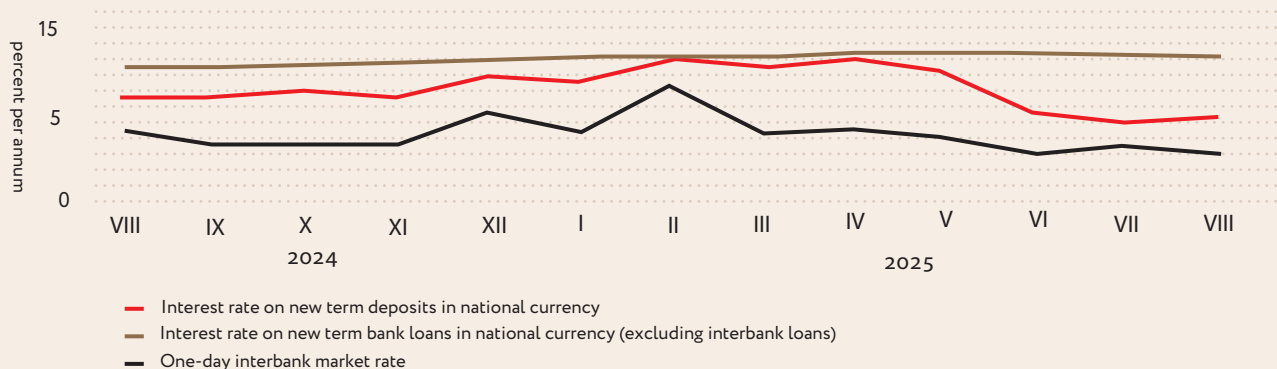
The interest rate policy will remain focused on ensuring the attractiveness of savings in the national currency, which form the resource base of banks for financing the economy, as well as on maintaining the availability of loans for businesses and individuals. Interest rates in the economy will be kept at a positive level in real terms.

Favorable price conditions for bank loans issued on market terms will continue. The interest rate on new bank loans to legal entities and individuals in the national currency is estimated at 9–10.25% per annum on average for 2025. Overall, the interest rate on new bank loans to legal entities in the national currency (excluding interbank loan rates) is forecast at 8.5–9.8% per annum on average for 2025.

In the absence of risks to price and financial stability, a decrease in interest rates in the economy is expected. It is estimated that the refinancing rate of the National Bank will be at the level of 9–9.3% per annum on average for 2025.

Lending to the economy will continue to take place predominantly in the national currency, which will help maintain the trend toward the de-dollarization of the economy. The share of banks' claims on the economy in the national currency in total claims is expected to be at least 74% by the end of 2025.

**DYNAMICS OF AVERAGE INTEREST RATES ON THE FINANCIAL MARKET, IN NATIONAL CURRENCY**



## Foreign Trade

Belarus pursues a multi-vector foreign economic policy and maintains trade relations with 196 countries. Export is one of the priorities for the development of the Belarusian economy. About 55% of the country’s production is supplied to foreign markets, which is typical for economies with a high level of development and openness.

In recent years, Belarus has gained the status of one of the world’s leading exporters of food products.

The commodity structure of Belarusian exports includes more than one thousand commodity positions at the four-digit level of the HS codes of the Eurasian Economic Union (hereinafter, EAEU). The key export items include: petrochemical products, machinery and

equipment, metallurgical products, wood processing products, light industry goods, dairy and meat products, furniture, glass, fiberglass, cement.

The role of the country in the international market for services is also growing. Compared to 2010, exports of services have doubled. In 2024, this figure reached 9.9 billion USD, accounting for 20% of the total volume of exports of goods and services.

The foreign trade turnover of goods and services in 2024 amounted to 100.1 billion USD. Exports of goods reached USD 39.5 billion, while exports of services amounted to 9.9 billion USD.



## 4.1 Consumer Price Index

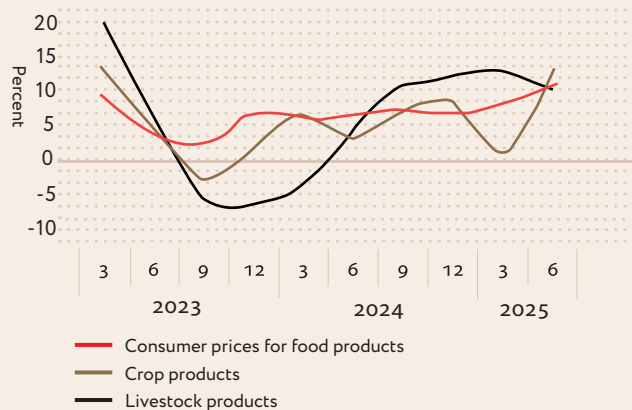
The Consumer Price Index (CPI) for goods and services for the period of January 2025 compared to January 2024 amounted to 105.2%, while the core CPI (i.e., excluding goods and services subject to seasonal and administrative fluctuations) stood at 105.7%.

In July 2025, the annual consumer price growth amounted to 7.4%, with the contribution from: food prices – 4.6 p.p., prices and tariffs for services – 1.9 p.p., prices for non-food goods – about 1.0 percentage point.

At the same time, the overall inflation rate for 2024 amounted to 5.2%, which corresponds to the target indicator set by the Government. The main contribution to price growth was made by food products.

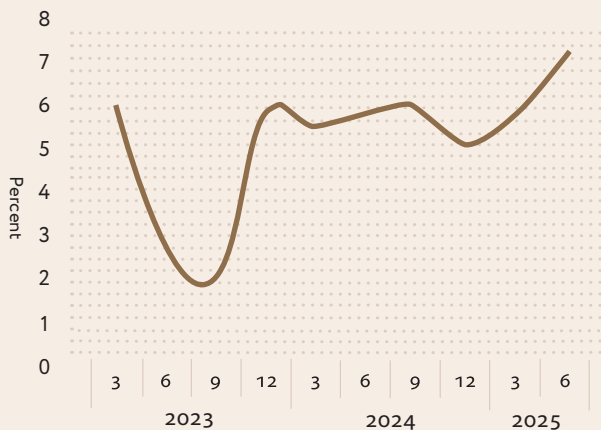
The inflation target for 2025 is no more than 5%.

**ANNUAL INCREASE IN PRODUCER PRICES FOR AGRICULTURAL PRODUCTS**



Source: National Statistical Committee of the Republic of Belarus;  
National Bank calculations based on data from the National Statistical Committee

**GROWTH IN CONSUMER PRICES, ANNUAL TERMS**



Source: National Statistical Committee of the Republic of Belarus;  
National Bank calculations based on data from the National Statistical Committee

## 4.2 International Trade

In 2024, Belarus' exports of goods and services amounted to 49.4 billion USD, while imports amounted to 50.7 billion USD, resulting in a balance of – 1.3 billion USD.

Compared to 2023, exports increased by 3.56%, and imports by 6.74%. The ratio of the foreign trade balance in goods and services to GDP amounted to –1.7%.

In foreign trade in goods, exports amounted to 39.5 billion USD, increasing by 1.2% compared to 2023; imports amounted to 44.2 billion USD (an increase of 6.3%). The faster growth of imports relative to exports led to a deterioration of the negative trade balance in goods, from 2.5 billion USD to 4.7 billion USD.

The main positive contribution to the export dynamics in 2024 (+2.4 p.p.) was made by the group of food products; the contribution of all other major commodity groups was negative. Food exports increased by 15.9%; exports of intermediate goods decreased by 3.6%, investment goods by 2%, and consumer non-food goods by 0.7%. In the commodity structure of exports, more than half traditionally consists of intermediate goods. The highest export volumes were achieved in the agro-industrial complex and mechanical engineering. Exports of food and agro-industrial products amounted to 8.5 billion USD. Exports of mechanical engineering and metalworking products reached 12.3 billion USD.

Import growth was observed in all major commodity groups: investment goods – by 1.8%, intermediate goods – by 2.5%, consumer goods – by 14.1%. The largest contributions to import growth were: consumer non-food goods (+3.3 p.p.) and intermediate goods (+1.5 p.p.). The import commodity structure remained largely unchanged: around 60% accounted for intermediate consumption goods.

In foreign trade in services, exports amounted to 9.9 billion USD in 2024, an increase of 14% compared to 2023; imports amounted to 6.5 billion USD (an increase of 10.1%). The faster growth of exports compared to imports led to an increase in the services trade surplus, from 2.8 billion USD to 3.4 billion USD.

In 2024, Belarus traded with 196 countries of the world; Belarusian products were purchased by 156 countries, and goods were supplied to the Belarusian market by 184 countries.

In the geographical structure of Belarusian exports, 71% are CIS countries, 29% are non-CIS countries. As part of the diversification of export markets, trade relations with the People's Republic of China are actively developing. Special attention is paid to the «Far Arc» countries, including Africa and the Middle East (the United Arab Emirates, Egypt, Zimbabwe, Algeria, Kenya, Nigeria, South Africa, and others), Asia (Turkey, India, Vietnam, Mongolia, etc.), and Latin America (Brazil, Mexico, Cuba, Nicaragua, etc.).



# 5. International cooperation and foreign capital in Belarus



The Republic of Belarus pursues a multi-vector foreign economic policy and actively participates in international integration processes.

Belarus maintains diplomatic relations with 183 countries worldwide and is currently represented by 74 foreign missions (including 57 embassies, 2 permanent missions, 14 general consulates, and 1 consulate) in 57 states, and with concurrent accreditation of ambassadors — in more than 90.



Belarus focuses its foreign-policy efforts on several priority and strategically significant directions. Foremost among them is the Russian Federation, with which Belarus maintains strategic allied cooperation based on the Treaty establishing the Union State of Belarus and Russia.

Relations of all-weather, comprehensive strategic partnership continue to develop with the People's Republic of China. Consistently upholding the idea of integration, Belarus takes an active and constructive position in integration structures within the post-Soviet space — the Eurasian Economic Union (EAEU), the Commonwealth of Independent States (CIS), and the Collective Security Treaty Organization.

To strengthen its international standing, Belarus actively cooperates with the Shanghai Cooperation Organization (hereinafter - SCO) member states: the SCO countries account for 70.4% of Belarus' total trade turnover.

Cooperation with the «Far Arc» countries of Belarus' foreign policy — Asia, Africa, and Latin America — is reaching a qualitatively new level.



## 5.1 FDI on Net Basis

In 2024, foreign investors invested 6,914 million USD in gross foreign investments into the real sector of the Belarusian economy, including 5,169 million USD in foreign direct investment (FDI).

Gross investments were primarily directed to wholesale and retail trade (56.77%), manufacturing (23.41%), and information and communications (8.48%).

The sectoral structure of FDI is similar: wholesale and retail trade – 49.27%; manufacturing – 28.79%; information and communications – 10.06%.

In 2024, the inflow of net direct foreign investment (excluding accounts payable to direct investors for goods, works, and services) into the Belarusian economy amounted to 1,698 million USD, an increase of 3.46% compared to 2023.

The main source countries for net FDI in 2024 were: the Russian Federation – 24.85%, the United Arab Emirates – 14.25%, Cyprus – 13.13%, China – 4.28%, Germany – 3.47%. Overall, CIS countries accounted for 25.53% of net FDI, while non-CIS countries accounted for 47.71%.

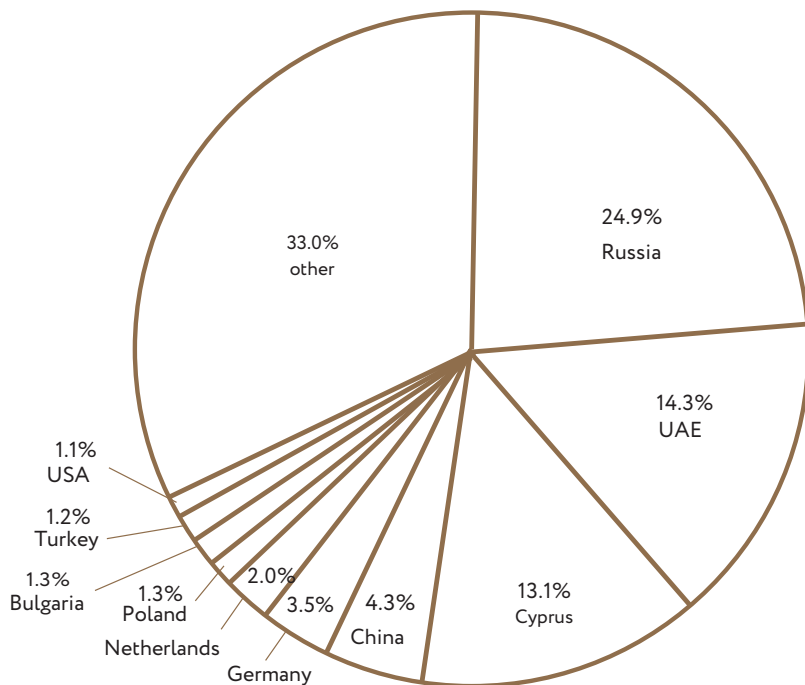
The volume of investments made by Belarusian organizations into foreign economies in 2024 amounted to 4,891.6 million USD (compared with 5,665.9 million USD in 2023), of which FDI totaled 3,953.2 million USD (4,536.5 million USD in 2023).

Decree Nr. 49 of February 5, 2024 approved the State Investment Program for 2025. Funding for the projects included in the program for this year amounts to 680 million USD (based on the 2024 average annual exchange rate of 3.2450 BYN per 1 USD). More than 80% of these funds are allocated for the implementation of state programs such as «Roads of Belarus», «Public Health and Demographic Security», «Education and Youth Policy», «Housing Construction», «Agricultural business», «Border Security» and others. In 2025, these funds will also support the construction and reconstruction of technoparks in Brest, Pinsk and Baranovichi, and an industrial park in Grodno.

Overall, the State Investment Program for 2025 provides funding for 82 facilities, 40 of which are planned to be commissioned.

As of 2025, more than 17,000 organizations with foreign capital are registered in Belarus. In 2025 alone, approximately 900 new companies were added. Investors from Russia, China, Western Europe, Asia, Africa, and Latin America have invested in the Belarusian economy.

TOP 10 DONOR COUNTRIES FOR ATTRACTING NET FDI TO BELARUS



## 5.2 Eurasian Integration



The Eurasian Economic Union (hereinafter - EAEU) is an international organization of regional economic integration with international legal personality. Within the Union, the freedom of movement of goods, services, capital, and labour is ensured, along with coordinated, coherent, or common policies in key economic sectors.

The Agreement on the Eurasian Economic Union was signed by the Presidents of the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation on May 29, 2014 in Astana. The Agreement came into force on January 1, 2015. On January 1, 2018, the Treaty on EAEU Customs Code came into force.

The Union membership is open to any state that shares its goals and principles, on the terms agreed upon by the member states. Furthermore, any interested State is provided with the possibility to obtain an observer status within the Union.

At the meeting of the Supreme Eurasian Economic Council (SEEC) on October 10, 2014 in Minsk, the Treaty on the Accession of the Republic of Armenia to the Agreement on the EAEU (dated May 29, 2014). It entered into force on January 2, 2015.

At the SEEC meeting on December 23, 2014 in Moscow, the Treaty on the Accession of the Kyrgyz Republic to the Agreement on the EAEU was signed and entered into force on August 12, 2015.

At the SEEC meeting on May 14, 2018 in Sochi, the status of an observer state in the EAEU was granted to the Republic of Moldova. The EAEU Customs Code, which entered into force on January 1, 2018, simplified and accelerated customs procedures by providing for the maximum digitalization of customs operations, the use of a «single window» mechanism when working with the documentation, shortening the release time for goods, and other improvements.

The Union is entitled to conduct international activities within its competence aimed at achieving its objectives.

Since 2016, the EAEU–Vietnam Free Trade Agreement has been in force, and since 2019 – the EAEU– the People's Republic of China Trade and Economic Cooperation Agreement. On October 1, 2019, the first agreements from the comprehensive trade deal package between the EAEU and Singapore were signed; on October 25, 2019 – the Free Trade Agreement with Serbia. In December 2023, a full-scale Free Trade Agreement with Iran was concluded; on June 27, 2025, the Economic Partnership Agreement between the EAEU and the United Arab Emirates (UAE) was signed. Currently work is underway to bring the agreement into force. A temporary trade agreement with Mongolia has also been signed. Negotiations are ongoing regarding agreements with Egypt, India, Israel, and Indonesia, and the feasibility of an agreement with Tunisia is being assessed.

On December 25, 2023, the Heads of State of the EAEU signed the Declaration on the Further Development of Economic Processes within the EAEU until 2030 for the period until 2045 – «The Eurasian Economic Path». The Declaration defines the Union's tasks for the medium term until 2030 on the way to turning the EAEU by 2045 into «a self-sufficient, harmoniously developed macro-region attractive to all countries of the world, possessing economic-technological and intellectual leadership and maintaining a high level of well-being for its population».

Mutual trade among EAEU member states reached nearly 100 billion USD in 2024, doubling compared to 2015. The share of internal trade in the Union's total foreign trade increased to 19.8%, compared to 13.5% nine years earlier. At the same time, 93% of payments are made in national currencies.

In 2024, the Union's GDP increased by 4.2% compared to January–December 2023, reaching 2,571.5 billion USD.

In 2024, goods production in the EAEU increased by 3.2%, and services production by 5.1% compared to 2023. Growth in goods production was recorded in Kyrgyzstan – 8.5%, Kazakhstan – 5.6%, Belarus – 5.4%, Armenia – 4.9%, Russia – 2.8%.

In 2024, industrial production in the EAEU reached 104.5% of the 2023 level; manufacturing increased by 8.2%; electricity, gas, steam, and air-conditioning supply – by 2.7%; while mining and quarrying decreased by 0.8%, and water supply, sewerage, waste management – by 0.1%. Industrial output increased in all member states: Kyrgyzstan – 5.5%, Belarus – 5.4%, Armenia – 4.7%, Russia – 4.6%, and Kazakhstan – 2.7%.

In 2024, trade in services with countries around the world increased across all EAEU member states. Transport services and travel services constitute a significant share of both exports and imports of services.

In 2024 compared to 2023, the inflow of mutual direct investment increased in Belarus by 9% and in Kyrgyzstan by 43%. A decline in investment inflows was observed in Kazakhstan (–8%). Armenia recorded an increase in the outflow of earlier-received investments. The predominant instruments of mutual direct investment were capital contributions to companies and units of investment funds.

The main investor in 2024 was Russia – 93.8% of all mutual investments. Kazakhstan was the main recipient – 70% of all mutual investments.

Overall, over the past 10 years, mutual trade among EAEU member states has more than doubled, external trade increased by 37%, the Union's aggregate GDP grew by nearly 18%, industrial production by 30%, agricultural output by 25%, freight turnover by 10%, and investment volume by more than 40%. The unemployment rate fell nearly twofold, reaching below 3%. Turnover with third countries increased by 38%, amounting to 800 billion USD.

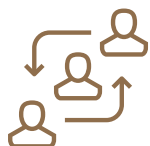
The Main Directions of International Activity of the EAEU for 2025 have been approved. Priority areas include advancing the trade-economic dialogue with neighbouring countries, expanding cooperation with observer states, strengthening interaction with key integration associations of Eurasia, Africa, and Latin America, and enhancing the Union's international positioning as a center of economic attraction.



## Belarus' participation in the EAEU opens up additional opportunities for foreign investors:

- ① Free movement of both national goods and goods from third countries as part of the common market of the Union;
- ② General customs tariff and non-tariff regulation in trade with third countries to protect the interests of Belarusian manufacturers, including enterprises with foreign investments;
- ③ Exemption from customs duties on the import of production equipment, raw materials for the implementation of investment projects (if such raw materials are not produced in the Member States);
- ④ Tariff preferences for goods imported from third countries as a contribution to the company's authorized capital;
- ⑤ Free access to the common market of goods and services of the EAEU for foreign investors who invest in Belarus;
- ⑥ Effective logistics projects with access to the EAEU and EU markets due to the favorable geographical location of Belarus;
- ⑦ Legal safeguards for investors, including the right to compensation and use of investment income, as well as guarantees of expropriation rights, procedures for resolving investment disputes through arbitration and national court or the International Center for Settlement of Investment Disputes;
- ⑧ Joint measures to encourage the goods export from Member States to third countries contain a number of mechanisms to support exporters, such as insurance and export lending, international leasing, brand promotion under the "EAEU goods" name, exhibitions and fairs, advertising and reputation enhancement abroad;
- ⑨ The introduction of a single window system within the Union to simplify and accelerate the procedure of foreign trade through effective communication between government agencies and participants in foreign economic activity.

## 5.3 Belarus and China: towards a new level of cooperation



The high level of Belarusian-Chinese political relations serves as the basis for the development of mutual trade relations.

Diplomatic relations between the Republic of Belarus and the People's Republic of China were established on January 20, 1992. In September 2022, on the sidelines of the Shanghai Cooperation Organization events, the Heads of Belarus and China adopted a Joint Declaration establishing the highest level of relations in their history: an all-weather and comprehensive strategic partnership. In March 2023, during the state visit of President of Belarus A.G. Lukashenko to China, following the negotiations, the Heads of Belarus and China adopted a Joint Statement on the Fundamental Principles for Developing Exemplary All-Weather and Comprehensive Strategic Partnership between Belarus and China in the New Era.

Developing relations with China is a strategic priority of the foreign policy of the Republic of Belarus. In 2023, from February 28 to March 2, the President of Belarus paid an official visit to the People's Republic of China, during which approximately 40 agreements and contracts were signed amounting to 3.5 billion USD in such areas as banking and finance, agricultural industry and food production, construction, heavy industry, healthcare, sports and tourism, mass media and scientific cooperation.

Among the most significant outcomes are the adoption of the Joint Plan of Applied Measures for the Development of All-Weather and Comprehensive Strategic Cooperation, the establishment of a joint venture for the production of dairy products in Shenyang, Liaoning Province, and the launch of new production facilities in the Great Stone China-Belarus Industrial Park.

The Great Stone Industrial Park is one of the largest Belarusian-Chinese projects. By the beginning of 2025, it had attracted 144 resident companies with planned investments exceeding 1.5 billion USD.

Over the past ten years, foreign trade in goods has increased nearly 4.7 times (from 1.8 billion USD to 8.4 billion USD). Belarusian exports to China consist of potash fertilizers, rapeseed oil, frozen poultry products, timber, cattle meat, and pulp. Chinese companies supply Belarus with vehicles and components, electronics, machinery and equipment, computers and smartphones, clothing and footwear.

In 2024, a Joint Communiqué was adopted in Minsk, focusing on joint technological development and the large-scale introduction of advanced Chinese technologies into Belarus.

The list of key areas of Belarus-China cooperation until 2030 is extensive. It includes deepening comprehensive cooperation within the joint implementation of the «One Belt, One Road» initiative, as well as within production and supply chains. It includes promoting the development of the Great Stone Industrial Park, improving its operational conditions, and ensuring high-quality development of priority industrial sectors. It also includes expanding and supporting scientific, technical, and practical cooperation between research institutions, universities, and enterprises; encouraging the creation of joint laboratories, applied research centers, joint ventures, high-tech parks, and other scientific research institutions.

Belarus intends to develop mutually beneficial cooperation in information and communication technologies, including artificial intelligence (AI), telecommunications, software, Internet of Things, network and data security, and video gaming. To implement these key directions, 28 relevant documents were signed.

Great Stone is a high-tech international business platform located 25 km from Minsk, featuring modern industrial architecture, accessible infrastructure, and environmentally sustainable solutions. Great Stone offers companies a unique location with access to ready-to-use industrial, engineering, transport, customs, and social-administrative infrastructure, significant preferential regimes, and a special business service system.

The Park has a strategically advantageous geographic location and serves as a key point of the Silk Road Economic Belt, functioning as a communication link between Europe, the CIS, and Russia, and provides access to the EAEU market of 183 million consumers without customs duties or economic restrictions. The Park is located in the center of Belarus; the Moscow–Berlin (M1 / E30) international highway runs through it, connecting to Russia and Central Europe. Great Stone also has direct access to the Trans-Siberian Railway and direct routes along the Chongqing–Xinjiang–Europe international transit corridor. The international airport (Minsk National Airport) is included within the Park's boundaries. The distance to major seaports is less than 600 km: Riga – 499 km, Klaipeda – 530 km, Kaliningrad – 585 km.

The Park has a well-developed infrastructure, including land plots with connected utilities and engineering networks for lease or purchase; modern industrial spaces for production, office use, and warehousing; ready-to-use infrastructure without connection fees; on-site administrative infrastructure including office space, an exhibition center, R&D projects (an innovation center and the SINOMACH sub-park «Fakel»), housing, hotels, and business centers such as Aden Hotel & Business Centre and China Merchants Huashang.

Simple criteria for registration as a Park resident include: investments of 0.5 million USD within 3 years, or investments of over 5 million USD without time requirements, and operations in the following sectors:

- electronics and telecommunications;
- pharmaceuticals;
- logistics;
- fine chemicals;
- biotechnology;
- mechanical engineering;
- production of medical devices and provision of medical services;
- new materials;
- integrated logistics;
- R&D;
- e-commerce;
- data storage and processing;
- socio-cultural activities.

The Park operates a Single Window comprehensive companies service system, enabling all administrative procedures in one location, including registration of legal entities and residents, as well as migration, customs, tax, and permitting procedures. It also offers 180-day visa-free stay and simplified procedures for hiring qualified foreign labor.

The Park also provides the following construction incentives

- billionthe possibility of parallel design and construction;
- the use of technical standards similar to those in force abroad (EU countries, USA, China, Russian Federation) for the development of design documentation, construction, commissioning and operation of facilities;
- simplified facility commissioning procedures;
- reduced timelines and simplified acceptance procedures for completed facilities.

# Legal Environment for Investment

Currently, Belarus has a stable system of legal regulation of investment activities, conditions have been created for the development of public-private partnership and a number of special preferential legal regimes providing for establishment of production and sale of goods on preferential terms, including in the EAEU territory.



## 6.1 Investment regulation



### 6.1.1. General Characteristics, Forms of Investment Activities, and Guarantees for Investors

The investment policy of the Republic of Belarus represents a targeted system of measures developed by the state to attract and efficiently use both foreign and domestic capital. Its goal is not only to bring capital into the country, but also to stimulate high-quality investments that contribute to industrial modernization, the creation of high-tech production facilities, the development of regions, and the enhancement of the national economy's competitiveness, as well as to create a stable, predictable, and favorable legal environment for investors.

The investment policy of Belarus is based on several fundamental principles that serve as a foundation for protecting investors' rights. One of these principles is the equality of investors. All investors (domestic or foreign) are equal before the law and enjoy their rights without any discrimination.

Regarding the forms of carrying out investment activities, the legislation of the Republic of Belarus provides investors with a wide and flexible set of tools for capital investment. Investors are not limited to any single form and may choose the business model that best fits their needs.

1) Establishing a commercial organization. This is the classic and most comprehensive way of entering the market, which allows establishing a legal entity in Belarus «from scratch» and building all business processes.

2) Acquiring, creating, including through construction, real estate objects (excluding residential property for living purposes).

3) Acquiring rights to intellectual property objects. For technological and innovative companies, an important opportunity is investing through the acquisition of rights to patents, trademarks, industrial designs, know-how, etc.

4) Acquiring shares, shares in the charter fund, or units in the property of a commercial organization, including cases of increasing the charter fund of the commercial organization. This method enables rapid integration into the market by gaining access to an existing customer base, personnel, and infrastructure.

5) Concession and Public-Private Partnership (PPP). These are forms of cooperation with the state for implementing large-scale, capital-intensive projects, typically in infrastructure (roads, energy, communal services).

6) Other lawful methods. The list is not exhaustive. The law explicitly states that investments may be carried out by any other methods not prohibited by legislation.

These mechanisms allow investors to implement investment projects in the Republic of Belarus, including through Investment Agreements and by using Preferential Regimes such as Free Economic Zones. At the same time, each of these approaches has its own specifics and potential challenges.

Foreign investors face minimal restrictions when establishing a legal entity or acquiring shares. At present, restrictions exist in two areas: (i) a quota for foreign capital participation in the banking system of Belarus — the total share of foreign capital in all banks operating in the country must not exceed 50%; (ii) for insurance companies, this quota is 30% in total.

To participate in Public-Private Partnership (PPP) projects, foreign investors must either establish a Belarusian company to act as the private partner or acquire a share in an existing legal entity.

There are no restrictions on investment in specific economic sectors. Investors operating in priority economic sectors receive incentives and preferences, usually formalized through the conclusion of an Investment Agreement with the state. These priority sectors are defined by Resolution of the Council of Ministers Nr. 372 of May 12, 2016. In particular, they include construction, agriculture, forestry and fisheries, food



production, a wide range of industrial and consumer goods, financial and insurance activities, and others. Priority sectors also include information and communication technologies, logistics, railway and air transport, etc. Incentives may include exemption from import duties, VAT, and other taxes, provision of land plots without auctions and without payment for their use, and others.

Local and state authorities representing the Republic of Belarus when concluding Investment Agreements and initiating specific projects with the provision of incentives and preferences may establish criteria for the minimum amount of investment and the minimum number of created jobs required to qualify for an Investment Agreement with relevant incentives. These criteria are communicated to the investor during project discussions.

Incentives and preferences may also be granted without concluding an Investment Agreement – for example, through the issuance of a Presidential Decree for a specific investment project.

Belarusian legislation establishes prohibitions on investment in certain types of activities prohibited by laws or Presidential acts. These include, for example, cultivation of plants containing narcotic substances, production of pharmaceuticals not registered in Belarus, as well as the manufacture of firearms and ammunition whose form imitates other objects.

Furthermore, under the Law of the Republic of Belarus Nr. 169-Z of July 15, 2010 “On Objects in the Exclusive Ownership of the State and Types of Activities Subject to the Exclusive Right of the State”, certain activities fall under the exclusive competence of the state. Private investors may obtain the right to carry out such activities only on the basis of a Presidential Decree or a concession agreement. These activities include: management of the forest fund, land management, state geodetic and cartographic works, technical inventory of real estate, navigation activities for defense and security purposes, production of security documents, certain types of genetic engineering, production of narcotic substances, collection and processing of blood, production of hazardous substances, extraction and processing of precious and radioactive metals, rare earth elements, and precious stones, conducting lotteries, allocation of radio frequencies, courier and special communications, import of alcoholic beverages (with the admission of limited private

import on a competitive basis), export of mineral or chemical fertilizers, import of tobacco products and tobacco, and procurement of precious metals and stones except for their use in jewelry production.

Belarusian legislation provides investors with reliable **guarantees** that minimize risks and create a stable operational environment. The most significant of these include:

**Guarantee of protection of property.** Property constituting investments or created as a result of investment activities cannot be nationalized or requisitioned gratuitously (without compensation), except in cases justified by public necessity. Even in such exceptional cases, the state is required to pay full compensation for the value of the property and any resulting losses.

**Guarantee against unfavorable changes in tax legislation.** This is one of the most important guarantees. If, after an Investment Agreement enters into force in Belarus, new taxes are introduced or tax rates are increased, the investor may be permitted not to apply these changes and to pay taxes under the previously applicable rules.

### 6.1.2. Investment Agreement

An **investment agreement** is a written agreement registered in the State Register of Investment Agreements and aimed at implementing an investment project that corresponds to a priority type of activity (economic sector) for investment, with the provision of incentives and preferences stipulated by law.

The parties to an investment agreement are the investor (investors), or the investor (investors) jointly with the implementing organization on one side, and the Republic of Belarus represented by an authorized body on the other.

If the investor is a legal entity of the Republic of Belarus, it may conclude the agreement independently or jointly with the implementing organization. In all other cases, the agreement is concluded jointly with the implementing organization.

### **Requirements for Concluding an Investment Agreement**

The investment project which the investment agreement is concluded for must:

- correspond to the priority types of activity (economic sectors) for investment;
- have a planned investment volume not lower than the established minimum;
- undergo a financial and economic assessment confirming compliance with the criteria.

The investor and the implementing organization with whom the investment agreement is concluded must not:

- be undergoing liquidation or reorganization (except merger);
- have their assets subject to seizure;
- have their financial or economic activity suspended;
- have any legal restrictions preventing them from implementing the investment project;
- and must comply with other requirements related to their financial and economic standing, as determined by the Council of Ministers of the Republic of Belarus.

**The conclusion of the investment agreement** takes place on the basis of a proposal submitted by the investor to authorized state bodies, which review it in accordance with established procedures.

The basis for concluding the agreement is a decision of the Council of Ministers (in some cases upon approval of the President of the Republic of Belarus), The Belarus President Property Management Directorate, or the Operations and Analysis Center under the President of the Republic of Belarus. These decisions are adopted following consideration of the investor's proposal to conclude an investment agreement. If two or more investors apply for implementation of an investment project under an investment agreement on the same land plot that is included in the list of sites designated for investment projects, the investor will be selected through a competitive procedure.

### **6.1.3. Special Investment Agreement**

**A special investment agreement** is an investment agreement intended for the implementation of an investment project that provides for the organization of production of advanced products on the territory of the Republic of Belarus. Such products may be supplied within the framework of public procurement using the

single-source procurement procedure at prices established by legislation.

The parties to a special investment agreement are the investor (investors), or the investor (investors) jointly with the implementing organization (always, unlike a standard investment agreement) on one side, and the Republic of Belarus represented by an authorized body on the other. The same requirements apply to the parties to a special investment agreement as to those of a standard investment agreement.

### **Requirements for Concluding a Special Investment Agreement**

The investment project which a special investment agreement is concluded for must:

- correspond to the priority types of activity (economic sectors) for investment;
- undergo a financial and economic assessment confirming compliance with the criteria.

The Council of Ministers may establish additional requirements, taking into account the priority types of activity (economic sectors) for investment and the specific characteristics of the development of an administrative and territorial unit.

The primary advantage of concluding a special investment agreement is that investors implementing projects under such agreements are provided with a guaranteed market for part of their products: the Republic of Belarus ensures the possibility of selling a portion of these products within the framework of public procurement using the single-source procurement procedure. In this regard, the legislation further requires that an assessment of the state's need for such products be carried out prior to concluding a special investment agreement.

The initiative to **conclude a special investment agreement** may originate not only from the investor but also from a republican government body, another organization subordinate to the Council of Ministers of the Republic of Belarus, regional (or Minsk City) Executive Committee, the Belarus President Property Management Directorate, or the Operations and Analysis Center under the President of the Republic of Belarus.

### 6.1.4. Preferential Investment Project

**A preferential investment project** is a project that falls within the priority types of activity and is included in a special list, implemented on the territory of Belarus (excluding the city of Minsk) by a legal entity or individual entrepreneur registered in the Republic of Belarus. Such projects do not require the conclusion of an investment agreement; however, they are provided with incentives and preferences stipulated by law.

#### Grounds for Implementation

A preferential investment project may be implemented based on a decision of a regional executive committee or an executive committee of the corresponding basic territorial level designated by it (excluding the Minsk City Executive Committee) to include the project in the special list. The decision sets out the investor's key obligations and the conditions for project implementation.

The authority to take such decisions is delegated to executive committees of the basic territorial level, taking into account the specific characteristics of regional development.

#### Requirements for Inclusion in the List

To be included in the list, the project must correspond to the regional list of priority types of activity (economic sectors), and where such a list is absent – to the priority types of activity (economic sectors) for investment established by the Council of Ministers of the Republic of Belarus. The Council of Ministers may establish additional requirements, taking into account the characteristics of the economic sector and the region.

Applicants must also meet the following requirements:

- they must not be undergoing liquidation or reorganization (except merger);
- their assets must not be subject to seizure;
- they must not have their financial or economic activity suspended in accordance with law;
- there must not be any legal restrictions preventing them from implementing the preferential investment project;
- must comply with other requirements related to their financial and economic standing, as determined by the Council of Ministers of the Republic of Belarus.

#### Procedure for Inclusion in the List

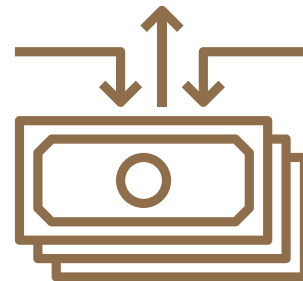
Inclusion of an investment project in the list of preferential investment projects is carried out on the basis of an application submitted by investors. The application must specify, in particular:

- the amount of investment and/or investment in fixed assets;
- the names of the facilities to be constructed or equipped under the preferential investment project;
- information about the land plot intended for use in project implementation;
- the timeframe for implementation of the preferential investment project and its expected completion date;
- the type of economic activity (economic sector) which the investment project corresponds to;
- the investor's experience (if any) in implementing investment projects.

The application must be accompanied by preliminary design documentation, an auditor's opinion, and a financial and economic feasibility study in the prescribed form.

If implementation of the preferential investment project requires a land plot included in the list of sites designated for investment projects, and if there are multiple applicants, a competitive tender is conducted; if there is only one applicant, the decision is made without a competition.

Preferential investment projects are intended primarily for implementation in the construction and infrastructure sectors.



## 6.2 Public-private partnership



The **public-private partnership (PPP)** mechanism in the Republic of Belarus is not merely a form of investment but a comprehensive, legally established system for implementing long-term and capital-intensive infrastructure projects.

The legislation defines PPP as a legally formalized, mutually beneficial cooperation between a public and a private partner for a specified term, aimed at pooling resources and allocating risks, and implemented in the form of a PPP agreement.

Unlike public procurement, where the state acts as the customer and the business as the contractor, in PPP the parties act as equal partners pursuing a common result. For foreign investors, this means transitioning from the role of contractor to that of a strategic partner of the state in national development.

### PPP Parties

**Public Partner** — the Republic of Belarus or its administrative and territorial units, represented by authorized government bodies.

**Private Partner** — a commercial organization established in accordance with the legislation of the Republic of Belarus (excluding state unitary enterprises, state associations, as well as business entities in which more than 50% of shares belong to the Republic of Belarus or its administrative and territorial unit), or an individual entrepreneur of the Republic of Belarus, with whom the PPP agreement is concluded.

Legislation of the Republic of Belarus does not limit PPPs to a narrow list of sectors. Partnerships may be implemented in a wide range of areas, including:

- road and transport activities;
- utilities and communal services;
- healthcare;
- social services;
- education, culture;
- physical education, sports, tourism;
- telecommunication;
- energy;

- processing, transportation, storage, and supply of petroleum;
- transportation, storage, and supply of gas, as well as gas distribution;
- agro-industrial production;
- defense and law-enforcement activities;
- scientific, scientific and technical activities;
- information and telecommunication technologies;
- other sectors.

The lifecycle of a PPP project can be divided into five main stages.

### Stage 1: Preparation, Review, and Evaluation of a PPP Project Proposal

A project may be initiated by either the public partner or the private partner. At this stage, a proposal is prepared, which includes a project description, its feasibility study, a draft PPP agreement, and other documents required by legislation.

### Stage 2: Decision-Making on the Implementation of the PPP Project

The decision to implement a PPP project is taken depending on the level of the public partner:

- by the President of the Republic of Belarus, if the public partner is the Republic of Belarus represented by a state body or another state organization authorized by the President of the Republic of Belarus;

- by the Council of Ministers of the Republic of Belarus, if the public partner is the Republic of Belarus represented by a republican state administration body authorized by the Council of Ministers or another state organization subordinated to the Council of Ministers of the Republic of Belarus;

- by a local Council of Deputies, if the public partner is an administrative and territorial unit of the Republic of Belarus represented by the respective local executive and administrative body authorized by the local Council of Deputies.

The decision must specify:

- the objectives of implementing the PPP project;
- the public partner and its authorized representative;
- the type of tender to be conducted;
- the web address where the decision will be published;
- the amount and validity period of the bank guarantee securing participation in the tender and the signing of the PPP agreement if the participant is selected as the winner, as well as the procedure and grounds for providing and returning the guarantee when direct negotiations are conducted;
- the requirements for participants of direct negotiations, if the project provides for this method of partner selection;
- the project implementation conditions that are not subject to modification.

In addition, the decision may include any other conditions necessary for project implementation.

### **Stage 3: Organization and Conduct of the Tender or Direct Negotiations**

The primary method for selecting an investor is a tender organized and conducted by a commission established by the public partner.

The tender is conducted based on general PPP principles, as well as the principles of transparency and openness, equality of rights and lawful interests of tender participants, uniformity of requirements for tender participants, and objective evaluation of tender proposals by the commission.

The tender may be either two-stage (comprising only prequalification and selection of the winner) or three-stage (with additional consultations with participants).

Legislation also allows the possibility of concluding an agreement through direct negotiations. This option is available if:

- the PPP project proposal was prepared by a private initiator;
- budget funds and/or funds of state extra-budgetary entities are not required, including funds for financing reimbursement of costs and generating profit (income) for the private partner in implementing the PPP project;
- within 30 days after the publication of the

decision on the PPP project, no applications from interested participants were submitted, or all received applications were rejected for valid reasons.

In this case, the public partner may conclude an agreement directly with the private initiator and set the time limits for signing the agreement.

### **Stage 4: Conclusion of the PPP Agreement**

The PPP agreement is concluded for the duration of the project and must be signed no later than 12 months after the winner of the tender is selected. Prior to signing the agreement, negotiations between the public partner and the tender winner or the company established by the winner are permitted.

The subject of the PPP agreement is the undertaking of investments in the creation and/or modernization of an infrastructure facility, including design (if necessary), as well as technical maintenance and/or operation of the facility.

The law applicable to the PPP agreement is the legislation of the Republic of Belarus.

The PPP agreement is subject to registration in the State Register of Public-Private Partnership Agreements.

### **Obligations of the Public Partner**

Under the PPP agreement, the public partner may assume the following obligations:

- to provide the private partner, in accordance with the legislation of the Republic of Belarus, with land plots on which the infrastructure facilities are located or are to be located, through lease, permanent or temporary use, in order to fulfill the obligations stipulated by the PPP agreement;
- to transfer to the private partner, for possession and use, including free use, an infrastructure facility intended for fulfilling the obligations stipulated by the PPP agreement;
- to transfer to the private partner the exclusive rights to the results of intellectual activity necessary for fulfilling the obligations stipulated by the PPP agreement;
- to transfer to the private partner, for possession and use, including free use, other

state-owned immovable and/or movable property for fulfilling the obligations stipulated by the PPP agreement;

- to accept into state ownership the infrastructure facility created by the private partner on the terms, in the manner, and within the time limits defined by the PPP agreement;

- to allocate to the private partner funds from the republican or local budgets in accordance with the budget legislation of the Republic of Belarus and the conditions of the PPP agreement.

The public partner may also assume other obligations related to the activities defined by the PPP agreement.

#### **Obligations of the Private Partner**

Under the PPP agreement, the private partner may assume obligations related to the design, creation and/or modernization, technical maintenance and/or operation of an infrastructure facility, as well as other obligations related to the activities defined by the PPP agreement.

The private partner ensures full or partial financing of the obligations assumed, under the terms and in the manner defined by the PPP agreement.

#### **Stage 5: Performance of the PPP Agreement**

The legislation requires the public partner to publish on its official website information on the performance of the PPP agreement (excluding information containing state secrets, commercial, banking, or other protected secrets, or confidential information that must not be disclosed by the parties as defined by the PPP agreement). The information on the performance of the PPP agreement must be up-to-date and accurate.

The legislation of the Republic of Belarus offers investors a thoughtful and structured mechanism for entering large-scale infrastructure projects in Belarus through PPPs. It is based on the principles of partnership, clear risk allocation, and long-term predictability, which makes PPPs an attractive instrument for strategic investors.

## 6.3 Organization and management of business in Belarus

### 6.3.1. Representative Offices of Foreign Organizations in Belarus

Foreign organizations are entitled to establish representative offices on the territory of the Republic of Belarus.

First and foremost, it is important to understand that a representative office of a foreign organization in Belarus is not a separate legal entity but a separate subdivision of a foreign organization, opened and located in the Republic of Belarus, which performs—on behalf of that organization—protection and representation of its interests and other activities not inconsistent with law. Its main purpose is to represent and protect the interests of the parent company.

The key limitation that must be remembered is the following: a foreign organization may not carry out entrepreneurial (commercial) activities on the territory of the Republic of Belarus through a representative office unless otherwise provided for by treaties of the Republic of Belarus. Its functions are strictly preparatory and auxiliary.

What CAN a representative office do?

- Conduct market research of goods and services in Belarus;
- Conduct marketing research;
- Search for cooperation partners;
- Facilitate the implementation of treaties;
- Explore investment opportunities;
- Engage in other socially beneficial activities.



What can a representative office NOT do?

- Enter into commercial contracts on its own behalf;
- Produce goods, sell goods, or provide services directly;
- Conduct any other activity that falls under the definition of entrepreneurial activity.

A foreign organization's legal presence in Belarus via a representative office is generally suitable for large companies seeking to promote their products and conduct GR management in the Belarusian market. If your goal is full-scale commercial activity, you should consider registering a legal entity (for example, a Limited Liability Company) or opening a branch, which has recently become possible.

A representative office of a foreign organization in Belarus is opened on the basis of a decision of the regional (or Minsk City) Executive Committee at the location of the representative office, or on the basis of a decision of the Administration of the China–Belarus Industrial Park «Great Stone» (hereinafter, the registering authority).

The entire process of opening a representative office of a foreign organization can be conditionally divided into three main stages.

### **Stage 1: Preparation of Documents**

Before submitting the required documents to the registering authority, the foreign organization must make decisions on the following matters:

- opening a representative office on the territory of the Republic of Belarus;
- approving the Regulations on the Representative Office;
- appointing the Head of the Representative Office and issuing a power of attorney to them.

The following set of documents is required to open a representative office:

1. Application for opening a representative office, in the prescribed form. It indicates the purpose of opening, details of the parent company, information about the Head, etc.

2. A legalized extract from the commercial register of the country of the foreign organization's incorporation (or another equivalent proof of legal status), or notarized copies of such documents.

Important: The extract must be dated no earlier than 6 months before the submission date.

3. Regulations on the Representative Office, approved by the foreign organization.

These regulations must specify: the name and location of the representative office, its organizational structure, the purpose of opening, powers of the Head, and the procedure for termination of activities.

4. Notarized powers of attorney, or notarized copies thereof, issued to the Head of the representative office and to the person authorized to perform actions related to the opening of the representative office (if applicable).

These documents may be omitted if the Head or the authorized person is simultaneously the director of the foreign organization and such information is contained in the commercial register extract.

5. Document confirming payment of the state fee.

Important: All documents in a foreign language must be accompanied by a translation into Belarusian or Russian (the accuracy of the translation or the authenticity of the translator's signature must be notarized). Documents issued or certified by a competent authority of a foreign state must be legalized unless otherwise provided for by treaties of the Republic of Belarus.

### **Stage 2: Submission of Documents and Their Review by the Registering Authority**

1. Payment of the state fee. The fee is tied to the basic unit (a calculation indicator that is periodically adjusted). As of January 1, 2025, one basic unit equals 42 Belarusian rubles.

- State fee for opening a representative office:
- for representative offices of commercial organizations — 65 basic units (2,730 Belarusian rubles).
  - for representative offices of non-commercial organizations — 20 basic units (840 Belarusian rubles).

2. Submission of documents to the registering authority.

3. Review of documents by the registering authority. The review period is 30 business days, but if necessary, it may be extended up to 2 months.

4. Decision on opening the representative office. In the absence of grounds for refusal, the registering authority issues a decision to open the representative office of the foreign organization in the Republic of Belarus and makes an entry in the register. From this moment, the representative office is considered officially opened and may carry out its activities on the territory of the Republic of Belarus.

### Stage 3: Post-registration Actions

Being included in the register is not enough. To begin full-fledged operations, a representative office must:

1. Conclude a lease agreement.

2. Obtain a seal of the representative office.

3. Conclude employment contracts with the Head of the representative office, an accountant, and other employees (if necessary).

For reference: the number of foreign citizens employed at the representative office may not exceed 5 (five), unless otherwise provided for by international treaties.

4. Register with the tax authority (Inspectorate of the Ministry of Taxes and Duties, hereinafter –

IMNS), with the Social Protection Fund (FSZN), and with Belgosstrakh.

5. Open a current (settlement) account in one of the Belarusian banks.

6. Within one month from the date of making an entry in the register about the opening of a representative office, submit to the registering authority information on the tax registration of the foreign organization and its taxpayer identification number.

After completing these steps, a representative office of a foreign organization may fully carry out its activities on the territory of the Republic of Belarus.

Representative Office of a Foreign Organization vs. Permanent Establishment for Tax Purposes: Is There a Difference?

Due to similar wording, these concepts are often confused or treated identically. In reality, they refer to two entirely different categories: one is a civil-law concept (a form of presence), and the other is a tax-law concept (about the obligation to pay taxes).

Criterion	Representative Office of a Foreign Organization	Permanent Establishment for Tax Purposes
Essence	A legal form of the foreign organization's presence in Belarus. It is a separate subdivision that you register consciously.	A tax status. It is not a legal form but a factual circumstance determined by the tax authority based on the activities of the foreign organization in Belarus.
Grounds for creation	Decision of the foreign organization and subsequent registration. You initiate its creation voluntarily.	The fact of carrying out entrepreneurial activities in Belarus. A foreign organization planning to carry out activities in Belarus through a permanent establishment must register with the tax authorities before commencing such activities.
Primary purpose	Representation and protection of the foreign company's interests in Belarus. Commercial activity is prohibited.	Carrying out regular commercial activity that generates profit (or is intended to generate profit).
Consequences	Allows legal presence in Belarus, having an office, employing staff for non-commercial functions.	Creates an obligation to pay taxes to the budget of the Republic of Belarus on income derived from activities in the country.



To sum up, conducting activities in the Republic of Belarus by opening a representative office of a foreign organization serves specific purposes unrelated to entrepreneurial activity and has its own advantages and disadvantages:

+	-
Low tax burden	May perform only auxiliary functions
The foreign company exercises full control over the representative office and defines the scope of its authority	No more than 5 foreign employees may be hired
All assets, including funds, belong to the foreign organization and may be withdrawn at its discretion	The foreign organization remains the beneficiary, including for bank compliance purposes
The Head of the representative office, if a foreign citizen, does not need a special work permit or a work visa	The foreign organization bears all risks and liability for the activities of the representative office

### 6.3.2. Branches of Foreign Organizations in Belarus

The option to conduct activities in the Republic of Belarus through the opening of a branch has become available to foreign businesses relatively recently.

**A branch of a foreign legal entity** is its separate subdivision opened and located on the territory of the Republic of Belarus, carrying out all or part of its functions, including representative functions.

The key distinction between a branch and a representative office is that by opening a branch, a foreign company may engage in entrepreneurial activity on the territory of Belarus (however, it is important to remember that legislative acts may impose certain restrictions).

Like a representative office, a branch is not an independent legal entity but remains part of the parent company. However, its functional scope is significantly broader.

#### What CAN a branch do?

- everything a Belarusian company may do: manufacture goods, provide services, conduct wholesale and retail trade;
- conclude commercial contracts directly on behalf of the branch (within the authority granted by the foreign company);
- participate in public procurement procedures.

#### What can a branch NOT do?

The key prohibition, applicable both to representative offices and branches, is that it is not permitted to open representative offices of foreign organizations or branches of foreign legal entities whose activities are aimed at propaganda of war or violence, carrying out extremist activities or other acts prohibited by the legislation of the Republic of Belarus, or activities that may harm national interests of the Republic of Belarus or the rights and lawful interests of citizens.

In essence, a branch is an alternative to incorporating a subsidiary company while maintaining a direct legal link with the parent structure. Opening a branch in Belarus is suitable for companies with established business operations that already operate in or plan to enter the Belarusian market. A branch is an ideal solution, for example, for formalizing trading representatives in Belarus. The Head of the branch will be able to participate in procurement procedures and conclude transactions on behalf of the parent company, enabling more efficient participation in civil turnover within Belarus.

**The procedure for opening a branch of a foreign company** is similar to the procedure for opening a representative office.

It is important to note that, unlike a representative office, not any foreign organization is entitled to open a branch on the territory of the Republic of Belarus, but only those with the status of a legal entity.

No state fee is charged for opening a branch and there is no limit on the number of foreign employees a branch may hire.

entry about it is made in the register of representative offices of foreign organizations and branches of foreign legal entities.

A branch of a foreign legal entity is considered opened in the Republic of Belarus from the date the

Just like a representative office of a foreign organization, a branch of a foreign legal entity has its own advantages and disadvantages:

+	-
The foreign company exercises control over the activities of the branch and determines the scope of its authority, which is expressly set out in the branch regulations	Branches must be registered with the tax authorities, and in practice they have the rights and obligations of a permanent establishment for tax purposes; they are subject to a tax regime similar to that applicable to Belarusian companies
All assets, including funds, belong to the foreign company and may be withdrawn at its discretion	The foreign company remains the beneficiary, including for the purposes of bank compliance procedures
The Head of the branch, if a foreign citizen, is not required to obtain a special work permit or a work visa	The foreign company bears all risks and liability for the activities of the branch

6.3.3. Commercial organizations, business entities

For conducting full-scale entrepreneurial activity in the territory of the Republic of Belarus, foreign individuals and legal entities are entitled to establish commercial organizations whose primary purpose is the generation of profit and/or the distribution of the generated profit among the participants.

Establishing a subsidiary company differs significantly from opening a representative office of a foreign organization or a branch of a foreign legal entity and has its own advantages and disadvantages.

+	-
A subsidiary company bears liability for its debts and obligations independently, which may reduce risks for the parent company (HOWEVER! the parent company may be held subsidiarily liable for the obligations of the subsidiary company)	It carries a full-fledged tax burden.
During KYC procedures, the focus of the review will be on the subsidiary's status	It is not possible to transfer money or property gratuitously to finance the company's activity
It has the right to obtain licenses for carrying out licensed activities	If the director is a foreign citizen, a special employment permit is required, as well as for other employees (unless otherwise provided for by treaties)
It has the right to use special legal regimes (Belarus Hi-Tech Park, Free Economic Zones, Technoparks, etc.)	There arises a need to maintain separate accounting records and document flow

Legislation of the Republic of Belarus offers a wide range of options. However, in practice, only a few of them are truly suitable for foreign investors.

1. Partnerships (general and limited). At present, this is the least common legal form. Their key feature is the full liability of participants with their personal property for the company's debts.

2. Production cooperatives. Their basis is the personal labour participation of members. This model is typically suitable for an artists' collective or a team of construction workers, but not for companies involved in manufacturing goods or providing services.

3. Peasant (farm) enterprises. As the name implies, this is a highly specialized form for agricultural activity. Their operations are based on the personal labour of members (usually family members or an individual farmer) and the use of a land plot provided for such purposes.

4. Unitary enterprise (UE). This is a slightly more common form of a legal entity. The key point is: a UE has only one founder, and the property contributed to the company does not become its ownership. It remains indivisible and remains the founder's property. The company only possesses and uses it. This creates certain limitations: it is impossible to sell a share in the business (as there are no shares), and it is impossible to attract a partner.

5. Business companies. Business companies are the modern, clear, and primary form of conducting business in Belarus. This category includes structures that are suitable for foreign companies in 99% of cases.

Belarus has several types of business companies: Limited liability company (LLC), Additional liability company (ALC), Joint-stock company (closed – CJSC, or open – OJSC).

### **LLC**

An LLC is the gold standard for small and medium-sized enterprises – an optimal balance of safety, simplicity, and flexibility.

The main advantage: participants of an LLC are not liable for its obligations and bear the risk of losses associated with the LLC's activity only within the value of their contributions.

A second advantage is the simplicity of registration. Legislation does not set minimum charter fund requirements for an LLC. You may start with a symbolic amount and form the main capital as the business develops. This allows flexibility at the start. Charter fund may be contributed not only in money but also in equipment, technology, or intellectual property rights – very convenient for IT companies and production.

In Belarus, an LLC may be established by a single person or may consist of only one participant. The number of participants cannot exceed 50 (fifty).

### **ALC**

At first glance, an ALC is almost identical to an LLC: the same number of participants (from 1 to 50), the same simple registration and management procedures. But there is one significant peculiarity – additional liability.

If in an LLC liability is limited to contributions, in an ALC the participants are jointly and subsidiarily liable for its obligations with their property within the limits defined in the charter, but not less than the amount equivalent to 50 basic units (2,100 Belarusian rubles).

### **Joint-stock companies (JSC)**

While an LLC or an ALC implies ownership of a share in the charter fund, a JSC implies ownership of shares. JSCs are more complex, expensive, and formalized structures intended for larger-scale projects.

### **CJSC**

If your goal is to build a business with several key partners while ensuring that no outsider unexpectedly appears among the shareholders, a CJSC is designed precisely for that. Its shares are placed only among shareholders of this company and/or among a specific, legally limited circle of persons. In addition, the charter may limit the number of shareholders. This creates a "closed perimeter," protecting the business from hostile takeovers

However, this form also has disadvantages.

Unlike LLCs and ALCs, a CJSC is subject to a minimum charter fund requirement – 100 basic units (4,200 Belarusian rubles). Otherwise, a CJSC is quite an attractive organizational form.

### OJSC

The stocks of an OJSC may be placed and traded among an unlimited number of persons. This opens access to substantial capital – but at a high price.

Legislation requires a minimum charter fund of 400 basic units (16,800 Belarusian rubles). Compliance with public transparency requirements is also critical (annual reports, audits, etc.).

The main risk is loss of control: once stocks are available to an unlimited circle of investors, they may be acquired by a large investor who could become a majority shareholder with a controlling stake.

### 6.3.4. Corporate Governance and Relations Between Participants (Shareholders)

A company must have a coherent and effective system of checks and balances. Therefore, every company must have a Charter that sets out the fundamental principles of the company's activity, as well as management bodies whose competencies complement one another harmoniously.

The Charter is the most important document regulating both the activities of the company and its bodies, and the relations between the participants.

In many aspects, Belarusian corporate legislation is quite flexible (many provisions allow including rules in the Charter that differ from the default statutory norms). This makes it possible to create individual "rules of the game" tailored to specific agreements between the founders.

Recently, it has become possible to register a company using a model charter, the text of which is approved by Resolution Nr. 133 of the Council of Ministers of the Republic of Belarus dated March 3, 2025 "On Model Charters of Legal Entities." This option is available only for LLCs and definitely saves time and resources that would otherwise be spent drafting an individual charter. However, a model charter does not account for the specifics of a particular business, its management structure, or its operational features. It does not allow including individual provisions such as special rights of participants or additional agreements between partners. To implement such provisions, it is necessary either to adopt a decision on operating

based on a charter approved by the participants and make the relevant amendments, or to conclude a corporate agreement between the participants.

#### What is important to include in the Charter?

1. Decision-making procedures. As a general rule, a simple majority (50% + 1 vote) is sufficient for most decisions. In cases provided by the Law "On Business Companies," it is possible to establish a different quorum (e.g., 75% or even 100%) for major strategic matters (such as the sale of key assets, obtaining large loans, appointment and dismissal of the director, etc.).

2. Powers of management bodies. The Charter may limit the director's powers, expand the competence of the general meeting, or delegate part of the powers of both bodies to the board of directors.

3. Distribution of profits. Legislation allows regulating the procedure and timeframes for distributing profits and paying dividends in the Charter

4. Rules for exiting the business, and other provisions.

#### General Meeting of Participants / General Meeting of Shareholders (the supreme management body)

It is through the General Meeting that the owners exercise their authority by making strategic decisions regarding the company's activity.

The General Meeting of participants (shareholders) must be held at least once a year to approve annual accounts, distribute profits, and address other matters.

Extraordinary General Meetings may be convened throughout the year to resolve issues that arise in the company's operations.

The exclusive competence of the General Meeting includes:

- amendments to the company's Charter;
- changes to the size of the company's charter fund;
- formation of the company's bodies;
- election of members of the board of directors (supervisory board) and the controller commission (controller) and early termination of their powers;
- approval of annual reports, annual accounting (financial) statements of a business company (data from the income and expense book) and distribution of profits and losses of this company;

- decisions on the reorganization of the company and approval of the transfer act or separation balance sheet;
- decisions on liquidation, formation of a liquidation commission, appointment of its chairperson or liquidator, and approval of interim and final liquidation balance sheets;
- determination of remuneration and reimbursement of expenses for members of the board of directors (supervisory board) and the audit commission (auditor);
- approval of certain internal legal acts;
- granting other management bodies the right to take one-time decisions on specific matters not within the exclusive competence of the General Meeting;
- determining the procedure for conducting the General Meeting in parts not regulated by law, the Charter, or internal legal acts;
- approval of the quantitative and personal composition of the counting commission and early termination of the powers of its members;
- resolving other matters provided by law or the Charter.

If the company has only one participant, they single-handedly perform the functions of the General Meeting. This significantly simplifies strategic decision-making, since no time is needed to convene or prepare the meeting.

#### **Director / Directorate (executive management body)**

To manage the company's day-to-day operations, a sole (General Director / Director) or collective (Management Board / Directorate) executive body is appointed. It handles daily operational matters not assigned to higher management bodies.

What is important to know about the executive body?

It acts on behalf of the company without a power of attorney, signs contracts, hires and dismisses personnel, interacts with banks and government authorities, and is responsible for ongoing business processes.

It is accountable to the General Meeting. Its key powers and limitations are set out in the Charter and the employment contract.

The director may be a Belarusian citizen or a foreign citizen. A foreign citizen must obtain a

special permit to engage in labour activity in the Republic of Belarus (exceptions may be provided for by international treaties — for example, for citizens of the Russian Federation, the Republic of Kazakhstan, etc. — or by Belarusian legislation).

#### **Board of Directors (Supervisory Board)**

The Board of Directors (Supervisory Board) is a collegial management body that provides overall strategic guidance, supervises the activities of the executive bodies, and resolves other key matters provided by legislation and the Charter.

A Board of Directors is mandatory for joint-stock companies with more than 50 shareholders. For other business companies, it is optional.

Is there a difference between the Board of Directors and the Supervisory Board? No, there is no difference. Belarusian legislation treats these terms as equivalent. According to the Law "On Business Companies," these are synonyms differing only in terminology. You may use either name and formalize it in the Charter.

Speaking about the powers of the Board of Directors, it is important to understand that it occupies a special place in the system of management bodies.

The Board of Directors exercises general management and control over the company's activities and ensures that the interests of the participants (shareholders) are respected.

The main powers of the Board of Directors shall include:

- defining the company's development strategy;
- approval of the annual financial and business plan of the business company (if its preparation is provided for by the charter) and control over its implementation;
- approving certain internal legal acts;
- convening the General Meeting of Participants (Shareholders) and resolution of issues related to its preparation and holding;
- adopting decisions related to the company's activity (e.g., issuance and acquisition of securities (other than shares), on major transactions and transactions in which affiliated persons have an interest, approval of the value of property in the case of such transactions, etc.)

Before establishing a Board of Directors, it is important to evaluate its real necessity. In some cases, optimizing existing management processes is more effective than creating an additional body that may not function efficiently.

### **Controller / Controller Commission (Supervisory Body)**

The Controller Commission (Controller) is the supervisory body of a business company. Its members are elected by the General Meeting of Participants (Shareholders) and cannot simultaneously serve as members of other governing bodies (the sole or collegial executive body, or the Board of Directors (Supervisory Board). This ensures their independence.

The establishment of a Controller Commission is mandatory for a Joint Stock Company (JSC). Other business companies may establish a Controller Commission if this is provided for in their Charter.

The primary purpose of the supervisory body is to exercise internal control over the financial and commercial activities of the company. The Controller Commission (Controller) acts in the interests of the participants (shareholders) and provides them with an independent and objective assessment of:

- the company's financial condition;
- the legality of the actions of the Director and other governing bodies;
- the accuracy of data contained in the annual reporting.

The powers of the Controller Commission (Controller) of a business company include conducting revisions of all or several areas of the company's activities, or reviews of one or more interrelated areas, or for a defined period of such activities performed by the business company, including its branches and representative offices.

The duties of the Controller Commission (Controller) of a business company include conducting:

- an annual revision — based on the results of the financial and commercial activities for the reporting year, within the timeframe established by the Charter and in accordance with legislation;
- a revision or review — upon the decision of the governing bodies of the business company, within the timeframe specified by them;

- a revision or review — upon the request of the participants of the business company, in cases provided for by applicable legislation and within the timeframe established by the Charter.

The Controller Commission (Controller) of a business company is entitled to conduct a revision or review at any time on its own initiative. The duration of such revision or review must not exceed thirty days unless otherwise established by the Charter.

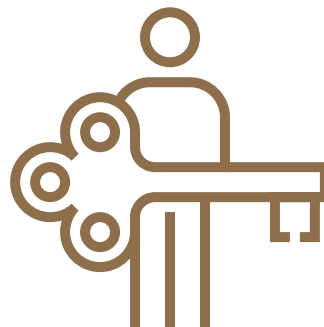
For the regulation of relations, participants (shareholders) may enter into a **corporate agreement**.

Although the term “corporate agreement” is not formally defined in Belarusian legislation, the Law on Business Companies provides for two types of such agreements:

- 1) Shareholders' Agreement — for Joint Stock Companies (JSCs);
- 2) Agreement on Exercising Rights of Participants — for Limited Liability Companies (LLCs) and Additional Liability Companies (ALCs).

The key difference between these two types of corporate agreements (aside from the corporate legal form in which they are concluded) is that a Shareholders' Agreement must cover the shareholder's entire shareholding, while an Agreement on Exercising Rights of Participants may cover either the participant's entire share or only a part of it.

Corporate agreements are an important tool for effective company management, protection of participants' interests, and attracting investments. They supplement the Charter and legislation by offering flexibility and an individualized approach.



Advantages	Disadvantages
The agreement allows the establishment of individual rules that cannot be included in the Charter. It may regulate voting procedures, conditions for the sale of shares, non-compete and confidentiality obligations, as well as provide for penalties and compensation for breach of its terms.	Due to the lack of detailed regulation and judicial practice, there is a risk that a court may interpret the provisions of the agreement (especially those borrowed from foreign law) differently than the parties intended. There is also no clear mechanism for resolving contradictions between the agreement and the Charter.
Unlike the Charter, a corporate agreement does not require state registration. This ensures confidentiality, saves time and costs, and allows quick amendments.	Under Belarusian law, only participants (shareholders) may be parties to such an agreement. Creditors, investors, or the company itself cannot join it, which limits its applicability.
Since November 2024, legislation of the Republic of Belarus has introduced a rule allowing the choice of applicable law for an agreement related to exercising the rights of a participant in a legal entity. The main limitation is that the choice of applicable law must not affect the operation of mandatory rules of the law of the state of incorporation governing matters determined based on the personal law of the legal entity.	The terms of the agreement apply only to the parties who signed it. They do not extend to other participants or to the company itself, which may render certain arrangements unenforceable if their implementation requires the consent of all participants.

A Shareholders' Agreement or an Agreement on Exercising Rights of Participants is a viable and effective tool for detailed regulation of relations between participants (shareholders) of a business company. This mechanism enables flexible corporate governance, protection of the parties' interests, and determination of procedures for action in key situations.

### 6.3.5. Registration Procedures and Opening Bank Accounts

The procedure for establishing a company in the Republic of Belarus is fairly simple and fast.

Registration is carried out on a declarative basis. This means that the registering authority does not conduct a preliminary legal review of the submitted documents. The applicant bears responsibility for their compliance with the legislation. Registration is, as a rule, completed on the day of document submission, which makes the process quick and predictable.

The entire **registration process** can again be divided into three main stages:

#### Stage 1: Preparatory Actions

1. Approval of the company's name. The name must be unique (it must not be identical or confusingly similar to already registered names or names previously approved).

Belarusian citizens, legal entities, or their representatives in Belarus may approve the name online via the Unified State Register (EGR) web

portal or by personal submission. Foreigners may do so only by personal submission.

The result is an official certificate of name approval, valid for one month.

2. Determining the location (registered address). A company must be registered at a specific address.

3. Preparation of the Charter or adoption of a decision to operate based on a model Charter. The Charter is the founding document regulating the company's internal activities. As noted earlier, it is important to develop an individual Charter that clearly defines:

- the competence of the governing bodies;
- the procedure for decision-making by the General Meeting;
- the procedure for disposal of shares, etc.

4. Adoption of the founding resolution by the founders' meeting (or the sole founder). The following matters must be included in the resolution:



- establishment of a business entity on the territory of the Republic of Belarus (with the company name and registered address);

- approval of the valuation of non-monetary contributions to the charter fund if the charter fund must be formed prior to state registration according to the founding resolution;

- approval of the Charter;

- formation of the management bodies of the LLC and election of their members.

5. Payment of the state duty for company registration. The state duty amounts to 1 base value (42 Belarusian rubles). It is important that the state duty is paid by the founder or a representative duly authorized under a power of attorney.

## Stage 2: State Registration

1. Submission of documents to the registering authority. As a general rule, the registering authorities for companies with foreign participation are regional (or Minsk city) executive committees. In certain cases, the registering authority may be the Administration of the Great Stone China-Belarus Industrial Park, Free Economic Zone administrations, the Ministry of Justice, the Ministry of Finance, or the National Bank.

The following documents must be submitted to the registering authority:

- 1) an application in the prescribed form;

- 2) the Charter (two paper copies and one electronic copy);

- 3) the original payment receipt for the state duty or the payment transaction number in the Unified settlement and information space (hereinafter – ERIP);

- 4) for individual founders – the founder's passport (for foreign founders – a notarized copy translated into Russian or Belarusian; if a Belarus residence permit is available, it is recommended to have a copy as well);

- 5) for foreign legal-entity founders – a legalized extract from the commercial register of the country of incorporation or another equivalent proof of legal status, or a notarized copy thereof (the extract must be dated no earlier than one year before the filing date), with a translation into Belarusian or Russian (translator's signature notarized);

- 6) for representatives (if documents are not submitted personally) – a notarized power of attorney.

## 2. Obtaining the certificate of state registration.

The certificate can be obtained no later than the next business day after submission of the documents. In practice, it is typically issued on the same day.

The company is considered established from the moment of state registration.

3. Obtaining notices of registration with tax authorities, the Social Protection Fund (FSZN), Belgosstrakh, and the statistical authorities. The registering authority independently notifies these bodies within (5) five business days of the company's establishment. After this period, the notice of registration can be collected from the registering authority.

## Stage 3: Post-registration Actions

Being included in the register is not sufficient for the full operation of the company. After obtaining the registration certificate and the notice of registration, a number of mandatory actions must be completed.

1. Seal production. Legislation also allows companies to operate without a seal, in which case a corresponding internal order must be issued.

2. Issuance of initial internal orders. An order appointing the Director to office and an order appointing the Chief Accountant (or assigning their duties to the Director or engaging an outsourced accounting firm) must be issued.

3. Opening a bank account. This is a key step. To open an account, the Director must appear at the bank in person and provide the required document package.

Each bank has its own requirements for account opening and compliance, but the standard package generally includes: the registration certificate, the Charter, documents confirming the Director's authority, and the passport (with notarized translation in Russian or Belarussian if necessary).

Subject to successful completion of KYC procedures, this process takes approximately 2–5 business days.



4. Obtaining an electronic digital signature (EDS). An EDS is required for electronic document management and for filing accounting, statistical, and other reports.

5. Formation of the charter fund. The charter fund stipulated in the Charter must be formed within 12 months from the date of state registration, unless otherwise established by law or unless a shorter term is specified in the Charter.



## 6.4 Preferential regimes

For the purpose of stimulating the development of business in certain sectors and regions of Belarus, the legislation provides special preferential legal regimes. Within such regimes, businesses receive incentives and preferences, benefit from simplified procedures of doing business, may carry out special types of activities, and may apply foreign law or foreign-law instruments.

Such Preferential Regimes are established, inter alia, for:

- Belarus Hi-Tech Park (see 6.4.1);
- The Great Stone Industrial Park (see 6.4.2);
- Free Economic Zones (see 6.4.3);
- Medium and small towns, rural areas (see 6.4.4);
- The South-Eastern Region of the Mogilev Region (see 6.4.5);
- the Special Economic Zone «Bremi no-Orsha» (see 6.4.6);
- the Special Tourism and Recreation Park «Augustow Canal» (see 6.4.7).

### 6.4.1. Belarus Hi-Tech Park (HTP)

The activities of the Belarus Hi-Tech Park are regulated by the following legal acts:

- Presidential Decree of the Republic of Belarus Nr. 12 of September 22, 2005 "On the Hi-Tech Park", together with the Regulation on the HTP;

- Presidential Decree of the Republic of Belarus Nr. 8 of December 21, 2017 "On the Development of the Digital Economy";

- Presidential Decree of the Republic of Belarus Nr. 102 of April 12, 2023 "On the Development of the Hi-Tech Park".

Residents of the HTP may be legal entities or individual entrepreneurs registered in the Republic of Belarus and engaged in one or more of the following types of activities (para. 3 of the Regulation on the HTP):

- software development;
- creation of information systems;
- data processing;
- activities in the sphere of cybersport, crypto exchanges, mining, etc.;
- other activities agreed with the HTP Supervisory Board.

Incentives and preferences for HTP residents include:

- exemption from corporate income tax and VAT on supplies within the Republic of Belarus;
- 0% customs duties and VAT on import of technological equipment and components for investment projects in the HTP, provided the HTP Administration issues the corresponding confirmation;
- exemption from land tax for the duration of construction (up to 3 years);
- exemption from real estate tax with respect

to buildings/structures located on the HTP territory (except for leased property);

- personal income tax rate of 9% for employees (in 2023–2027 temporarily increased to 13%);

- Social Security Fund contributions calculated on the basis of the nationwide average salary rather than actual salary;

- 0% tax on income of foreign organizations for certain payments (e.g., dividends);

- 0% offshore duty for payments by HTP residents for advertising, marketing, intermediary services, as well as for dividend payments (transfer) to their shareholders (participants) or distribution of part of the profits to the property owner;

- simplified hiring of foreign workers: no special permits required;

- use of English-law instruments such as non-compete agreements and similar arrangements;

- the ability to enter into smart contracts, etc.

The special regime of the HTP is effective until January 1, 2049.

To obtain resident status in the HTP, an applicant must submit to the Secretariat of the HTP Supervisory Board:

- a business project specifying one or more types of activities permitted for HTP residents, concrete measures for their implementation, types and volume of goods (works, services), property rights, justification for their implementation, and projected financial and economic results;

- a number of documents regarding the applicant, including certified copies of the Charter and the state registration certificate, along with presentation of their originals.

The decision on registration (or approval of a new/additional business project) is taken by the HTP Supervisory Board within 2 months from the date of submission of documents by the applicant.

Before making a decision on the applicant's registration as an HTP resident (or approval of a new/additional business project), the HTP Supervisory Board may instruct its Secretariat to conduct a scientific and technical review of the documents submitted by the applicant, including by engaging experts (scientific or other institutions, scientists and specialists). In such a case, the review period may be extended for the duration of the expert review, but not for more than 30 calendar days.

## 6.4.2. The Great Stone Industrial Park

The activities of the Great Stone Industrial Park (hereinafter – the Industrial Park) are regulated by the following legal acts:

- Presidential Decree of the Republic of Belarus Nr. 253 of June 5, 2012 “On the Establishment of the Great Stone Industrial Park”;

- Presidential Decree of the Republic of Belarus Nr. 166 of May 12, 2017 “On Improving the Special Legal Regime of the Great Stone Industrial Park”.

**The main areas of activity of the Industrial Park include:**

- the establishment and development of production in the spheres of electronics and telecommunications, pharmaceuticals (including biopharmaceuticals), medical devices, medical services, laboratory diagnostics, fine chemicals, biotechnology, mechanical engineering, new materials, integrated logistics, e-commerce, activities related to the storage and processing of large volumes of data, social and cultural activities;

- creating conditions for implementing innovative activity in the Industrial Park, attracting innovative entities of the Industrial Park and providing support to them, development of land plots within the Park with the construction of infrastructure facilities thereon, their maintenance, and creating conditions for attracting residents of the Industrial Park, investors of the Industrial Park, and innovative entities of the Industrial Park to such land plots;

- conducting research, experimental design, and experimental technological work using 5G technologies and artificial intelligence in the above-mentioned areas of activity.

**Incentives for residents of the Industrial Park include:**

- exemption from corporate income tax on the income derived from the sale of goods (works, services) of own production manufactured within the Industrial Park for a period of 10 years, after which income tax is paid at a rate reduced by 50% of the rate established by the Tax Code until 2062;

- exemption from real estate tax and land tax in respect of land plots located within the Industrial Park;

- a corporate income tax rate, personal income tax rate, and tax on income of foreign organizations not carrying out activity in Belarus through a permanent establishment, applied to dividends and equivalent income paid to the founder (participant, shareholder, property owner) – the beneficial owner of the income – at 0% during the first 5 years from the date dividends or equivalent income are accrued, and for major investment projects – during the first 10 years;

- exemption from offshore duty when distributing dividends and equivalent income to founders (participants, shareholders, property owners);

- until January 1, 2027, a 5% tax rate on income of foreign organizations not carrying out activity in Belarus through a permanent establishment, being the beneficial owners of income on royalties accrued by residents of the Industrial Park, innovative entities (within 2 years from their registration), and joint companies to foreign companies as remuneration for information relating to industrial, commercial or scientific experience (including know-how), payment for a license, patent, drawing, utility model, scheme, formula, industrial design or process;

- exemption from VAT and customs duties on goods (technological equipment, components and spare parts, raw materials and materials) imported for exclusive use in Belarus for the purpose of implementing investment projects involving the construction and/or equipping of Industrial Park facilities;

- non-application of procedures established by legislation governing the procurement of goods (works, services) for construction of facilities, and of state regulation of prices and tariffs for goods (works, services) in construction;

- visa-free entry and exit for foreigners engaged for the purpose of implementing investment projects in the Industrial Park, as well as for founders, participants, shareholders, property owners (and their employees), and the right of such foreigners to stay in the Republic of Belarus for up to 180 days within a calendar year without a temporary residence permit;

- simplified customs procedures for the import of goods, including the possibility of releasing goods prior to the submission of a customs declaration and the absence of the requirement to provide security for the fulfillment

of the obligation to pay customs duties, taxes, special, anti-dumping, and compensatory duties when implementing major investment projects;

- a tax stabilization clause valid until January 1, 2027.

Residents of the Industrial Park are also entitled to the guarantees established by the investment legislation of the Republic of Belarus. The preferential regime for residents of the Industrial Park is valid until 2062. Companies registered within the territory of the Industrial Park may obtain resident status.

To obtain the status of a resident of the Industrial Park, the following documents must be submitted to the Industrial Park:

- an application for resident status;
- justification of the investment project;
- draft agreement on the conditions of activity.

**The investment project of a resident must meet the following requirements:**

- it must be implemented within the territory of the Industrial Park in accordance with the Park's areas of activity;

- the investment volume must be at least 5 million USD, or at least 500,000 USD (excluding R&D) provided that this amount of money is invested within 3 years from the date of signing the agreement on the conditions of activity in the Industrial Park with the Park's administration;

- the declared investment volume for a major investment project must be 50 million USD or more, provided that this amount is invested within 5 years from the date of signing the agreement on the conditions of activity in the Industrial Park with the Park's administration.

The administration of the Industrial Park may decide to grant resident status to a legal entity implementing (or planning to implement) an investment project within the territory of the Park that does not meet the above-listed criteria but complies with the main objectives of the Industrial Park.

### 6.4.3. Free Economic Zones

The main legal acts governing the activities of Free Economic Zones (hereinafter – FEZ) are:

- Law of the Republic of Belarus of December 7, 1998 Nr. 213-Z «On Free Economic Zones»
- Decree of the President of the Republic of Belarus of June 9, 2005 Nr. 262 «On Certain Issues of Free Economic Zones Activities on the Territory of the Republic of Belarus»;
- Resolution of the Council of Ministers of the Republic of Belarus of May 21, 2009 Nr. 657 «On Approval of Regulations on Free Economic Zones and on Amendments and Additions to Resolutions of the Council of Ministers of the Republic of Belarus (Recognition of Some of Them or Their Provisions as Invalid) Regarding the Activities of Free Economic Zones»;
- Resolution of the Council of Ministers of the Republic of Belarus of August 12, 2005 Nr. 891 «On Approval of the Charters of Administrations of Free Economic Zones», and others.

Currently, there are 6 Free Economic Zones in the Republic of Belarus: in the city of Minsk and in each regional center.

#### **Incentives for FEZ residents include:**

- exemption from tax on income received from the sale of goods (works, services) of own production for export or to other FEZ residents;
- 0% import VAT for goods manufactured using imported raw materials (imported under the free customs zone procedure) and subsequently sold on the EAEU market;
- exemption from real estate tax and land tax;
- exemption from customs duties within the free customs zone regime;
- exemption from state duty for issuing a special permit to engage in labour activities in Belarus;
- exemption from compensatory plantings and payments for the removal of plant objects, compensatory payments for harmful impacts on animal objects and/or their habitats.

To simplify the import procedure, designated areas are allocated and equipped within the FEZ territory where the free customs zone procedure applies. The special legal regime is valid until December 31, 2049.

Only Belarusian legal entities or individual entrepreneurs located (residing) within the boundaries of a given FEZ, and who have concluded with the FEZ administration an agreement on the terms of activity in the FEZ, which specifies the procedure and conditions for implementing the investment project, can be registered as FEZ residents.

To register as an FEZ resident, the following documents must be submitted:

- an application;
- a business plan of the investment project in the prescribed form;
- payment document confirming the payment of state duty in the amount of 50 basic units.

Investment projects within the FEZ must provide:

- an investment volume of at least 1 million EUR, alternatively, 500 thousand EUR if the investments are implemented within 3 years from the date of signing the agreement on the terms of activity in the FEZ;
- creation and/or development of production oriented to export and/or import substitution.

FEZ residents are subject to the guarantees provided for by the investment legislation of the Republic of Belarus.

### 6.4.4. Medium and Small Towns, Rural Areas

The special legal regime applied to stimulate business in medium and small towns, as well as in rural areas, is regulated by the following legal acts:

- Decree of the President of the Republic of Belarus of May 7, 2012 Nr. 6 «On Stimulating Entrepreneurial Activity in Medium, Small Urban Settlements and Rural Areas».

This special legal regime applies to the territory of medium and small urban settlements and rural areas, namely: throughout the entire territory of the Republic of Belarus, excluding the territories of 22 large cities: Baranovichi, Bobruisk, Borisov, Brest, Vitebsk, Gomel, Grodno, Zhodino, Zhlobin, Lida, Minsk, Mogilev, Mozyr, Molodechno, Novopolotsk, Orsha, Pinsk, Polotsk, Rechitsa, Svetlogorsk, Slutsk, Soligorsk.

Among the incentives provided to businesses in these territories:

- the right not to calculate and not to pay corporate income tax (for commercial organizations) and personal income tax (for individual entrepreneurs) on profits and income received from the sale of goods (works, services) of own production;
- exemption from paying state duty for issuing licenses (if required) and for extending their validity;

- exemption from other taxes and fees (except VAT, excise duties, stamp and offshore duties, state duty, patent fee, disposal fee, customs duties and fees, land tax, environmental tax, tax on extraction of natural resources, and other taxes calculated, withheld, and/or remitted when fulfilling obligations as a tax agent).

A number of benefits also apply to separate subdivisions with a separate balance sheet and bank account located in medium and small urban settlements or rural areas outside the location of the commercial organization itself. For such separate subdivisions, Belarusian organizations have the right not to calculate and not to pay:

- corporate income tax on the income received by the separate subdivision from the sale of goods (works, services) of own production;

- real estate tax on the value of capital buildings (structures), their parts, located on the balance sheet of the separate subdivision and situated in medium and small urban settlements or rural areas.

The special legal regime applies to Belarusian commercial organizations and individual entrepreneurs registered and conducting activities for the production of goods (performance of works, provision of services) in such towns and areas for 7 years from the date of their state registration, as well as to separate structural subdivisions of Belarusian commercial organizations with a separate balance sheet and bank account – for 7 years from the date of the decision of their establishment.

#### 6.4.5. South-Eastern Region of the Mogilev Region

The legal acts regulating the special legal regime of the South-Eastern Region of the Mogilev Region are:

- Decree of the President of the Republic of Belarus of June 8, 2015, Nr. 235 «On the Socio-Economic Development of the South-Eastern Region of the Mogilev Region»;
- Decree of the President of the Republic of Belarus of May 28, 2020, Nr. 177 «On Measures for the Development of the South-Eastern Region of the Mogilev Region».

The South-Eastern Region of the Mogilev Region, where the special legal regime applies, includes the following districts of the Mogilev

Region: Krichev, Klimovich, Krasnopolye, Kostyukovich, Slavgorod, Cherikov, and Khotimsk.

Incentives for the South-Eastern Region of the Mogilev Region under Decree Nr. 235:

- personal income tax for employees – 10% (standard rate – 13%);
- employer contributions to the Social Protection Fund (FSZN) – 24% (standard rate – 28%).

The incentives provided by Decree Nr. 235 apply to legal entities and individual entrepreneurs registered between July 1, 2015, and December 31, 2025, in the South-Eastern Region of the Mogilev Region and carrying out activities related to the production of goods (performance of works, provision of services). The duration of the incentives is 7 years from the start of the production of goods (performance of works, provision of services).

Incentives provided by Decree Nr. 177:

- exemption from compensation for losses in agricultural and/or forestry production;
- exemption from compensatory payments for the value of removed plant objects;
- other incentives.

These incentives apply to all organizations registered in the South-Eastern Region of the Mogilev Region when implementing investment projects aimed at the creation or expansion of the production of goods (works, services) in the region.

#### 6.4.6. Special Economic Zone «Bremino-Orsha»

The legal act regulating the status of the Special Economic Zone is:

- Decree of the President of the Republic of Belarus of March 21, 2019, Nr. 106 (hereinafter – Decree Nr. 106).

Within the framework of the special legal regime, the following preferences and incentives are provided, among others:

- exemption from corporate income tax on income received from the sale of goods (works, services) of own production manufactured within the SEZ «Bremino-Orsha» for 9 calendar years, starting from the tax period in which gross profit was generated;
- exemption from real estate tax on property located within the SEZ territory for 20 years from the date of registration as a resident of SEZ «Bremino-Orsha»;

- 0% rate for corporate income tax, personal income tax, tax on income of foreign organizations not operating in Belarus through a permanent establishment, on dividends and equivalent income accrued to founders – Belarusian residents and non-residents who are the beneficial owners of income – for 5 calendar years, starting from the first calendar year in which dividends or equivalent income are accrued; payments to founders are also exempt from offshore duty;

- the right to a full VAT deduction of VAT amounts recognized as tax deductions and presented when acquiring in Belarus (or paid upon import into Belarus) goods (works, services), and property rights used for the construction and equipment of facilities in the SEZ «Bremino-Orsha», regardless of the amount of VAT charged on sales of goods (works, services), provided the deduction is taken no later than December 31 of the year following the commissioning of the respective facility;

- until January 1, 2028, a 5% tax rate applies to income of foreign organizations (not operating in Belarus through a permanent establishment) that are beneficial owners of income from royalties paid for information on industrial, commercial, or scientific experience (including know-how), and for licenses, patents, drawings, utility models, scheme, formulas, industrial designs, or processes;

- application of the free customs zone procedure within the SEZ;

- free price formation for prices (tariffs) of goods (works, services) of own production;

- no need for prior approval of the land plot location or preparation of a land development passport;

- no requirement to apply construction procurement rules when selecting contractors for SEZ «Bremino-Orsha» facilities;

- no requirement to prepare pre-design (pre-investment) documentation;

- tax stabilization clause until January 1, 2028.

A resident of SEZ «Bremino-Orsha» may only be a legal entity located within its territory and implementing (or planning to implement) an investment project in the SEZ, subject to all of the following conditions:

- the business activity carried out in the SEZ «Bremino-Orsha» must correspond to its designated areas of activity;

- the investment volume must be at least 5 million USD, or 500,000 USD for investment projects involving R&D, experimental design, or experimental technological works;

- the investment volume may be between

500,000 and 5 million USD, provided that the project is implemented within 3 years from the date of signing the agreement on the conditions of economic activity in the SEZ.

To register as a resident of SEZ «Bremino-Orsha», an application, an investment project business plan, and a draft agreement on the conditions of activity in the SEZ with the managing company Bremino Group LLC must be submitted.

The incentives are provided until the year 2069.

#### 6.4.7. Special Tourism and Recreation Park «Augustow Canal»

The main normative act regulating the special legal regime is:

Decree of the President of the Republic of Belarus of May 26, 2011, Nr. 220 «On the Establishment of the Special Tourism and Recreation Park “Augustow Canal”».

Residents of the park are provided with a wide range of incentives, including exemptions from:

- corporate income tax on income received from the sale of goods (works, services) of own production for 5 calendar years from the year in which gross profit is generated. After this period, income is taxed at a rate reduced by 50% of the statutory rate, but not exceeding 12%;

- real estate tax on buildings and structures located within the park's territory, regardless of their use, including lease, other paid use, or free-of-charge use;

- VAT on sales of goods (works, services) of own production in Belarus;

- land lease payments for land plots located within park boundaries;

- import customs duties and VAT when importing technological equipment, components, spare parts, raw materials, and materials for use exclusively within Belarus to implement investment projects in the park, in accordance with the list approved by the Grodno Regional Executive Committee;

- compensation for losses of agricultural and/or forestry production caused by the withdrawal of agricultural or forest lands located within the park for project implementation, as well as compensatory payments related to relocation or cutting of green plantings in populated areas;

- state duty for issuing special work permits to foreign citizens and stateless persons engaged by park residents for investment project implementation.



A reduced land lease coefficient of 0.0025 also applies within the park.

The incentives are provided until the year 2031.

Residents of the park may include legal entities and individual entrepreneurs implementing projects that:

- involve at least 200,000 EUR in investment;
- are aimed at creating and/or developing tourism industry facilities and infrastructure;

- involve certain types of activities established by law (including floriculture, production of nursery products, horse breeding, manufacturing decorative wooden products, provision of camping services, and others).

## 6.5 Support for innovative entrepreneurship (startups) and financing of small and medium-sized enterprises

### 6.5.1. Innovation Activities and Acceleration Programs

The Republic of Belarus offers a well-designed system for supporting startups and innovative projects. The state creates conditions that help companies develop from an idea to commercial success, combining financial incentives, infrastructure, and access to expertise.

#### **Science and Technology Parks (Technoparks)**

One of the key elements of this support system is the network of science and technology parks, which can be viewed not merely as business centers but as full-scale ecosystems for the

development of small and medium innovative businesses. Today, Belarus hosts more than 15 technoparks located across different regions of the country.

Residents of technoparks enjoy a number of favorable benefits, including reduced tax rates. In addition, they have access to preferential rental terms for office and production premises, as well as to modern research and laboratory equipment. Technopark administrations also provide support with accounting, legal services, and marketing, helping companies adapt more quickly and operate efficiently.

### **Financing of Innovation Projects through the Belarusian Innovation Fund**

Financing of innovative projects in Belarus is centered around the Belarusian Innovation Fund – the key state institution that provides support to both Belarusian and foreign companies.

One of the most attractive instruments of the Fund is financing on a refundable basis. The preferential financing terms include:

- interest calculated at 0.5 of the refinancing rate of the National Bank of the Republic of Belarus;
- funds provided for up to 7 years, with the possibility of a deferment of principal and interest payments for up to 2 years;
- no loan insurance or collateral required.

These conditions are particularly important for young companies without substantial assets.

In addition, the Fund provides non-refundable grants for research and experimental-design works. Grants are awarded on a competitive basis and require mandatory co-financing by the applicant (at least 10% of the total project cost).

### **Acceleration Programs**

Belarus has a well-developed network of acceleration programs that support startups not just through direct financing but through training, mentorship, and fostering a business environment. Such programs operate, in particular, at the High-Tech Park, the Great Stone Industrial Park, and on the basis of certain banks.

The High-Tech Park plays an important role by supporting early-stage startups through its own business incubator and offering residents maximum tax advantages.

The Belarusian ecosystem of innovative entrepreneurship is a multi-level system enabling foreign companies to start with small projects and grow step by step, using financial incentives and infrastructure support. Startups may begin in accelerators, then become residents of technoparks to access benefits and equipment, and ultimately scale up by obtaining HTP resident status to enter international markets with minimal tax burden.

### **6.5.2. Financial Support for Small and Medium-Sized Enterprises (SMEs)**

Belarus places significant emphasis on the development of small and medium-sized enterprises, recognizing them as drivers of economic growth and innovation. Legislation establishes clear criteria and mechanisms of support for SMEs, including foreign companies registered in Belarus.

To qualify for state support, an enterprise must meet certain criteria related to employee headcount, revenue levels, types of activities, etc. Such criteria ensure the targeted and effective use of support programs and reduce the risk of misallocation of state resources.

### **Key Instruments of Financial Support**

State support consists of a comprehensive set of tools designed to provide access to financing on favourable terms.

1. Preferential loans and credits, provided on a refundable basis at reduced interest rates. In many cases, a deferment of principal and interest payments is offered.

State programs of financial support implemented through the banking system represent the core and largest-scale mechanism of financial support. The Development Bank of the Republic of Belarus plays a key role here. It does not work directly with the businesses, but provides resources to partner commercial banks for subsequent preferential lending to businesses.

2. Guarantees and sureties that enable entrepreneurs to obtain bank loans under reduced collateral requirements. These tools are particularly important for startups and young companies with limited credit history.

3. Non-refundable subsidies (grants) awarded on a competitive basis to support projects related to the development of new products, technologies, or the expansion of production, as well as to compensate certain business expenses.

4. Tax incentives as a form of indirect financial support. Reduced tax burden is often one of the most effective tools. Such incentives include the use of the simplified taxation regime, tax benefits for businesses in rural areas and small towns, etc.



These instruments significantly reduce financial barriers to business development and stimulate innovation. They allow enterprises both to attract cheaper financing directly and to substantially reduce operating cost.

## 6.6 Antimonopoly control

### 6.6.1. Establishment of Joint Ventures

There are no restrictions, prohibitions, or special requirements for establishing enterprises with foreign capital in Belarus.

However, in certain cases, when creating new enterprises with either Belarusian or foreign capital, the consent of the antimonopoly authority may be required. In Belarus, this authority is the Ministry of Antimonopoly Regulation and Trade (hereinafter – MART).

In Belarus, transactions and actions falling under the concept of “economic concentration” are subject to MART’s control. In the context of establishing enterprises, such actions include:

- reorganization of legal entities in the form of a merger;

Reference:

As a result of reorganization in the form of a merger, a new legal entity is established.

- establishment of a commercial organization if:

- a) the contribution to its charter fund consists of shares and/or assets (fixed assets and/or intangible assets) of another commercial organization;

OR

- b) the newly established organization acquires voting shares and/or assets (fixed assets and/or intangible assets) of another commercial organization on the basis of a transfer act or separation balance sheet, and the actions involving these shares constitute economic concentration.

However, MART’s consent or notification is required only if at least one of the following conditions is met:

- for reorganization in the form of merger or accession:

- a) the book value of assets of one of the organizations participating in the reorganization as of the last reporting date exceeds 400,000 basic units;

OR

- b) the revenue of one of them for the year preceding the acquisition exceeds 800,000 basic units;

OR

- c) one of the reorganized organizations is included in the State Register of Business Entities Holding a Dominant Position on commodity markets, or in the State Register of Natural Monopolies.

- for the establishment of a commercial organization:

- a) the total book value of assets of the founders of the new organization and the organization whose shares and/or assets are transferred to the new organization as of the last reporting date exceeds 400,000 basic units;

OR

- b) the total revenue of the founders of the new organization and the organization whose shares and/or assets are transferred to the new organization for the year preceding its establishment exceeds 800,000 basic units;

OR

- c) one of the organizations is included in the State Register of Business Entities Holding a Dominant Position or the State Register of Natural Monopolies.

MART’s consent must be obtained before undertaking the respective actions.

To obtain consent for economic concentration, a package of documents must be submitted to MART. The specific package depends on the type of

transaction and is determined in accordance with the regulations approved by Resolution Nr. 11 of the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus of January 31, 2022.

Applying for MART's consent to economic concentration is not subject to state duty.

MART, within 10 business days, either accepts the submitted package of documents for review or refuses to accept it if the documents do not meet established requirements.

Upon reviewing the documents, the antimonopoly authority adopts one of the following decisions: a decision granting consent to economic concentration, or a decision with a reasoned refusal. The decision must be issued no later than 30 calendar days from the date the applicant submitted the documents to MART.

MART may refuse consent if the economic concentration could result in the emergence or strengthening of a dominant market position or could prevent, restrict, or eliminate competition on the commodity market.

A decision granting consent is valid for one year from the date of its adoption.

A notification-based economic concentration control procedure implies subsequent control by the antimonopoly authority upon receiving notifications of completed economic concentration.

A notification to MART on economic concentration must be submitted when:

the parties to the economic concentration are individuals and/or legal entities belonging to the same group of persons due to one person holding more than 50% of the voting shares in the charter fund of another entity;

the parties are companies in which the same persons hold more than 50% of the voting shares in the charter fund;

the parties are unitary enterprises whose property owner is the same person — when economic concentration arises from reorganization or the creation of associations;

the parties are a unitary enterprise and a commercial company whose property owner and holder of more than 50% of the voting shares in the charter fund is the same person — when economic concentration arises from reorganization or the

creation of associations;

the parties are a commercial company and a unitary enterprise whose property owner is that commercial company — when economic concentration arises from reorganization or the creation of associations.

A notification must be submitted to MART no later than 1 month from the date of the actions constituting economic concentration.

## 6.6.2. Transactions Requiring Approval of the Antimonopoly Authority

Transactions falling under the definition of economic concentration are subject to control by the Ministry of Antimonopoly Regulation and Trade (hereinafter - MART).

The following transactions may be considered as economic concentration:

- the acquisition by a business entity holding a dominant position (hereinafter - a dominant entity), or by persons belonging to the same group of persons as the dominant entity, of more than 25% of the voting shares in the charter fund of another business entity operating on the same commodity market.

- the acquisition by a business entity or an individual, or by persons belonging to the same group of persons, of 25% or more of the voting shares in the charter fund of a dominant entity, as well as other transactions that result in such persons obtaining the ability to influence the decision-making of the dominant entity;

- the acquisition by a business entity or an individual, or by persons belonging to the same group of persons (including under a trust management agreement, a simple partnership agreement (joint activity agreement), or an agency agreement), of voting shares in the charter fund of a business entity, where:

- a) such persons obtain the right to dispose of, in aggregate, more than 25% of the voting shares in the charter fund, if previously they did not dispose of such shares at all or disposed of no more than 25%;

- b) such persons obtain the right to dispose of more than 50% of such shares, if previously they disposed of at least 25% but not more than 50% of the voting shares of the business entity;

- the acquisition by a business entity or an individual, or by persons belonging to the same group of persons (including under a trust management agreement, a simple partnership agreement or an agency agreement), of rights enabling them to give mandatory instructions to another business entity in the course of its business activities or to perform the functions of the executive body of a commercial organization;

- the conclusion of a simple partnership agreement (joint activity agreement) between competing business entities within the territory of the Republic of Belarus;

- the acquisition into ownership, use, or possession (including under a financial lease (leasing) agreement) by a business entity of assets located in Belarus that constitute fixed assets and/or intangible assets of a commercial organization.

Transactions that constitute economic concentration are subject to MART control only if the following conditions are met:

- for transactions involving the acquisition of voting shares in the charter fund, rights to give binding instructions, or assets:

- a) the book value of the assets of the acquirer or the target entity as of the latest reporting date -- exceeds 400,000 basic units;

OR

- b) the revenue of one of the parties for the year preceding the acquisition -- exceeds 800,000 basic units;

OR

- c) the acquirer or the target entity is included in the State Register of Business Entities Holding a Dominant Position on Commodity Markets, or the State Register of Natural Monopolies.

MART exercises control over transactions constituting "economic concentration" in two ways: by issuing prior approval or by receiving notifications.

Approval must be obtained prior to the transaction being made.

To obtain consent for economic concentration, a package of documents must be submitted to MART. The specific package depends on the type of transaction and is determined in accordance with the regulations approved by Resolution Nr. 11 of the

Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus of January 31, 2022.

Applying for MART's consent to economic concentration is not subject to state duty.

MART, within 10 business days, either accepts the submitted package of documents for review or refuses to accept it if the documents do not meet established requirements.

Upon reviewing the documents, the antimonopoly authority adopts one of the following decisions: a decision granting consent to economic concentration, or a decision with a reasoned refusal. The decision must be issued no later than 30 calendar days from the date the applicant submitted the documents to MART.

MART may refuse consent if the economic concentration could result in the emergence or strengthening of a dominant market position or could prevent, restrict, or eliminate competition on the commodity market.

A decision granting consent is valid for one year from the date of its adoption.

A notification-based economic concentration control procedure implies subsequent control by the antimonopoly authority upon receiving notifications of completed economic concentration.

A notification to MART on economic concentration must be submitted when:

- the parties to the economic concentration are individuals and/or legal entities belonging to the same group of persons due to one person holding more than 50% of the voting shares in the charter fund of another entity;

- the parties are companies in which the same persons hold more than 50% of the voting shares in the charter fund;

- the parties are unitary enterprises whose property owner is the same person -- when economic concentration arises from reorganization or the creation of associations;

- the parties are a unitary enterprise and a commercial company whose property owner and holder of more than 50% of the voting shares in the charter fund is the same person when economic concentration arises from reorganization or the creation of associations;

– the parties are a commercial company and a unitary enterprise whose property owner is that commercial company – when economic concentration arises from reorganization or the creation of associations.

A notification must be submitted to MART no later than 1 month from the date of the actions constituting economic concentration.

It should be noted that the scope of Belarusian antimonopoly legislation is not limited to the territory of the Republic of Belarus and extends to actions performed outside its borders if such

actions result or may result in the prevention, restriction, or elimination of competition on Belarusian commodity markets, as well as to actions involving economic concentration in relation to Belarusian companies.

This means that obtaining MART's approval for an economic concentration or submitting a notification of an economic concentration is required even when the actions constituting the economic concentration are carried out outside the Republic of Belarus.

## 6.7 Financial regulation



## in Belarus

### 6.7.1. Electronic Money in Belarus

Alongside cash and traditional non-cash settlements, electronic money is used in Belarus. The core requirements for the circulation of electronic money are set out in the Rules on Conducting Operations with Electronic Money (approved by Resolution Nr. 350 of the Board of the National Bank of the Republic of Belarus of September 16, 2022).

In Belarus, not only foreign electronic money is widely used, but also electronic money issued by resident organizations that conduct payment activities in accordance with legislation on payment systems and payment services (national electronic money). Examples of national electronic money include MTS Money (Belarusian issuing bank – OJSC Bank “Dabrabyt”), QIWIBel (Belarusian issuing bank – CJSC Bank “Reshenie”), Oplati (Belarusian issuing bank – OJSC “Belinvestbank”), Berlio (Belarusian issuing bank – OJSC “Belgazprombank”).

The distribution of electronic money issued by non-residents (foreign electronic money) within Belarus is carried out by resident agents – legal entities that have concluded agreements with the operator of a non-resident electronic payment system (issuer) and comply with the regulatory

requirements applicable to payment systems and payment services. An example of foreign electronic money in circulation is the Russian service Yoomoney (Belarusian agent bank – OJSC “Sberbank”).

Individuals may use both foreign and national electronic money to pay for goods, works, services, and to carry out other transactions, provided that Belarusian legislation is observed.

Legal entities and individual entrepreneurs may receive and spend national electronic money when paying for goods (works, services) and when performing other transactions and operations with electronic money in accordance with the law. Foreign electronic money may be used by legal entities and individual entrepreneurs only for exchange operations, for issuing funds to employees for covering travel and other expenses abroad, for paying winnings (or returning losing stakes) in gambling, for making payments to non-resident recipients in accordance with the legislation, and for receiving foreign electronic money from non-residents as refunds of payments in cases provided by the legislation. This is allowed only if the legal entity or individual entrepreneur opens electronic wallets in accordance with the Rules on Conducting Operations with Electronic Money.

When issuing, distributing, and redeeming electronic money – whether issued by residents or non-residents – monetary funds must be transferred (deposited, withdrawn) in compliance with currency regulation requirements regarding the use of foreign currency between residents; foreign currency and/or Belarusian rubles between residents and non-residents; and Belarusian rubles and/or foreign currency between non-residents

### 6.7.2. Cryptocurrency in Belarus

In Belarus, the circulation of cryptocurrencies (tokens) is allowed at the legislative level. The main regulatory act on the turnover of cryptocurrencies is Decree of the President of the Republic of Belarus of December 21, 2017 Nr. 8 "On the development of the digital economy".

There are differences in the turnover of cryptocurrency among individuals and legal entities.

Individuals are entitled to own tokens and, taking into account the specifics established by legislation, to carry out the following operations:

- mining;
- storage of tokens in virtual wallets;
- exchange of tokens for other tokens;
- acquisition and disposal of tokens for Belarusian rubles, foreign currency, electronic money;
- gifting and bequeathing of tokens.

Mining, acquisition, and disposal of tokens are not considered entrepreneurial activity if an individual conducts such activity independently, without involving other individuals under employment and/or civil law contracts. Tokens are not subject to declaration.

Individual entrepreneurs, in addition to the rights of an individual, are also entitled to:

- through an HTP resident performing the relevant type of activity, create and place their own tokens in Belarus and abroad;
- carry out other activities using tokens in the manner established by legislation.

Legal entities are entitled to own tokens and, taking into account the specifics established by legislation, to carry out the following operations:

- through an HTP resident performing the relevant type of activity, create and place their own tokens in Belarus and abroad;

- store tokens in virtual wallets;
- through operators of cryptocurrency platforms, cryptocurrency exchange operators, and other HTP residents performing the relevant type of activity, acquire and alienate tokens, and carry out other transactions (operations) with them.

The above operations of Belarusian residents – individuals and legal entities (except for banks and non-bank credit and financial organizations) – are not subject to currency regulation. Currency legislation also does not apply to HTP residents when they perform operations using tokens. However, the use of foreign currency in settlements between residents of the Republic of Belarus is not permitted, except for operations (settlements) carried out by such residents among themselves in the systems of cryptocurrency platform operators or with such operators, as well as on foreign trading platforms.

Until December 1, 2025, the following are not considered taxable objects:

- for VAT and income tax (corporate income tax or personal income tax) – turnover, profit (income) of HTP residents from activities related to mining, creation, acquisition, disposal of tokens;
- for personal income tax – income from mining, acquisition (including by way of getting a gift), disposal of tokens for Belarusian rubles, foreign currency, electronic money and/or exchange for other tokens;
- for VAT – turnover from the disposal of tokens, including by foreign organizations that do not carry out activities in the Republic of Belarus through a permanent establishment and therefore are not registered with Belarusian tax authorities;
- for corporate income tax – profit from the disposal of tokens through their exchange for other tokens.

Since operations carried out by legal entities must be performed through cryptocurrency exchange operators and cryptocurrency platform operators, as well as other persons performing the relevant type of activity who are HTP residents, the Supervisory Board of the HTP has established additional requirements. In particular, one of the requirements is a specific size of the Charter fund of a legal entity, which must be formed in cash at the time of applying for registration as an HTP resident and must be maintained throughout the entire period of holding HTP resident status:

- for a cryptocurrency platform operator, cryptocurrency exchange operator, and other companies whose activities are related to tokens – 2,000,000 Belarusian rubles;

- for an ICO organizer performing activities related solely to providing services for conducting transactions (operations) with tokens in the interests of other persons – 500,000 Belarusian rubles.

The Charter fund in the part exceeding 2,000,000 Belarusian rubles and 500,000 Belarusian rubles respectively may be formed from non-monetary contributions.

In addition, cryptocurrency platform operators and cryptocurrency exchange operators must

ensure the availability of monetary funds in accounts with banks of the Republic of Belarus in the amount of at least 1,000,000 Belarusian rubles and 200,000 Belarusian rubles, respectively.

For example, the following are registered in Belarus:

- as cryptocurrency platform operators – Currency.com (CJSC «Dzengi Kom»), Dzengi.com (CJSC «Dzengi»), Free2ex.com (LLC «Pixel Internet»), Bynex.io (LLC «ERPBel»), Secure8 (LLC «Alterpay»);

- as a cryptocurrency exchange operator – Whitebird.io (LLC «White Bird»);

- as an ICO organizer – Finstore.by (LLC «DFS»).

## 6.8 Currency regulation

### 6.8.1. Currency Transactions and Their Participants: Concept and Key Requirements

The procedure for conducting currency transactions and the requirements applicable to them are established by the Law of the Republic of Belarus Nr. 226-Z of July 22, 2003, «On Currency Regulation and Currency Control» (hereinafter – the “Law”).

Currency transactions include the use, acquisition, disposal, movement (import, export, mailing), inheritance, transfer to (and return from) trust management, and storage of currency assets, as well as operations involving such assets through accounts and transfers between own accounts. Currency assets include both foreign currency (and securities denominated in foreign currency) and Belarusian rubles (and securities denominated in Belarusian rubles) when the latter are used in transactions between residents and non-residents or between non-residents, as well as when they are moved across the border.

The participants of currency transactions are residents and non-residents.

Residents include, inter alia:

- 1) individuals: citizens of the Republic of Belarus residing in Belarus for more than 183 days per year and not holding a permanent residence permit abroad; foreign citizens and stateless persons holding a permanent residence permit in Belarus;

- 2) legal entities established under the legislation of the Republic of Belarus, with their registered office in Belarus, including their branches and representative offices (located both in Belarus and abroad);

- 3) individual entrepreneurs registered in Belarus.

Under the Law, resident individual entrepreneurs conduct currency transactions under the same rules as resident legal entities.

Non-residents include, inter alia:

- 1) all individuals who do not meet the criteria of a resident;

- 2) legal entities established under the legislation of foreign states, with their registered office outside the Republic of Belarus, including their branches and representative offices located in Belarus and abroad;

- 3) organizations without legal personality



established under the legislation of foreign states, with their registered office outside the Republic of Belarus, including their branches and representative offices located in Belarus and abroad;

4) individual entrepreneurs registered in foreign states.

#### **Procedure for Conducting Currency Transactions**

Currency transactions may be performed in cash and non-cash forms.

Currency transactions between residents and non-residents are permitted:

- 1) In Belarusian rubles:
  - in non-cash form – without restrictions,
  - in cash form – subject to compliance with the maximum allowable cash payment limit;
- 2) In foreign currency:
  - in non-cash form – without restrictions,
  - in cash form – prohibited, except for the cases specified in paragraph 2, Article 13 of the Law (for example, at exhibitions, fairs, sports and cultural events held abroad; when transferring or refunding foreign currency on the basis of enforcement documents relating to obligations in foreign currency; when servicing foreign aircraft or vessels in river ports, etc.).

Currency transactions may be conducted on the basis of a currency contract or other grounds provided for by the legislation of the Republic of Belarus and/or the legislation of foreign states.

**Key requirements and restrictions for non-cash currency transactions** between resident and non-resident legal entities:

For currency transactions involving export or import (foreign trade transactions):

- 1) Requirements for mandatory contract terms.
- 2) Repatriation of currency assets.

For all currency transactions:

- 1) Registration of currency contracts and reporting on their execution.
- 2) Monitoring by currency control authorities, including submission of documents and information by residents to banks and state bodies in the cases established by law.
- 3) Possibility of introducing currency restrictions.

Currency contracts involving export or import (foreign trade contracts) must contain the following terms:

- deadlines for the fulfillment of obligations by non-residents, including:

for export – the deadline for payment by the non-resident;

for import – the deadline for the return of the prepayment if the non-resident has failed to perform or has not fully performed its obligations;

- the amount (or estimated amount) of the monetary obligations of the parties;

- settlement terms, meaning the obligation of one party to make payment either prior to the performance of the obligations by the other party or upon the performance of the obligations by the other party (prepayment, payment upon delivery, mixed form).

#### **6.8.2. Currency Contracts Registration and Reporting on Their Execution**

The cases and procedure for the registration of a currency contract and the submission of reports on its execution are regulated by the Instruction on the Registration of Currency Contracts by Residents, approved by Resolution Nr. 37 of the Board of the National Bank of the Republic of Belarus of February 12, 2021 (hereinafter – the “Registration Instruction”).

Currency contracts between residents and non-residents are subject to registration if the amount (or estimated amount) of the monetary obligations under such a contract is not determined or amounts to 2,000 basic units for resident individuals and 4,000 basic units or more for resident legal entities and individual entrepreneurs, and currency transactions are conducted under the contract. The list of such currency transactions is established by the Registration Instruction.

A resident must register the above currency contracts via the web portal of the National Bank of the Republic of Belarus. A resident may enter into an agreement with its servicing bank for services related to the registration of the currency contract and the transfer of information through the web portal.

**Deadlines for registering currency contracts:** before the start of the performance of obligations under the contract; or no later than seven business days after the funds are credited to the resident's account, provided that no actions related to the performance of obligations have been taken during this period.

### **Reporting on the execution of currency contracts**

The Registration Instruction establishes the obligation of residents to provide information on the performance of obligations under registered currency contracts in the cases specified in the Instruction.

The scope of information to be submitted in each specific case is defined in Appendix 3 to Resolution Nr. 37.

Such information must be submitted in the resident's personal account on the website of the National Bank: for a calendar month – no later than the 18th day of the month following the reporting month, or within 15 calendar days from the date on which the resident determines that the currency contract has been fully performed. The date of full performance of the currency contract is the date of completion of the obligations by both parties.

### **6.8.3. Repatriation of Currency Values**

Paragraph 1, Article 19 of the Law establishes the obligation of resident legal entities to credit to their accounts opened with banks in the Republic of Belarus the monetary funds received under currency contracts involving export or import.

When a resident performs its obligations under a currency contract before the non-resident, the resident must – based on the settlement terms under the currency contract – determine the repatriation period as follows:

- for export: the deadline for the non-resident to make payment + the period for crediting the funds;

- for import: the deadline for the return of the prepayment in case the non-resident fails to perform its obligations or performs its obligations only partially + the period for crediting the funds (paragraph 8 of the Instruction on Conducting Currency Transactions approved by Resolution Nr. 147 of the Board of the National Bank of the Republic of Belarus of May 31, 2021, «On Conducting Currency Transactions» – hereinafter the "Instruction on Currency Transactions").

Under factoring agreements, the repatriation period may include the waiting period granted by the factor to the debtor.

The period for crediting funds, according to the Instruction on Currency Transactions, must not exceed 30 calendar days, except in cases where funds are frozen, currency transactions are blocked due to international sanctions, or internal control (compliance control) procedures are carried out by foreign banks participating in the transfer of funds to the Republic of Belarus.

**The repatriation period** may be extended in the following cases:

1. Change in the deadline for the performance of obligations by the non-resident under the agreement of the parties to the currency contract.

Such extension is formalized by a supplementary agreement to the currency contract, which must be signed before the expiration of the original performance deadline.

2. Extension of the repatriation period for the following additional periods:

- review by banks of a demand for payment under a bank guarantee,
- mediation and the performance of a mediation agreement,
- review of a resident's claim by an insurance company,
- consideration of a resident's claim by courts or arbitral tribunals,
- enforcement proceedings,
- insolvency (bankruptcy) proceedings against the non-resident,
- pre-trial (claim-based) dispute resolution (paragraph 6, Article 19 of the Law).

The repatriation period may be extended consecutively for several such periods. For example: first, a claim is sent to the non-resident, then a lawsuit is filed, after that enforcement proceedings are initiated and conducted, and if insufficient funds exist to satisfy creditors' claims, bankruptcy proceedings against the non-resident begin.

**Right not to credit funds to accounts** is granted to a resident in the cases established by Paragraph 2, Article 19 of the Law. These include, inter alia, set-off of counter homogeneous claims, termination of the non-resident's obligation under a novation agreement or an agreement on providing consideration, granting a financial discount to the non-resident, payment (withholding) of the remuneration under factoring agreements, payment of the resident's expenses related to the performance of works or services (including



transport services) on the territory of a foreign state during their performance, etc.

These rights apply not only to the receipt of payment for export, but also to the return of prepayment due to a resident under an import transaction.

#### **Performance delegated to a third party**

A non-resident may, under the contract, delegate the performance of its obligation to a third party that is a resident (paragraph 4, Article 19 of the Law). A resident is entitled to receive payment in Belarusian rubles from such third-party resident.

For this delegation to be valid, the third-party resident must have its own obligation to the non-resident, which must be terminated to the corresponding extent as a result of the delegation arrangement.

#### **Assignment of Claim and Debt Assignment**

##### **Assignment of a Claim to a Non-Resident**

A resident may assign to a non-resident a claim against another non-resident. In this case, in order to fulfil its repatriation obligations, the resident must ensure that the funds from the new creditor (the non-resident) are credited to its (the resident's) accounts in Belarusian banks in the amount subject to repatriation.

If, upon the assignment of the claim by the resident to the new creditor (the non-resident), this creditor has its own claim against the resident, the parties may perform a set-off of counter-homogeneous claims.

##### **Assignment of a Claim to Another Resident**

If a resident assigns to another resident a claim against a non-resident, the resident's repatriation obligation passes to the resident who has accepted the claim.

Assignments of claims against non-residents between residents are also permitted under factoring agreements. In this case, the repatriation obligation is transferred to the resident-factor, but there is an exception. Under undisclosed factoring agreements and factoring agreements with recourse, under which the factor brings a claim against the creditor for reimbursement of the monetary obligation, the repatriation obligation will not be transferred to the resident-factor and will remain with the resident-creditor.

##### **Debt Assignment to Another Resident**

If, under a currency contract providing for import, a resident performs a debt assignment to another resident, the resident's repatriation obligation (return of the pre-payment if the non-resident fails to perform its obligations or performs them only partially) passes to the resident who has assumed the debt.

#### **Termination of the Repatriation Obligation**

In addition to fulfilling the repatriation obligation by crediting funds to the resident's accounts, the repatriation obligation is also terminated in the following cases: refusal to a resident to recognize and/or enforce court or arbitral decisions on recovery of the non-resident's debt due to impossibility of enforcement; payment of insurance compensation by an insurer; bankruptcy of the non-resident resulting in the impossibility of satisfying the resident's claims; exclusion of the non-resident from the State Register of Organizations (taxpayers); confiscation (or other seizure) of goods belonging to the resident or non-resident; recognition by the resident of the debt under the currency contract as bad (uncollectible); entry into force of a court or arbitral decision denying recovery of the non-resident's debt due to impossibility of enforcement; and other cases established by legislative acts.

## **6.8.4. Opening Bank Accounts**

#### **Opening bank accounts by non-residents in Belarusian banks**

Non-residents are entitled, without restrictions, to open accounts in Belarusian rubles and foreign currency in Belarusian banks.

There is no universal list of documents required for a non-resident to open an account in a Belarusian bank. Each bank determines its own list of required documents, taking into account the legislation of the Republic of Belarus.

As a rule, the list of documents includes:

- an application for opening a bank account;
- a copy of the Charter and/or founding agreement, or another equivalent proof of the non-resident's legal status under the legislation of its incorporation state;
- a copy of an extract from the commercial register of the non-resident's incorporation state or another equivalent proof of legal status under the legislation of its incorporation state;

– an identity document and a power of attorney issued by the non-resident and executed in accordance with the established procedure in respect of the individual acting on behalf of the non-resident for matters relating to opening a bank account.

If documents are issued, executed, and/or certified outside the Republic of Belarus, their legalization is generally required.

Legalization of documents issued in a state that is a party to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents (Hague Convention) is carried out by affixing an apostille. Documents issued in a state that is not a party to the Hague Convention require consular legalization.

If documents are prepared in a foreign language, they must also be accompanied by a notarized translation into Russian (or Belarusian).

After opening an account in a Belarusian bank, non-residents may, without restrictions, transfer Belarusian rubles and foreign currency both from their accounts opened in foreign banks to their accounts opened in banks of the Republic of Belarus, and from their accounts opened in banks of the Republic of Belarus to their accounts opened in foreign banks, or to other accounts they hold with banks of the Republic of Belarus.

#### **Opening bank accounts by residents in foreign banks**

As a general rule, residents are entitled, without restrictions, to open accounts in Belarusian rubles and foreign currency in foreign banks. Exceptions may be established by legislative acts and temporary currency restrictions.

As of today, legislative acts do not impose any restrictions on residents opening accounts in foreign banks.

After opening an account in a foreign bank, provided that no currency restrictions are in place, residents may, without limitations, transfer Belarusian rubles and foreign currency both from their accounts opened in banks of the Republic of Belarus or other accounts opened in foreign banks to their accounts opened in foreign banks, and from their accounts opened in foreign banks to their accounts opened in banks of the Republic of Belarus or to other accounts opened in foreign banks.

Residents are also entitled to receive Belarusian rubles and foreign currency into their accounts opened in foreign banks, including funds received from non-residents under currency transactions related to export, import, securities sale and purchase agreements, loan agreements, credit agreements, and similar transactions.

At the same time, if Belarusian rubles or foreign currency credited to the residents' accounts opened in foreign banks are subject to repatriation, such funds must be transferred to the residents' accounts opened in banks of the Republic of Belarus within 5 business days from the date of their crediting.



## 6.9 Legal status of land and other real estate

Civil legislation of Belarus classifies land plots, subsoil plots, surface water bodies, and all objects that are firmly connected with the land as real estate, meaning objects whose relocation is impossible without disproportionate harm to their intended use, including forests, perennial plantings, capital structures (buildings, facilities), unfinished conservation-status capital structures, isolated premises, and parking spaces.

Enterprises as a whole as a property complex, aircraft and sea vessels subject to state registration, inland navigation vessels, «river–sea» navigation vessels, and space objects are also treated as real estate. Legislative acts may additionally classify other property as real estate.

### 6.9.1. Registration of Real Estate

Real estate, rights to it, and transactions involving it are subject to state registration. This registration is public.

A certificate of state registration serves as the document confirming state registration of real estate or rights to it. State registration of a real estate transaction is certified by making a registration inscription on the original paper document containing the content of the registered transaction, or by issuing a certificate of state registration if the document containing the content of the transaction is submitted to the registrar as an electronic document or an electronic copy of a paper document.

Without state registration, the legal consequences of the transaction do not arise.

An application for registration must be submitted no later than 6 months from the occurrence of the event or the performance of the action that, under legislation, creates grounds for state registration, and for transactions – from the date they are executed in the appropriate form, unless other (generally shorter) time periods are established by housing legislation or other legislative acts. Failure to meet these deadlines results in administrative liability.

If one party to the transaction evades its state registration, the other party may apply to the court

to obtain a decision on registration of the transaction.

The procedure for state registration and the grounds for refusal in registration are established by the legislation on state registration of real estate, rights to it, and transactions involving it.

The registrar's refusal to register real estate, rights to it, or transactions involving it may be appealed to the republican organization for state registration, and in case of disagreement with its decision – to the court.

Transactions involving real estate such as lease, sublease, and free-of-charge use of capital structures (buildings, facilities), isolated premises, and parking spaces, as well as the rights arising from such transactions, are not subject to state registration.

Registration is carried out by territorial agencies for state registration and land cadastre (local agency) based on the application principle (personal appearance of the applicant or its representative is required, except for certain cases) for a fee. It does not matter which organization the applicant applies to – the one located in the territory where the real estate object is situated or the one located closer.

All information on registered real estate is available in the Unified State Register of Real Estate, Rights Thereto, and Transactions Therewith (Real Estate Register). At the same time, the Government

of the Republic of Belarus establishes special rules for state registration of subsoil plots, surface water bodies, forests, perennial plantings, aircraft, sea vessels, inland navigation vessels, «river-sea» navigation vessels, and space objects.

Registration data are publicly accessible, except for those containing personal data of individuals, and are provided on a paid basis. Any person may request information (including information on ownership rights and other rights) with respect to a specific real estate object by its address and/or inventory/cadastral number. However, only right holders, their legal successors, and, in certain cases, state authorities, other state organizations, notaries, and attorneys may obtain access to a consolidated list of objects belonging to a specific individual or legal entity. An extract on rights to real estate objects containing personal data of right holders and persons in whose favor restrictions (encumbrances) are established may be provided only to the owner, their representative or heir, the holder of other rights, the person in whose favor the restriction (encumbrance) is established, their representatives or heirs, notaries, state authorities, and other state organizations in cases provided for by legislative acts, as well as to authorized bodies.

### 6.9.2. Land Plots

In Belarus, land plots are used in accordance with their designated purpose, which is established by the decision of the local executive authority on the seizure and allocation of a land plot. The lands of the Republic of Belarus are divided into the following categories:

- agricultural land;
- lands of settlements, gardening associations, and dacha cooperatives;
- lands for industrial, transport, communications, energy, defense and other purposes;
- lands for environmental protection, health improvement, recreational, and historical-cultural purposes;
- forest fund lands; water fund lands;
- reserve lands.

Subject to compliance with the conditions and restrictions established by the legislation on the protection and use of lands, the designated purpose of land plots may be changed by decision of local executive committees based on an application from the interested party and a package of accompanying

documents, which includes, among other things, a justification for such a change.

Belarusian legal entities (including those with foreign participation) may hold the following land rights:

- right of ownership;
- right of permanent use;
- right of temporary use;
- right of lease (the most common).

When applying for the allocation of land plots or acquiring capital structures (buildings, facilities) located on existing land plots, such land plots may be acquired into private ownership or granted under lease.

Land plots in state ownership may be transferred into private ownership, with certain exceptions, based on the results of an auction (tender), including through:

- electronic bidding;
- public bidding in the form of an auction for the sale of an unfinished non-conserved construction object simultaneously with the sale into private ownership of the land plot required for completion and servicing of that object, in cases where the plot is seized from an investor due to non-performance or improper performance of an investment agreement and the investor lacks financial capacity to complete construction.

Without an auction, land plots may be transferred from state ownership into private ownership in cases specified by the Land Code of the Republic of Belarus. For example, without an auction, a land plot may be acquired by citizens—for construction and servicing of detached, terraced residential houses in settlements, except regional cities and the city of Minsk; by legal entities and individual entrepreneurs—for construction and servicing of immovable property intended for the production of goods (performance of works, provision of services), except for construction and servicing of such objects within the boundaries of certain cities; for construction and servicing of filling stations and commercial facilities (excluding brand stores owned by manufacturers of goods).

An investor may also be granted a land plot into ownership without an auction by decision of the local executive committee for the construction of a facility under an investment agreement with the Republic of Belarus.

Lists of land plots available for investment projects must be published on information boards and official websites of local executive committees (where available), and may also be distributed by other accessible means via the global Internet and through mass media.

The right of permanent use of a land plot entitles its holder to possess and use the plot for its designated purpose without time limitation. The following legal entities may hold land plots under the right of permanent use:

- agricultural organizations, including peasant (farm) households and other organizations – for agricultural activities, including peasant (farm) household, as well as for maintaining subsidiary agriculture;
- legal entities conducting forestry activities – for forestry management;
- non-state legal entities – for construction and servicing of immovable property owned by the state;
- legal entities – for construction and servicing of multi-apartment residential buildings (except high-comfort residential buildings according to legally established criteria), construction and servicing of dormitories, garages, and parking facilities;
- legal entities – where provision of another land plot in exchange for a seized land plot is required, if the seized land plot was provided to such entities under the right of permanent use;
- legal entities – for reconstruction of existing capital structures, isolated premises within capital structures, if an increase in the size of the land plot held under the right of permanent use is required;
- legal entities—for construction and servicing of transport and engineering infrastructure facilities and roadside service facilities (except roadside service facilities in the city of Minsk, regional centers, and districts of Brest, Vitebsk, Gomel, Grodno, Minsk, and Mogilev);
- agricultural organizations, including peasant (farm) households, legal entities with branches or other separate subdivisions carrying out business activities in agricultural production, whose revenue from the sale of agricultural products constitutes at least 50% of the total revenue of such branch or subdivision, and legal entities conducting forestry activities – for construction and servicing of residential houses, construction and servicing of apartments in terraced residential houses for employees of such organizations, employees of socio-cultural sector organizations, as well as for placement of agro-ecotourists.

The above-mentioned entities may also be granted the right of temporary use of a land plot (for up to 10 years, with certain exceptions).

The right of temporary use may also be granted to concessionaires operating under concession agreements, for a period of up to 99 years.

The term of lease of a land plot held in state ownership must not exceed 99 years.

As a general rule, land plots owned by the state are leased based on the results of one of the following main types of auctions:

- auction for the right to conclude a land lease agreement;
- auction for the right to design and construct capital structures;
- auction for the sale of capital structures (buildings, facilities), unfinished conserved and non-conserved capital structures, and the right of lease of the land plot required for construction and servicing of such assets (those assets and the right of lease of the associated land plot constitute a single subject of the auction).

The allocation of land plots held in state ownership is carried out in accordance with the procedure for seizure and allocation of land plots established by the Council of Ministers of the Republic of Belarus.

The decision on the seizure and allocation of a land plot must specify:

- the land users from whose lands the land plot is seized;
- the area of the land plot and the types of seized lands;
- the persons to whom the land plot is allocated;
- the type of land right and its term, if the right is temporary;
- the designated purpose of the land plot, as well as its designation according to the unified classification of immovable property purposes, and, where necessary, information on transfer of the land plot from one category and type to another;
- the amount and conditions of payment for the right to lease the land plot;
- the amounts of losses and agricultural and/or forestry production losses subject to compensation, as well as the procedure and conditions for their compensation, and the republican budget account for depositing the respective payments;

- the presence of restrictions (encumbrances) on land use, including land servitude;
- the conditions for removal, preservation and use of the fertile soil layer, as well as the procedure for returning and/or recultivating land provided for temporary use;
- other conditions of land allocation (including the deadline for state registration of the allocated land plot, and the term and other conditions for occupation of the land plot).

Foreign legal entities may use land plots only under the right of lease.

### 6.9.3. Buildings and Structures

The Code of the Republic of Belarus on Architectural, Urban Planning and Construction Activities entered into force on July 23, 2024. Under the provisions of the Code and Construction Standard SN 3.02.07-2020 “Construction Facilities. Classification”, buildings and structures are divided into five complexity classes depending on their structural characteristics, designated purpose, and technical-economic parameters. Based on the complexity class of a construction facility, different requirements apply for admitting construction process participants (the customer, designer, contractor, and engineering organization) to engage in such activities.

By their designated purpose, buildings may be residential or non-residential. Belarusian construction standards establish requirements for the design of facilities depending on the type of construction activity (construction, reconstruction, restoration, modernization, technical modernization, major repair, repair, demolition) and on the designated purpose of the facilities.

In a number of cases, the preparation of design documentation is not required (for example, for the construction and reconstruction of a detached residential house on a land plot allocated for the construction and/or servicing of a detached residential house, in accordance with Article 82 of the Code on Architectural, Urban Planning and Construction Activities), or it is prepared in a reduced scope (for facilities of complexity classes 4 and 5 constructed on an allocated land plot within permitted engineering load limits, pursuant to Presidential Decree Nr. 46 of January 31, 2025 “On Certain Features of Construction and Commissioning of Facilities”).

Buildings and structures, isolated premises, and parking spaces within them may be owned by foreign legal entities and individuals.

Rental rates for real estate objects owned by state legal entities are established in accordance with the rules determined by Presidential Decree Nr. 138 of May 16, 2023 “On Lease and Gratuitous Use of Property” and are calculated in basic rental units with the application of various coefficients.

The amount of the basic rental unit is set annually by the Council of Ministers of the Republic of Belarus as of April 1 taking into account changes in the consumer price index for the previous year relative to the preceding one. As of April 1, 2025, the basic rental unit amounts to 18.77 Belarusian rubles.

Rental rates for real estate objects held in private ownership by individuals and non-state legal entities, including foreign ones, are determined by agreement between the landlord and the tenant. It is mandatory that the rental rates and other obligations (for example, communal services and maintenance payments) be set exclusively in Belarusian rubles for all lease agreements, except for financial lease (leasing) agreements concluded by a lessor with a legal entity or an individual entrepreneur (part three of paragraph 2 of Article 585 of the Civil Code).

Local councils of deputies and executive committees (hereinafter — local government and self-government authorities) have a pre-emptive right to acquire certain buildings and other real estate that may be used for local needs and that are located within their jurisdiction.

Lists of such real estate objects are established annually by local government and self-government authorities. In practice, these lists contain a small number of objects, and the pre-emptive right is exercised very rarely. Registration in the Real Estate Register of the transfer of ownership of an object included in the list will be completed only after the local government and self-government authorities adopt a decision to waive their pre-emptive right to acquire it or fail to take such a decision within the prescribed period.

Legal entities also possess a pre-emptive right to acquire capital structures (buildings, facilities) held in state ownership (except land plots) when they have leased such property for a period of at least three years with payment, upon submitting a written application, in instalments for up to five years with monthly indexation of payments.



#### 6.9.4. Mortgage

Mortgage is a pledge of immovable property (land plots, capital structures (buildings, facilities), etc.) and other property equated to immovable things by legislative acts.

A mortgage may arise from an agreement (mortgage by agreement) or on the basis of a legislative act upon the occurrence of circumstances specified therein, provided that the legislative act determines which property and for securing which obligation it is deemed to be under mortgage (statutory mortgage).

A mortgage may secure obligations under credit agreements, loan agreements, sale and purchase agreements, lease agreements, construction agreements, and other agreements, as well as obligations arising from damage caused, unless otherwise stipulated by legislative acts.

The subject of a mortgage may include immovable property and other property equated to immovable things by legislative acts, including property that will be acquired by the mortgagor in the future and that, at the time of the mortgage agreement, is not considered created under the legislation (for example, an apartment under construction).

When an enterprise as a property complex is mortgaged, the pledge right extends to all property comprising the property complex, including receivables and exclusive rights, including those acquired during the period of the mortgage, unless otherwise provided by legislative acts or by the mortgage agreement.

A mortgage over land plots or other property is permitted only insofar as their turnover is allowed by legislative acts. Alongside the mortgage of land plots owned by mortgagors, the lease right to a land plot granted under a lease agreement may also be pledged if payment was charged for the right to lease the land plot.

Mortgagees of land plots (or mortgagees of lease rights to them) may be:

- banks holding a special authorization (license) to conduct banking activities, including the banking operation of placing attracted monetary funds on their own behalf and at their own expense under conditions of repayment, payment of interest, and fixed term;

- OJSC “Asset Management Agency”, OJSC “Development Bank of the Republic of Belarus”;

- IFC, EBRD, and the Eurasian Development Bank, if the mortgage of the land plot (or lease right to the land plot) secures the repayment of a loan or credit granted to a Belarusian resident;

- the China Development Bank, the Export-Import Bank of China, IFC, EBRD, and the Eurasian Development Bank with respect to land plots located within The Great Stone Industrial Park, if the mortgage of the land plot (or lease right to the land plot) secures repayment of a loan or credit granted to the Industrial Park Development Company (CSJC) or a resident of the park.

A mortgage of buildings and isolated premises located on a privately owned land plot is permitted only simultaneously with a mortgage of the land plot (or a share in the land plot). A building or isolated premises located on a leased land plot may serve as an independent subject of mortgage only if no payment was made for the right to conclude the land lease agreement. Consequently, buildings or isolated premises located on either a privately owned or a leased land plot (if payment for the right to conclude the land lease agreement was made) may secure only the repayment of bank credit agreements and credit agreements with IFC, EBRD, the Eurasian Development Bank, as well as the China Development Bank and the Export-Import Bank of China — for land plots located within The Great Stone Industrial Park.

The value of the property serving as the subject of the mortgage is determined by the parties upon concluding the agreement, unless otherwise provided by legislative acts. At the same time, the value of a land plot that is the subject of a mortgage may not be lower than its cadastral value, and the value of capital structures (buildings, facilities) or unfinished conserved capital structures located on the land plot that are subject to a mortgage may not be lower than their value determined by the market method.

A mortgage secures claims in the amount they have at the moment of satisfaction, including the amount of the principal obligation, as well as — unless otherwise provided by the agreement — interest, penalties, and claims for compensation of losses caused by non-performance or improper performance. A mortgage also secures additional expenses of the mortgagee, inter alia, expenses related to payment of the mortgagor’s arrears to the budget and/or other mandatory payments

associated with the mortgaged property (if the mortgagee incurs such expenses under the mortgage agreement or due to necessity), and – unless otherwise provided by the agreement – expenses related to foreclosure on the mortgaged property, including expenses for its sale during foreclosure.

A mortgage of immovable property (including the agreement, as well as the arising, transfer, or termination of the right) is subject to state registration in the Real Estate Register, except in cases provided for by legislative acts. Subsoil plots, water bodies, and forests may not be mortgaged, and a mortgage of perennial plantings, aircraft, sea vessels, inland navigation vessels, “river–sea” navigation vessels, and space objects is not subject to registration in the Real Estate Register.



## 6.10 Intellectual property objects and their protection

### 6.10.1. Trademarks

The legal protection of trademarks is regulated by the Civil Code of the Republic of Belarus, the Law of the Republic of Belarus Nr. 2181-XII “On Trademarks and Service Marks” of February 5, 1993, and Resolution of the Council of Ministers of the Republic of Belarus Nr. 1719 “On Registration of a Trademark and Service Mark” of December 28, 2009.

The following may be registered as trademarks:

- word marks: words, phrases, combinations of letters having a verbal character, sentences;
- letter marks: letters that do not form words;
- numerical marks: designations in the form of numbers;

- figurative marks: images of living beings, objects, natural and other objects, figures of any form, compositions of lines and spots;

- three-dimensional marks: objects or figures in three dimensions, including the shape of a product or its packaging;

- color marks: a designation in the form of a single color;

- combined marks: combinations of elements of different nature – verbal, numerical, letter, figurative, three-dimensional, and other designations, as well as words, letters, and/or numbers in a special graphic or font style.



Trademark registration in Belarus is carried out by the state patent authority – the State Institution “National Center of Intellectual Property”. Two registration procedures are available: standard and expedited. The standard procedure takes about 1 year. Expedited registration takes up to 1 month.

To register a trademark, an application must be submitted to the patent authority either on paper or through the automated information system “Electronic Application Filing” (portal.ncip.by). To handle application-related matters and represent the applicant during examination, the applicant may appoint a patent attorney.

When using a trademark on goods, it should be taken into account that if goods are imported into the territory of an EAEU Member State by the right holder or with the right holder’s consent, the subsequent use of the trademark in respect of such goods without additional consent of the right holder is lawful.

## 6.10.2. Copyright

Objects of copyright are protected under the Civil Code of the Republic of Belarus and the Law of the Republic of Belarus Nr. 262-Z “On Copyright and Related Rights” of May 17, 2011.

Copyright applies to works that are the result of creative activity and expressed in an objective form: on a tangible medium, in electronic form, in the form of sound, image, video, as well as through digital technologies, including blockchain. **Objects of copyright** include, inter alia, books, articles, musical works, video clips, films, graphics (including computer design), photographs, as well as computer programs. At the same time, ideas, facts, principles, and concepts as such are not protected by copyright.

A computer program is recognized as a copyrightable object from the moment its development is completed. Belarus does not have a specialized state register of programs developed in the country; however, depending on its functions, a computer program may be subject to registration as an information system.

Copyright arises automatically upon the creation of a work, without the need for state registration or filing with the patent authority. It

includes personal non-property rights (the right of authorship, the right to a name, the right to the integrity of the work, the right of disclosure, the right of withdrawal), which are perpetual, and the exclusive right, which is valid for the lifetime of the author and 70 years after their death.

If a copyrightable object is created by an employee within the scope of employment duties, it may be recognized as a “work for hire”. In such a case, the exclusive right belongs to the employer, while the personal non-property rights remain with the employee. When a work for hire is created, organizations must execute documents that confirm the employee’s job duties, the fact that an assignment was given, record the results of the employee’s creative activity, and confirm the organization’s use of the work.

## 6.10.3. Trade Secrets (Know-How)

Legal protection of trade secrets (“know-how”) in the Republic of Belarus is carried out in accordance with the Civil Code of the Republic of Belarus and the Law of the Republic of Belarus Nr. 16-Z “On Commercial Secrets” of January 5, 2013.

For information to qualify as know-how, the following conditions must be met simultaneously: (1) the information is not publicly known or readily accessible to third parties; (2) it has commercial value due to its inaccessibility to others; (3) it does not constitute an object of exclusive rights to the results of intellectual activity; and (4) it is not classified as a state secret in accordance with the established procedure.

The know-how regime arises from the moment an organization establishes a trade secret regime with respect to the relevant information. This requires adopting a Trade Secret Regulation, maintaining a register of persons who have access to such information, entering into non-disclosure undertakings with employees, executing confidentiality agreements with counterparties, and appointing responsible persons to ensure compliance with the confidentiality regime.

This regime is widely used by organizations, as it allows restricting access to information without state registration or obtaining a protection document from the patent authority; it operates for

an unlimited period as long as confidentiality is maintained, and provides a higher degree of flexibility in managing significant information. At the same time, it is important to take into account that if information is publicly disclosed to third parties, it loses its status as know-how and, accordingly, its legal protection as an intellectual property object. In addition, a particular feature of know-how is its vulnerability to risks of bad-faith misappropriation (squatting), which may result in the loss of the right to possess the information.

In practice, the application of the know-how regime within an organization may be challenging due to the lack of clear boundaries: know-how may include information of a wide variety of types, while information that constitutes objects of copyright or patent rights, state secrets, banking, tax and other legally protected secrets is not recognized as know-how. In the event of a dispute with a know-how owner, it may be difficult to prove the existence of protected information and the fact of its unlawful disclosure.

For the lawful transfer of know-how, the owner and the recipient enter into an agreement for the transfer of trade secrets ("know-how"). Such agreement does not require registration with the patent authority and becomes effective upon signing, unless otherwise provided therein.

#### 6.10.4. Patent Law

Objects of patent rights (inventions, utility models, and industrial designs) are subject to legal protection in the Republic of Belarus in accordance with the Civil Code, the Law Nr. 160-Z "On Patents for Inventions, Utility Models, Industrial Designs" of December 16, 2002, as well as Resolutions of the Council of Ministers Nr. 119, Nr. 120, and Nr. 121 of February 2, 2011, which regulate the content of the application, the procedure for conducting examination, and the adoption of decisions based on its results.

An invention is considered a technical solution that is novel, involves an inventive step, and is industrially applicable. It may relate to any field (from mechanical engineering to biotechnology) and may be expressed, for example, as a device, substance, method, microorganism strain, or technological process. To obtain a patent, it is necessary to prove that the proposed solution was

not previously known, is not obvious to a person skilled in the art, and can be applied in practice. The patent term is 20 years.

As an alternative to an invention, a utility model may be registered – a simplified form of legal protection for devices, a so-called "mini-invention." For a utility model, it is not required to prove an inventive step; it is sufficient to demonstrate novelty and industrial applicability. This simplifies the filing and patent-granting procedure, especially when the applicant finds it difficult to prove that the solution was created beyond the state of the art. A utility model patent is granted for 5 years, with the possibility of extension for an additional 5 years.

In addition to technical solutions, design solutions relating to the appearance of a product (industrial designs) are also subject to patent protection. These may include forms, configurations, or decorative elements used in manufacturing. An industrial design must be new (not previously known) and original (created as a result of a creative approach). A patent for an industrial design is valid for 10 years and may be extended for an additional 5 years. External solutions that are dictated solely by the technical function of a product, printed materials, objects with unstable forms, and certain other categories are not subject to protection.

Legal protection arises from the moment a patent is obtained. An application in Belarus is filed with the patent authority – the State Institution "National Center of Intellectual Property". If protection is required simultaneously in several CIS countries, an application may be filed with the Eurasian Patent Office.

#### 6.10.5. System of Intellectual Property Rights Protection

The protection of intellectual property rights in the Republic of Belarus depends on the type of object with respect to which third-party actions are carried out and on the type of right that has been infringed. In practice, disputes in this area generally arise in two situations.

The first situation concerns improper performance of an agreement under which actions involving an intellectual property object are carried out. Examples of violations include the failure of the

customer (rights acquirer) to pay remuneration, or the contractor's failure to perform the work related to creating the object or to fulfill obligations to transfer the exclusive right.

The second situation arises when an exclusive right to an object is infringed through its unlawful use without the rights holder's consent. An infringement of an exclusive right is recognized as such only when two conditions are met: (1) the object is used without the rights holder's consent, and (2) such use pursues a commercial purpose – the receipt of profit.

If an infringement is established, the rights holder may use the following legal mechanisms to protect their right:

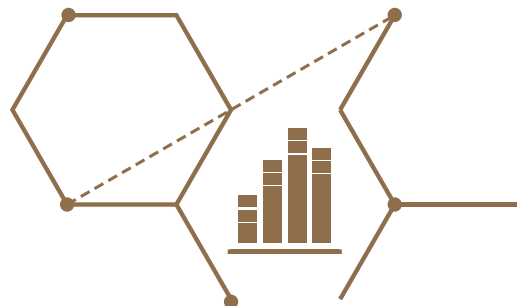
**- Judicial mechanism.** This is the primary means of intellectual property rights protection, implemented by filing a claim with Judicial Board on Intellectual Property Cases of the Supreme Court of the Republic of Belarus. In 2024, the Board considered 82 cases, and in the first half of 2025 – 46 cases. Starting from January 1, 2026, proceedings in such cases will be conducted in accordance with the provisions of the Civil Procedure Code of the Republic of Belarus.

**- Administrative mechanism.** Within the authority of the patent office, it is possible to file, in particular, appeals against decisions on the registration or refusal of registration of objects, oppositions against the grant of a patent or the provision of legal protection to a trademark, as well as applications for termination of legal protection of a well-known trademark. Appeals are examined by the Board of the Appeals Council under the patent office within 1 month, and oppositions and applications – within 6 months from the date of their submission to the patent office.

**- Tort mechanism.** The infringement of intellectual property rights constitutes grounds not only for a civil dispute between the rights holder and the infringer, but also for administrative proceedings under Article 10.15 of the Code of Administrative Offenses of the Republic of Belarus. The rights holder may file a claim on the commission of an administrative offense to the internal affairs authorities, the bodies of the State Control Committee, or customs authorities. An organization that infringes intellectual property rights may be fined from 1,225 EUR to 3,690 EUR, with the possibility of confiscation of copies of the intellectual property object.

**- Antimonopoly mechanism.** If the infringement of intellectual property rights is committed by a competitor (an individual entrepreneur or an organization), the rights holder may apply to the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus. In this case, the infringement is treated as an act of unfair competition under the Law of the Republic of Belarus Nr. 94-Z "On Counteracting Monopolistic Activity and Developing Competition" of December 12, 2013. Based on the results of examining the claim, the Ministry's commission issues a decision confirming or denying the existence of an infringement. If the infringement is confirmed, this decision serves as grounds for initiating administrative proceedings under Article 13.33 of the Code of Administrative Offenses of the Republic of Belarus.

**- Customs mechanism.** This mechanism applies in cases of unlawful cross-border movement of goods that infringe rights to intellectual property objects across the State Border of the Republic of Belarus. The rights holder may apply to the State Customs Committee with a request to take measures to protect intellectual property rights. As a result, the object is included in the Customs Register of Intellectual Property Objects (TROIS). If the import of goods infringes rights to objects included in TROIS, customs authorities may suspend the release of such goods for up to 10 business days. During this period, the rights holder may apply to the court or law enforcement authorities, which may result in the goods being seized, confiscated, or arrested.



## 6.11 Labour regulation

### 6.11.1. Commencement of Employment. Employment Contract

Before the conclusion of an employment contract and commencing employment relations, the employer is required to request a specific set of documents from the individual. The employee, in turn, must provide these documents:

- 1) an identity document;
- 2) military registration documents (for individuals in the military reserve and those subject to conscription);
- 3) a work record book (except for individuals entering employment for the first time and employees working under concurrent employment);
- 4) an educational document or a training document confirming the employee's eligibility to perform the relevant work;
- 5) a job referral under an employment quota (for certain categories of employees in accordance with legislation);
- 6) an individual rehabilitation program for a person with a disability (for persons with disabilities);
- 7) a declaration of income and assets (for certain positions);
- 8) an insurance certificate;
- 9) a medical certificate of health status (in cases established by legislation);
- 10) a reference from previous places of employment (in cases established by legislation).

Official employment relations commence upon the execution of an employment contract. Belarusian law recognizes the following types of employment contracts:

- An employment contract for an indefinite term;
- An employment contract for a specific term (concluded for a specific period not exceeding five years).

A fixed-term employment contract (hereinafter – fixed-term contract) which constitutes a particular form of an employment contract for a specific term, has become the most widely used instrument for establishing employment relations.

The minimum duration of a fixed-term contract is 1 year, and the maximum is 5 years, with the

specific term determined by mutual agreement of the parties.

By mutual agreement, a fixed-term contract may be extended within the maximum term for a period of no less than 1 year, and for an employee who does not commit violations of production and technological, performance and labour discipline – for a period up to the expiration of the 5-year term. Extension for a shorter period is permitted only with the employee's written consent.

Upon expiration of the 5-year term, the parties may conclude a new fixed-term contract for a term of no less than 1 year, and with an employee who has no disciplinary violations – for no less than 3 years. A shorter term is allowed only with the employee's consent, and in such case the minimum duration must be 1 year.

Each party to a fixed-term contract must notify the other party in writing, no later than 1 month before the expiration of its term, of the decision to continue or terminate the employment relations.

Key distinctions of a fixed-term contract compared to other types of employment contracts include:

- the ability to conclude it for any type of work (other employment contracts for a specific term are tied to the conditions or nature of the assigned work, e.g., seasonal work determined by natural and climatic conditions, or performing duties of a temporarily absent employee whose job position is retained);
- early termination of employment relations by mutual agreement or on grounds provided for in the Labour Code (while for an employment agreement for an indefinite term the employee has the right to notify the employer one month in advance of termination without providing reasons, the employer does not have this right);
- additional guarantees for employees, including additional incentive leave, financial incentives in the form of salary increases (rates), and other guarantees upon the conclusion, extension and termination of fixed-term contracts for certain categories of employees);
- mandatory attestation of employees at least once every three years.

### 6.11.2. Termination of Employment

The Labour Code establishes the following grounds for termination of employment relations:

- by mutual agreement of the parties;
- upon expiration of an employment contract for a specific term (except where the employment relations in fact continue and neither party demands the termination);
- at the employee's initiative (for employment contracts for an indefinite term, with one month's notice without providing reasons, or where circumstances arise that complicate or preclude continuation of employment relations, as well as in cases of violations committed by the employer);
- at the employee's request (for employment contracts for a specific term, if circumstances arise preventing continuation of work, or where the employer commits violations);
- at the employer's initiative (general grounds apply both to employment contracts for an indefinite term and to employment contracts for a specific term);
- in connection with the employee's transfer, with their consent, to another employer or their election to a public office;
- due to the employee's refusal to transfer to another locality together with the employer; refusal to continue working due to changes in essential working conditions; refusal to continue working due to a change of the owner of the organization's property and/or reorganization of the organization; leasing of the organization's property complex; or transfer of shares of the organization into trust management;
- due to circumstances beyond the control of the parties;
- termination of an employment contract with a probationary period.

Circumstances that prevent an employee from performing work under an employment contract include illness or disability, entry into military service under a contract, as well as other valid reasons (in practice, these include relocation to a new place of residence; other reasons are subject to assessment by the employer).

The employer may terminate an employment contract on its own initiative in the following cases:

- liquidation of the organization or staff reduction;
- the employee's failure to meet job requirements due to health reasons or insufficient qualifications;
- absence from work for more than four months due to illness (with certain exceptions);

- a single gross violation of labour duties (for example, truancy, appearing at work intoxicated, etc.);
- other grounds established by legislation.

When dismissing an employee, the employer must follow the procedure below:

1. provide notice to the employee (in cases provided by legislation, see below);
2. notify the trade union of the employee's dismissal (in cases provided by legislation) or obtain the trade union's consent to dismissal (if required by a collective agreement, other agreement);
3. issue a dismissal order and communicate it to the employee against their signature;
4. make all payments due to the employee on the date of dismissal, including payment for unused annual leave;
5. issue the employee's work record book.

As a general rule, the employer is not required to notify employees of its intention to terminate employment relations, except in cases expressly provided by legislation:

- in the event of liquidation of the organization, staff reduction, termination of notarial activity and in other cases – at least two months prior to dismissal, unless longer periods are provided for by a collective agreement, other agreement;
- where a fixed-term contract has been concluded with the employee – no later than one month before its expiration.

Severance payments and compensations due to the employee upon dismissal include:

- where an employment contract is terminated due to the employer's fault, the employee is entitled to severance pay of not less than two weeks' average earnings;
- in the event of liquidation of the organization or termination of activities of its subdivisions, and in certain other cases, severance pay must be not less than three months' average earnings;
- for other grounds for dismissal – such as refusal to transfer, refusal to accept changes in working conditions, insufficient qualifications, conscription for military service, or reinstatement of another employee – severance pay must be not less than two weeks' average earnings.

Specific rules apply to the payment of severance when terminating employment relations with the head of the organization, their deputy, or the chief accountant, as well as with part-time employees.

The amount of severance pay may be increased by the terms of a collective agreement or by the employer.

### 6.11.3. Confidentiality and Non-Compete

Belarusian lawyers recommend that an employment contract should include general provisions on trade secrets established by the employer. This allows the employer to apply disciplinary measures if the employee breaches the fixed-term contract.

To ensure full protection of trade secrets, employees who are granted access to trade secret information should additionally sign a non-disclosure undertaking, which should regulate:

- the rights and obligations of the parties;
- the procedure for handling information and items containing trade secrets;
- the liability of the parties;
- the term of such undertaking concerning trade secrets;
- the employer's liability for improper fulfilment of its obligation to notify the employee about the cancellation of the trade secret regime.

If an employee whose access to confidential information is necessary to perform work-related duties refuses to sign such undertaking, this constitutes grounds for dismissal, even if the employee is a pregnant woman, a woman with a child under the age of three, a single mother with older children, or a single father. At the same time, the employer must document the employee's refusal or evasion from signing the non-disclosure undertaking.

It is important to note that the employer must first establish a trade secret regime, i.e., define the scope of information subject to protection, the access procedure, and other aspects required under the trade secret legislation. Once the regime is in place and the non-disclosure undertaking is signed, the employer may recover losses, including lost profits, in the event of disclosure of trade secrets.

Currently, the right to conclude non-compete agreements with employees is granted only to residents of the High-Tech Park.

Under such agreement, the employee voluntarily undertakes, for the period specified therein, to:

- refrain from entering into employment contracts and/or civil law contracts with third parties that are competitors of that High-Tech Park resident;

- refrain from independently conducting competing entrepreneurial activities without establishing a legal entity;

- refrain from acting as a founder (participant) of an entity competing with that High-Tech Park resident, from acting as its executive officer, or from serving as a member of its collegial management body.

These obligations are assumed by the employee in exchange for a monthly payment (compensation), the amount of which must be at least one-third of the employee's average monthly salary for the last year of employment. This compensation is paid for each month of compliance after termination of employment. The maximum permissible term of a non-compete agreement is 1 year from the date of dismissal.

It is important to take that into consideration, because the employee undertakes non-compete obligations voluntarily, the employer may not:

- require the employee to sign such an agreement;
- dismiss the employee for refusing to sign it.

### 6.11.4. Employee Stock Options

Following recent amendments to the legislation, the right to conclude an option to enter into a contract and an option contract—either between themselves or with third parties—has been granted not only to residents of the High-Tech Park but also to other entities.

Under an option to enter into a contract, one party, within the term of the option, is obliged, upon request of the other party, to enter into a contract on the terms specified in the option.

Under an option contract, one party, under the terms provided therein, is entitled to demand within the established period that the other party performs certain actions (including payment of money, transfer, provision or acceptance of property, or transfer of exclusive rights to the results of intellectual activity).

This structure may serve as an effective motivational tool for employees both in startups and in large companies.



Through an option, the employer may transfer or sell shares to an employee if the employee meets the conditions established by internal regulations or a civil law (employment) contract (for example, long service for the company, contribution to its development, professional achievements, etc.). To protect the company from undesirable changes, the employer may introduce restrictions on the sale of shares after they are acquired or require a mandatory buyback of shares in the event of the employee's dismissal.

Employee motivation includes the opportunity to become a co-owner of the company, acquire the right to dividends, and participate in the management of the business.

For the company, the advantages include increased employee engagement in developing the business, reduced staff turnover, and the ability to attract and retain highly qualified specialists.

### 6.11.5. Personal Data

As a general rule, the processing of personal data is carried out with the consent of the personal data subject, except in cases provided for by legislative acts.

When formalizing employment (service) relations, as well as in the course of employment (service) activities of the personal data subject in cases provided for by legislative acts, consent for the processing of personal data is not required.

There are situations in which the relations between the employer and the employee are not directly based on the performance of employment duties (for example, participation of employees in sports events, the social life of the organization, etc.). In such cases, depending on the circumstances, the following legal grounds may be used:

- consent to the processing of personal data;
- obtaining personal data by the operator on the basis of an agreement concluded (or being concluded) with the personal data subject for the purposes defined in that agreement;
- processing of personal data when such data are contained in a document addressed to the operator and signed by the personal data subject, in accordance with the content of that document;
- processing of personal data when such processing is necessary for fulfilling duties (powers) established by legislative acts.

More detailed Recommendations on the processing of personal data in connection with employment (service) activities are available on the website of the National Personal Data Protection Center.

### 6.11.6. Specifics of Regulating the Work of a Director

Employment relations with a director as the sole executive body of an organization have their own specific features. They are regulated both by the employment contract and by the founding document (the Charter) of the organization.

The owner may establish in the founding document certain procedures that must precede the commencement of employment relations with the director (such as a competitive selection, election, or appointment, etc.).

The same individual may simultaneously serve as a director in several organizations. A prohibition on engaging in other paid activities (except for teaching, scientific, creative activities, and medical practice) applies to directors of state-owned organizations and organizations in which the state holds at least 50% ownership.

A director of an organization may not be a member of bodies performing control or supervisory functions within the same organization.

The director bears full material liability for actual damage caused to the organization's property.

An employment contract with the director is concluded by the owner of the organization's property or by a body (organization) authorized by the owner, for a term established by the founding document or by agreement of the parties.

Legislation provides additional grounds for terminating employment relations with the director, namely:

- the initiation of insolvency or liquidation proceedings against the company, or the introduction of rehabilitation procedures in an insolvency or bankruptcy case;
- adoption by the owner of the property or an authorized body of a decision to terminate employment relations (if such decision is not connected with the director's breach of legislation or the contract, early termination is allowed only if the employment contract establishes a condition specifying the amount of compensation for such early termination).

A fixed-term contract with the director may be terminated before the expiration of its term by a decision of the owner of the employer's property even if the director has committed no wrongful act. At the same time, judicial practice proceeds from the position that this right may be exercised only if the fixed-term contract contains a provision establishing the director's compensation and its amount.

### 6.11.7. Regulation of Remote Workers

Employees may perform work remotely not only within Belarus but also outside its territory. Information and communication technologies are used to perform such work, and the employee's physical presence is required only at the time of entering into the employment contract.

Remote work may be performed in the following ways:

- on a permanent basis;
- on a temporary basis, i.e., continuously for a specified period not exceeding six months within a calendar year;
- on a combined basis, i.e., performed on a permanent or temporary basis with alternation during working hours between remote work and work at the employer's location.

The conditions for the exchange between the employer and the employee of electronic documents or electronic messages (including SMS messages, files, and records) connected with the performance of the employee's employment duties are determined by the employment contract and internal legal acts. Written assignments, work results, applications, explanations of the employee, and other documents may be sent electronically, and where acknowledgment of documents by signature is required, the employee may be familiarized with them through the exchange of electronic documents or documents in electronic form. The need to deliver hard-copy documents to the employee is determined by agreement of the parties (except for an agreement amending the employment contract terms, which must be sent in hard-copy form).

The employment contract must expressly state that the work is remote, except where remote work is temporary (in such case it is formalized by an employer's order/instruction).

### 6.11.8. Hiring and Dismissal of Foreign Nationals

As a general rule, foreign nationals may work in Belarus provided that the employer obtains a special permit granting the right to engage in labour activity in the Republic of Belarus with respect to such individuals.

Exceptions where obtaining this special permit is not required:

- citizens of the member states of the Eurasian Economic Union (the Russian Federation, Kazakhstan, Armenia, Kyrgyzstan);
- heads of representative offices of foreign organizations in the Republic of Belarus;
- foreign nationals holding a permanent residence permit in Belarus;
- where the employer is a resident of the High-Tech Park;
- foreign nationals hired for positions of directors and of specialists who are highly qualified employees of a resident, an innovation-activity entity, or a joint company of the Great Stone Industrial Park;
- foreign nationals who are winners (laureates) of national (international) competitions honored with awards in their professional field;
- foreign nationals hired for positions included in the list of occupations or positions for which hiring is allowed without obtaining a special permit.

Special permits are issued upon application of a Belarusian employer for a specific foreign national. A special permit may be issued for up to 2 years (for highly qualified employees) or for 1 year (for other employees). After obtaining the permit, the employer must conclude an employment contract for a specific term with the foreign national.

Specifics of entering into an employment contract with a foreign national:

- the term of the employment contract may not exceed the validity period of the special permit;
- the employment contract must include special provisions required by Belarusian migration legislation (including conditions for relocation to the Republic of Belarus, meals, accommodation, medical services for the foreign national, and a salary amount not lower than the minimum salary in force in Belarus as of the date of entering into the employment contract);
- the employment contract must be drawn up in Russian and/or Belarusian, as well as in the employee's native language or another language understandable to the employee.



The employer must notify the citizenship and migration office of the conclusion (extension) and termination of the employment contract with a foreign national within 3 business days from the date of conclusion or termination.

Dismissal of a foreign national is carried out under the general procedure. After dismissal, the employer has additional obligations:

- to return the employee's special permit to the citizenship and migration office within 5 business days from the date of termination of the employment contract;
- to notify the citizenship and migration office of the termination of the employment contract within 3 business days;
- to ensure, at its own expense, the employee's departure from Belarus if certain grounds are present.

#### 6.11.9. Civil Law Relations with Individuals

In accordance with the Civil Code of the Republic of Belarus, organizations are entitled to engage individuals as contractors (performers) by concluding civil law contracts.

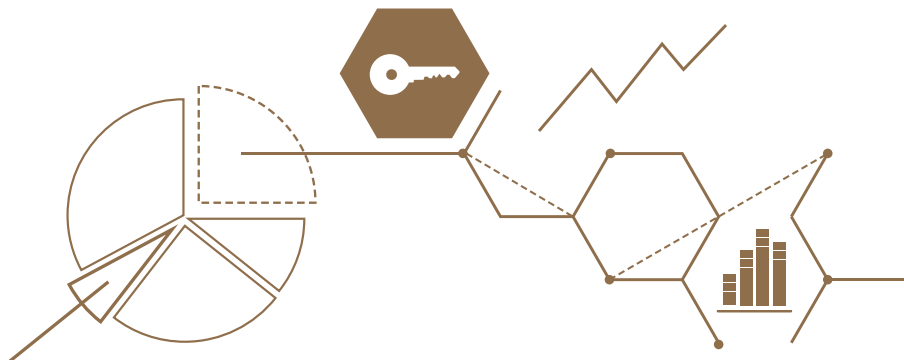
Civil law contracts under which the subject matter is the performance of work, the provision of services, or the creation of intellectual property objects are fixed-term in nature and are typically concluded for the performance of specific, most often one-off tasks. Once the objective of the contract has been achieved, such contracts are deemed to have been performed and are terminated. Legislation requires the conclusion of a civil law contract when the need to perform certain work is not permanent or long-term in nature.

A contractor (performer) may provide services, perform work, or create intellectual property objects either at a location provided by the organization (in which case the organization pays insurance contributions to Belgosstrakh) or at another location of the contractor's choosing. The organization assumes obligations to ensure compliance with occupational health and safety requirements, to pay social security contributions to the Social Protection Fund (FSZN), and to calculate, withhold, and pay personal income tax. The amount of contributions and taxes is equivalent to the amount of such payments arising in employment relations.

However, if the work performed is permanent in nature and corresponds to duties ordinarily carried out by an employee, there is a risk that such relations may be recognized as employment relations.

Recognition of relations based on a civil law contract as employment relations may entail negative consequences, including:

- the imposition of administrative liability;
- reinstatement of the employee;
- payment to the individual of all amounts due (compensation for unused annual leave; payments related to remuneration, including compensation for moral damage);
- additional assessment of taxes and other mandatory payments.



## 6.12 Dispute resolution

### 6.12.1. State Courts

The judicial system of the Republic of Belarus consists of the Constitutional Court of the Republic of Belarus and the system of courts of general jurisdiction.

The Constitutional Court ensures the review of normative legal acts for their compliance with the Constitution. Courts of general jurisdiction administer justice through civil, criminal, and other types of proceedings established by law. The system of courts of general jurisdiction is based on the principles of territoriality and specialization.

The system of courts of general jurisdiction includes:

- the Supreme Court of the Republic of Belarus, consisting of the Plenum of the Supreme Court, the Presidium of the Supreme Court, and four judicial panels (for civil cases, for criminal cases, for economic cases, and for intellectual property cases);
  - regional (and Minsk City) courts;
  - economic courts of the regions (and of the city of Minsk), which protect violated or disputed rights and legitimate interests in the economic sphere;
  - district (city) courts, which consider civil and criminal cases and administrative offenses as courts of first instance and also review cases on newly discovered circumstances.

Before filing a claim with an economic court, a state duty must be paid. The state duty rates are established by Annex 15 to the Tax Code of the Republic of Belarus (Special Part). The amount of the state duty depends on the nature and amount of the claim.

If a claim is filed with an economic court by residents of the Republic of Azerbaijan, the Republic of Armenia, Georgia, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Moldova, the Russian Federation, the Republic of Tajikistan, Turkmenistan, or the Republic of Uzbekistan, the state duty is determined in accordance with the Agreement on the Amount of State Duty and the Procedure for Its Collection in the Consideration of Economic Disputes Between Business Entities of Different States (signed in Ashgabat on December 24, 1993).

As a general rule, the procedural time limit for an economic court of first instance to consider a case is two months from the date of issuing a ruling scheduling the case for trial, but this period may be extended to four months. Cases involving foreign persons who have management bodies, branches, representative offices, or representatives authorized to conduct the case in Belarus are considered within two months. In other cases involving foreign persons, cases are considered within seven months, with the possibility of extending this period to one year.

Certain categories of cases, where the claim is undisputed or acknowledged (not contested) by the debtor, may be considered under writ proceedings without holding court hearings.

The following disputes cannot be considered under writ proceedings:

- claims for vindication of immovable property by the owner.
- claims for the enforcement of warranty obligations, except for bank guarantees.
- claims for the enforcement of obligations arising from an assignment of claim or a debt assignment agreement (except when the debtor acknowledges the debt in writing).
- claims enforceable through a notarial writ of execution.

The advantages of writ proceedings include shorter consideration time (20 business days from the date the application is received by the court) and a low state duty (up to 7 basic units).

On January 1, 2026, the Civil Procedure Code of the Republic of Belarus (the “CPC”) will enter into force. It will unify the currently effective Civil Procedure Code and Economic Procedure Code.

Key innovations include:

- 1) Digitalization of court proceedings

A claim, a response to a claim, appeals, and other procedural documents may be submitted to the court in electronic form (Art. 5(4) of the CPC). The CPC also introduces the possibility of submitting electronic evidence (e.g., text messages, multimedia and voice messages, information posted on the Internet) (Art. 199 of the CPC).

## 2) Simplified claim proceedings.

Cases involving claims for monetary recovery or for the vindication of property may be considered under simplified proceedings if the amount of the claim meets statutory thresholds. The main feature of simplified proceedings is that the court considers the case without a court hearing, without summoning the parties, and within a shorter period (one month).

## 3) Default proceedings

A case may be considered in default proceedings if at least one of the conditions established by the CPC is met – for example, the court finds that the defendant is evading appearance (Art. 332(1) of the CPC). The CPC also provides for the possibility of setting aside a default judgment upon the defendant's application.

## 4) Alternative dispute resolution

An important novation is the possibility of dispute settlement through negotiations between the parties with the participation of their attorneys (Art. 165(4) of the CPC). In disputes related to the creation, legal protection, and use of intellectual property objects, negotiations may be conducted with the participation of attorneys and/or patent attorneys (Art. 165(4) of the CPC). As a result of this procedure, the parties may conclude a dispute settlement agreement.

# 6.12.2. Commercial Arbitration

Disputes between legal entities and/or individual entrepreneurs may be referred for resolution to international arbitration courts (hereinafter, IACs) – either to a permanent international arbitration court or to an international arbitration court established to resolve a specific dispute (ad hoc arbitration).

Filing a statement of claim with an international arbitration court requires the existence of an arbitration agreement or an arbitration clause providing for the referral of all or certain disputes arising between the parties to an IAC.

Through an arbitration clause (or agreement), the parties may agree on the applicable law, the requirements for arbitrators (including their number), the place of oral hearings, the language of the proceedings, and any other conditions agreed by the parties. Each arbitration court has developed a

standard (recommended) arbitration clause; using it helps avoid future disputes regarding the arbitral jurisdiction.

Two permanent international arbitration courts have been established in the Republic of Belarus: the International Arbitration Court at the Belarusian Chamber of Commerce and Industry ("BelCCI") (<https://iac.by/>) and the International Arbitration Court "Chamber of Arbitrators at the Union of Lawyers" (<https://arbchamber.by/>). Civil law disputes between any legal subjects arising from foreign trade and other types of international economic relations may be referred to a permanent arbitration court, provided that at least one party is located or resides outside the Republic of Belarus and the parties have concluded a corresponding arbitration agreement.

Relations connected with the activities of international arbitration courts in the Republic of Belarus are regulated by the Law of the Republic of Belarus of July 9, 1999 Nr. 279-Z "On International Arbitration Courts".

When applying to an international arbitration court, an arbitration fee and/or registration fee must be paid; the amount depends on the value of the claim. For example, before the International Arbitration Court at the BelCCI, the minimum arbitration fee payable for claims of less than 5,000 EUR is 700 EUR.

For convenience, each international arbitration court's website includes a special calculator allowing parties to determine the amount of arbitration and/or registration fees payable when filing a claim.

If the parties specify in their arbitration agreement that the dispute is to be referred to a permanent international arbitration court, then—unless otherwise agreed—they are deemed to have consented to the consideration of the dispute in accordance with the arbitration rules of the respective court. The up-to-date versions of the arbitration rules of the International Arbitration Court at BelCCI (<https://goo.su/OkfSB1u>) and International Arbitration Court "Chamber of Arbitrators at the Union of Lawyers" (<https://goo.su/FVfDuiz>) are publicly available.

### 6.12.3. Notarial Writ Of Execution as an Out-of-Court Debt Recovery Mechanism

A legal entity and an individual entrepreneur are entitled to obtain a notarial writ of execution with respect to monetary claims included in the approved list of undisputed claims for which notarial writs of execution may be issued.

This list includes, for example, claims for the recovery of indebtedness arising from contracts of sale, supply, contractor agreement, subcontract, carriage, freight forwarding, contracts for the provision of services, storage, as well as penalties (fines, late-payment penalties) related to such indebtedness, indebtedness under lease payments for non-residential capital structures (buildings, facilities), under lease (leasing) payments, and others.

The full list may be found in the Annex to the Law "On Notaries and Notarial Activities".

The limitation period for claims against a debtor is three years; however, special limitation periods apply to certain types of claims. The rules governing suspension or interruption of the limitation period do not apply when applying to a notary.

Each type of claim has its own list of required documents. The full list of documents for each type of undisputed claim may be found in Resolution of the Council of Ministers of the Republic of Belarus Nr. 418 of June 13, 2024 "On the Lists of Documents Relating to the Issuance of Notarial Writs of Execution".

Pre-trial (claim) procedure is not required prior to applying to a notary. However, a notice must be sent to the Debtor requesting repayment of the debt and indicating the intention to apply to a notary. For most contracts, no specific period is established for the Debtor to consider such notice, although for some contracts it must be at least seven days.

An application for a notarial writ of execution may be submitted in person during a notarial appointment, by mail, or in the form of an electronic document through the information resources (systems) of the Belarusian Notarial Chamber.

The notarial fee depends on the type of claim for which the notarial writ of execution is issued.

The notarial fee must be paid prior to the issuance of the notarial writ of execution. If the application is submitted remotely, a notice indicating the amount payable as the notarial fee will be sent no later than the next business day following the date of receipt of the application.

As a general rule, a notary issues the notarial writ of execution on the day of application, provided that all required documents are submitted and the notarial fee is paid. However, if a large number of documents is involved, the period may be extended to three days.

If documents that do not meet the established requirements are submitted, the notary may refuse to issue the notarial writ of execution; in this case, the notarial fee will be refunded, and the creditor retains the right to file a claim with a court for the recovery of indebtedness.

### 6.12.4. Recognition and Enforcement of Foreign Court and Arbitral Decisions

Recognition and enforcement of foreign court and arbitral decisions in the Republic of Belarus are possible on the basis of multilateral or bilateral international treaties, and, in the absence thereof, on the basis of the principle of reciprocity, i.e., taking into account the practice of enforcing decisions of Belarusian courts in the foreign state.

Currently, the following international treaties establishing procedures for the recognition and enforcement of foreign decisions are in force:

- multilateral treaties, including: the Convention on the Recognition and Enforcement of Foreign Arbitral Awards concluded in New York on June 10, 1958 (the New York Convention); the Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters concluded in Minsk on January 22, 1993; the Convention on Legal Assistance and Legal Relations in Civil, Family and Criminal Matters concluded in Chisinau on October 7, 2002; and others.

- bilateral treaties with the Republic of Lithuania, the People's Republic of China, the Republic of Latvia, the Republic of Poland, the Socialist Republic of Vietnam, the Islamic Republic of Iran, the Republic of Bulgaria, the Republic of Serbia, and others.

To initiate recognition and enforcement of a foreign decision in Belarus, an application must be filed with the economic court at the Debtor's place of location (residence). If it is unknown, the application is filed at the location of the debtor's property (Art. 45; Part 9 Art. 51; Parts 1 and 2 Art. 246 of the Economic Procedure Code). Before filing the application, a state duty in the amount of 10 basic units must be paid.

An application for recognition and enforcement of a foreign decision is considered by a judge sitting alone within one month from the date it is received by the court.

The court does not reconsider the case on its merits. It only determines whether grounds exist for refusal to recognize and enforce the foreign decision.

Such grounds include:

- The decision has not entered into legal force under the law of the state where it was issued, unless an international treaty of the Republic of Belarus permits recognition and enforcement of a decision before it enters into legal force;
- the party against whom the decision was issued was not duly notified in a timely manner of the time and place of the hearing or, for other reasons, was unable to present its case;
- the case falls within the exclusive jurisdiction of courts of the Republic of Belarus under Belarusian legislation or a treaty;
- a final and binding judgment of a Belarusian court exists in a dispute between the same parties, concerning the same subject matter and on the same grounds;
- a case between the same parties, concerning the same subject matter and on the same grounds, is pending before a Belarusian court, and the proceedings were initiated before the foreign court proceedings, or the Belarusian court was the first to accept the claim;
- the limitation period for enforcement of the foreign decision has expired and has not been restored by the economic court reviewing the application;
- enforcement of the decision would contradict the public policy of the Republic of Belarus.

The most common ground for refusing recognition and enforcement of a foreign decision in Belarusian practice is improper notification of a party about the proceedings.

Following consideration of the application, the court issues a ruling either recognizing and enforcing the foreign decision or refusing recognition and enforcement. The ruling enters into force upon issuance.

It should be noted that judicial acts of arbitration courts of the Russian Federation do not require a special recognition and enforcement procedure.

As a general rule, decisions of Russian arbitration courts issued against Belarusian debtors are subject to direct enforcement in Belarus in the same manner as national judicial decisions.

The basis for direct enforcement is the Agreement between the Republic of Belarus and the Russian Federation on the Procedure for Mutual Enforcement of Judicial Acts of Economic Courts of the Republic of Belarus and Arbitration Courts of the Russian Federation of January 17, 2001.

#### 6.12.5. Enforcement Proceedings

The execution of enforcement documents in Belarus is carried out by the compulsory enforcement authorities (hereinafter, the CEAs), which include the Main Department for Compulsory Enforcement of the Ministry of Justice and the territorial compulsory enforcement authorities.

Before applying to a CEA for the initiation of enforcement proceedings, the creditor is entitled to apply to a bank or a non-bank credit and financial institution for a non-judicial debit of funds held in the debtor's accounts. Belarus operates an automated information system for the execution of monetary obligations (hereinafter, the AIS EMO), which significantly accelerates and simplifies the debt recovery process. After a request is sent to the system through the creditor's servicing bank, the AIS EMO collects data on the availability of funds in all accounts or electronic wallets held by the debtor. If funds are available (including in another currency), they are reserved and debited from the debtor's account in accordance with the statutory order of priority of payments.

If the creditor has not initiated the procedure for the non-judicial recovery of the debtor's monetary funds or has withdrawn the payment demand due to the absence of funds in the debtor's account, the creditor, on the basis of the received

enforcement document and within the statutory time limit, is entitled to apply to a CEA for the initiation of enforcement proceedings. An authorized representative may also apply for the initiation of enforcement proceedings on behalf of the creditor. A state fee (charge) for initiating enforcement proceedings is not paid.

After the initiation of enforcement proceedings, the debtor is generally granted a period for the voluntary execution of the enforcement document. Upon the debtor's request, the enforcement officer may extend this period if the reasons preventing execution within the voluntary period are recognized as valid. Such extension may be granted only once and for no more than seven days.

If the debtor fails to execute the enforcement document within the granted voluntary period, compulsory execution of the enforcement document is carried out.

Compulsory execution of the enforcement document is ensured by the enforcement officer's performance of enforcement actions (for example, prohibiting the debtor or other persons from performing certain actions in relation to monetary funds) and by taking enforcement measures (for example, levying execution on the debtor's monetary funds and other property, including, for instance, the debtor's share in the charter fund of a limited liability company or an additional liability company).

Expenses incurred in the course of compulsory execution of the enforcement document (for example, the enforcement officer's travel to the

place where enforcement actions are performed), together with the enforcement fee (for property claims – 10 percent of the recovered amount, but not less than 50 percent of a basic unit), are generally recoverable from the debtor.

Belarus has established an information resource, the "Register of Debts under Enforcement Documents". This information resource contains reference information on enforcement proceedings of legal entities and individuals, including individual entrepreneurs (based on data starting from August 15, 2017). Information from the register is provided free of charge. Belarus has also established a database of enforcement proceedings, which contains information on enforcement proceedings. Any interested person is entitled to obtain part of the information from this database (for example, the content of the enforcement documents' requirements against the debtor, the debtor's debt amount (the amount recovered, the outstanding balance) under the enforcement documents, the result of execution, and the date of completion of the enforcement proceedings). As a general rule, information from the database of enforcement proceedings is provided on a paid basis. The amount of the state fee is 3 basic units.

Since April 10, 2022, as a counter-sanction measure, the execution of enforcement documents issued in favor of creditors who are residents of "unfriendly" states has been temporarily suspended in Belarus. For more detailed information, see Section 8.7 of the Guidebook.



# 7. Taxation



Taxation in Belarus is carried out in accordance with national and international regulation.

National regulation is represented by the Tax Code of the Republic of Belarus (the General and Special Parts) and legislative acts, such as resolutions of the Ministry for Taxes and Duties, the Council of Ministers, and the Ministry of Finance.

The main international regulation is represented by bilateral Double Taxation Avoidance Agreements (hereinafter, the DTAAs) and Annex Nr. 18 to the EAEU Treaty.



## 7.1 International Regulation

### Double Taxation Avoidance Agreements

The Republic of Belarus has concluded more than 70 DTAAAs.

The parties to such agreements include Austria, Azerbaijan, Armenia, Bangladesh, Bahrain, Belgium, Bulgaria, the United Kingdom, Hungary, Venezuela, Vietnam, Georgia, Denmark, Egypt, Zimbabwe, Israel, India, Indonesia, Iran, Ireland, Spain, Italy, Kazakhstan, Qatar, Cyprus, China, Hong Kong (China), the Democratic People's Republic of Korea, the Republic of Korea, Kyrgyzstan, Kuwait, Laos, Lebanon, Libya, Lithuania, North Macedonia, Moldova, Mongolia, the Netherlands, the United Arab Emirates, Oman, Pakistan, Poland, Russia, Romania, Saudi Arabia, Serbia, Singapore, Syria, Slovakia, Slovenia, Sudan, the United States, Tajikistan, Thailand, Turkmenistan, Turkey, Uzbekistan, Finland, France, Germany, Croatia, the Czech Republic, Switzerland, Sweden, Sri Lanka, Ecuador, Equatorial Guinea, the Republic of South Africa, and Japan.

From June 1, 2024 to December 31, 2026, the application of the DTAA with the United States and the EU countries is suspended with respect to income from dividends, interest, and the alienation of property.

Some countries have mutually suspended their DTAAAs with the Republic of Belarus for the period from June 11, 2024 to December 31, 2026, or indefinitely. These countries include Ukraine, France, the Czech Republic, Romania, the United States, Germany, the United Kingdom, Lithuania, and Estonia.

The DTAA with the United Kingdom does not apply to income accrued (paid) from April 6, 2025, as well as to profits for periods beginning on April 1, 2025.

The DTAA with Germany and its Protocol is suspended indefinitely from January 1, 2025.

The DTAAAs with France, the Czech Republic, and the United States are mutually suspended with respect to the application of Art. 7, 8, and 11 of the DTAA with France; Art. 10, 11, and 13 of the DTAA with the Czech Republic; and subparagraph (g) paragraph 1 Article III of the DTAA with the United States, for the period until December 31, 2026.

(2) One of the key treaties used by businesses in their activities in the Republic of Belarus is the EAEU Treaty (Annex Nr. 18). It establishes the procedure for the collection of indirect taxes within the EAEU (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia). The procedure for paying VAT is divided into export/import of goods and the performance of works / provision of services.

The main VAT procedure for the export of goods is as follows: VAT is paid by the taxpayer into whose territory the goods are imported. The importing taxpayer is entitled to apply 0% VAT upon submitting documents to its tax authority, such as a supply agreement, an application for the import of goods and payment of indirect taxes, a CMR consignment note, and other documents in accordance with the requirements of the legislation of the Member State within 180 calendar days from the date of shipment (transfer) of the goods. Failure to submit the documents entails the obligation to pay VAT to the budget in full.

Indirect taxes related to the performance of works and the provision of services are paid in the EAEU Member State whose territory is recognized as the place of supply of the works or services (para. 29 of Annex Nr. 18 to the EAEU Treaty). For example, for works and services related to immovable property, the place of supply will be the territory where such property is located; for consulting, advertising, and marketing services, as well as software development services and services involving the transfer, provision, or assignment of patents or licenses, the place of supply will be the territory of the EAEU Member State whose taxpayer acquires the services. The application of 0% VAT is also possible upon submission of documents (a contract, documents confirming the performance of works or provision of services, and other documents).





## 7.2 National Regulation

### (1) Tax Residency.

For the purposes of complying with the tax legislation of Belarus, it is necessary to begin with determining the tax residency status (Art. 15 of the Tax Code).

Additionally, the procedure for determining tax residency status is established in the DTAA's.

A Belarusian legal entity is recognized as a tax resident of Belarus if its place of incorporation is the Republic of Belarus. This means that it must fulfill tax obligations with respect to income from sources in the Republic of Belarus, income from sources outside the Republic of Belarus, as well as property located both within the territory of the Republic of Belarus and abroad.

A foreign legal entity, while not being a tax resident of Belarus, fulfills tax obligations only with respect to activities conducted in the Republic of Belarus, or with respect to income from sources in the Republic of Belarus, as well as property located within the territory of the Republic of Belarus.

An individual is recognized as a tax resident if he or she was physically present in Belarus for more than 183 calendar days. If an individual is simultaneously recognized as a tax resident of the Republic of Belarus and a foreign state with which the Republic of Belarus has concluded a DTAA, his or her tax residency is determined according to the rules of the DTAA.

If an individual is simultaneously recognized as a tax resident of the Republic of Belarus and a foreign state, but no DTAA exists between them, or the DTAA does not apply, or if the individual is not a tax resident of any state, he or she is recognized as a tax resident of the Republic of Belarus if, in the relevant calendar year, he or she has Belarusian citizenship or a residence permit.

### (2) Taxation Regimes

Two types of taxation regimes operate in the Republic of Belarus: the general regime and special regimes.

The general taxation regime includes the payment of corporate income tax, VAT, and other taxes when a taxable object exists.

Special taxation regimes may be applied by specific entities subject to compliance with the conditions established in the tax legislation.

Such regimes include the simplified taxation system, the unified tax for individual entrepreneurs and other individuals, the unified tax for producers of agricultural products, the gambling tax, the tax on income from lottery activities, the tax on income from conducting electronic interactive games, the craft activity fee, the fee for activities related to providing services in the field of agro-ecotourism, and the professional income tax.

As a separate category, the taxation of organizations operating within special tax/investment regimes may be distinguished, such as free economic zones, the High-Tech Park, and the Great Stone Industrial Park.

The following taxes (fees, duties) are established in the Republic of Belarus: value added tax, corporate income tax, income tax on foreign organizations not carrying out activities in the Republic of Belarus through a permanent establishment, personal income tax, real estate tax, land tax, environmental tax, tax on the extraction (withdrawal) of natural resources, offshore duty, stamp duty, consular fee, state and patent duties, recycling fee, transport tax, and the advertising placement (distribution) fee.

#### (a) Corporate Income Tax (Chapter 16 of the Tax Code (Special Part)).

Corporate income tax is payable by organizations, branches of a foreign legal entity, as well as other forms of a permanent establishment of a foreign organization.

The object of taxation is recognized as gross profit, calculated as the sum of profit from the sale of goods (works, services), property rights and

non-operating income, reduced by the amount of non-operating expenses, as well as dividends and income treated as such that are accrued by Belarusian organizations.

For the calculation of the tax base, certain expenses (Article 169 of the Tax Code) are taken into account and divided into two groups:

(1) expenses related to the production and sale of goods (works, services), property rights;

(2) regulated expenses (for example, expenses and compensations for business trips; compensation for the use of personal vehicles paid to employees whose work is not of a travelling nature).

It is important that expenses recognized for tax purposes must be economically justified. They may not be recognized as such if any of the following conditions apply:

(i) the goods (intangible assets) have not actually been received, the works have not been performed, the services have not been provided, the property rights have not been transferred, the property has not been transferred into lease (finance lease (leasing)) and continues to be used by the lessor;

(ii) the work was performed or services provided by an individual entrepreneur who simultaneously is a person employed by the taxpayer, and the performance of such works or the provision of such services falls within that person's employment duties;

(iii) the work was performed or services provided to the taxpayer (other than a joint-stock company) by an organization (other than a joint-stock company) which is the founder (participant) of the taxpayer or in respect of which the taxpayer is a founder (participant), if the performance of such works or provision of such services falls within the duties of an employee who is in employment relations with the taxpayer;

(iv) expenses for payments related to the provision of personnel by an interdependent person to the organization and made after the organization concludes an employment contract with the employee (a civil-law contract with an individual) provided to it.

Corporate income tax is paid quarterly, and on dividend payments—monthly.

Corporate income tax is paid at the following rates (several examples):

– 20 % – general rate;

– 25% – for a Belarusian organization excluding its branches, for each branch of a Belarusian organization, and for each permanent establishment of a foreign organization whose income tax base for the reporting period, cumulatively from the beginning of the tax period, exceeds approximately 7,303,000 EUR.

– 12% – on dividends if, during the 3 preceding calendar years, profit was distributed among the participants (shareholders) of a Belarusian organization that are tax residents of the Republic of Belarus.

– 6% – on dividends if, during the 3 preceding calendar years, profit was not distributed consecutively among the participants (shareholders) of a Belarusian organization that are tax residents of the Republic of Belarus. This benefit will be abolished as of January 1, 2026.

– 0% – on dividends if, during the 5 preceding calendar years, profit was not distributed consecutively among the participants (shareholders) of a Belarusian organization that are tax residents of the Republic of Belarus. This benefit will be abolished as of January 1, 2028.

– 9% – on profit from operations with digital tokens.

It is important that the amounts of corporate income tax actually paid (withheld) in a foreign state in respect of income received in that foreign state are credited by a Belarusian organization when paying corporate income tax in the Republic of Belarus.

#### **(b) Value Added Tax (Chapter 14 of the Tax Code (Special Part)).**

VAT is payable by organizations, individual entrepreneurs, including foreign ones, individuals when importing goods, and trust managers.

The object of taxation includes (1) turnover from the sale of goods (works, services), property rights on the territory of the Republic of Belarus, for example, the transfer of goods under a loan agreement in the form of things, the transfer of property rights to intellectual property objects, as well as (2) the import of goods into the territory of the Republic of Belarus. At the same time, VAT does

not arise, for example, on turnover from the sale of goods, works (services), property rights if the place of supply is not recognized as the territory of the Republic of Belarus, on the export of goods to one's branch registered in the EAEU, or on the sale of shares in the charter funds of organizations.

When goods are imported into the territory of the Republic of Belarus, VAT may be levied by the tax authorities or customs authorities depending on whether the goods are imported from the territory of the EAEU. If the goods are imported from the territory of the EAEU, VAT is collected by the tax authorities, and the reporting period is the month in which the receipt of the goods is recorded in accounting. If the goods are imported from outside the EAEU, VAT is collected by the customs authorities in accordance with customs legislation.

The place of supply of goods, works, services, and property rights is determined under Articles 116 and 117 of the Tax Code and Annex Nr. 18 to the EAEU Treaty. For example, the place of supply will be recognized as the Republic of Belarus if, at the moment shipment or transportation begins, the goods are located on the territory of the Republic of Belarus. When services are provided or works performed related to real estate located on the territory of the Republic of Belarus, the place of supply will be the Republic of Belarus. A similar rule applies where the purchaser (acquirer) of consulting, accounting, advertising, design services, electronic services, works, services, or property rights to intellectual property objects carries out activities on the territory of the Republic of Belarus and/or their place of location (residence) is the Republic of Belarus.

VAT exemptions apply to turnover from the sale on the territory of the Republic of Belarus of, for example, certain medical services, property rights to inventions, utility models, industrial designs, plant varieties, topographies of integrated circuits, and trade secrets (know-how).

As a general rule, VAT is payable monthly. The taxpayer may elect a quarterly payment procedure.

VAT is paid at the following rates (several examples):

- 20 % – general rate;

- 0% – on the supply of goods placed under the customs export procedure, exported (without an obligation of return import into the territory of the Republic of Belarus) to the EAEU (including under international leasing agreements, loan agreements, or agreements (contracts) for the manufacture of

goods), provided that the actual export of the goods outside the territory of the Republic of Belarus is documented.

- 10% – on the import into the territory of the Republic of Belarus and/or sale of food products and goods for children in accordance with Annex Nr. 26 to the Tax Code, as well as medical products and medical devices provided that they are registered in the Republic of Belarus or the EAEU.

Special rules for payment of VAT apply to electronic distance selling of goods by foreign organizations and individual entrepreneurs. The place of supply will be recognized as the Republic of Belarus if, at the moment transportation ends, the goods are located on the territory of the Republic of Belarus. The tax base is determined as the cost of the goods including VAT.

#### **(c) Excise Duty (Chapter 15 of the Tax Code (Special Part)).**

The obligation to pay excise duty is imposed on organizations, individual entrepreneurs, and individuals. The list of excisable goods is established in Article 150 of the Tax Code. These include, for example, alcohol, alcoholic products, tobacco products, and non-tobacco nicotine-containing products. Uniform excise duty rates apply both to excisable goods produced on the territory of the Republic of Belarus and to excisable goods imported into the territory of the Republic of Belarus and/or sold (transferred) on the territory of the Republic of Belarus.

Excise duty rates may be set either as an absolute amount per unit of measure or as a percentage of the value of excisable goods or the customs value of excisable goods increased by the amounts of customs duties payable (percentage (ad valorem) rates).

#### **(d) Income Tax on Foreign Organizations Not Carrying Out Activities in the Republic of Belarus Through a Permanent Establishment (Chapter 17 of the Tax Code (Special Part)).**

Foreign and international organizations that do not have a permanent establishment in the Republic of Belarus are payers of income tax on the amount of income received in the Republic of Belarus, provided that a taxable object exists. Examples of such objects include income from loans, credits, royalties, dividends, income from

alienation of real estate, shares in the charter fund of Belarusian organizations, income from providing consulting, engineering, marketing, and advertising services.

Income tax is paid by legal entities and individual entrepreneurs that accrue and/or pay income to a foreign organization not carrying out activities in the Republic of Belarus through a permanent establishment. These legal entities and individual entrepreneurs are recognized as tax agents. Individuals calculate and withhold income tax when paying to foreign organizations not carrying out activities in the Republic of Belarus through a permanent establishment the income specified in sub-paragraphs 1.2.1, 1.11, and 1.13 of paragraph 1 of Article 189 of the Tax Code.

Importantly, starting in 2025, income tax is additionally payable on income from performing works or providing services to a related foreign person, determined in accordance with Article 20 of the Tax Code. Certain types of income are established as exceptions. For example, income from activities related to data processing and information hosting (data processing services, web hosting (including comprehensive services for hosting and managing websites), comprehensive data processing services and preparation of specialized reports based on such data).

To calculate the tax base for certain taxable objects, a recalculation into USD is used based on the official exchange rate set by the National Bank on the date expenses are incurred and on the date income is received (accrued). Tax is paid on the difference converted into Belarusian rubles. Such objects include, for example, income from alienation of real estate, shares in the charter fund (units, shares) of organizations located on the territory of the Republic of Belarus, or parts thereof.

Income tax is payable at the following rates (several examples):

- 25 % – on dividends and income equivalent to dividends;
- 10% – on income from credits and loans.

When determining the place of taxation for income tax purposes, it is necessary to analyze the existence of a DTAA and its applicability in the Republic of Belarus. To apply a DTAA (that is, to determine the place of payment and the possibility of applying a reduced tax rate), confirmation of the foreign organization's permanent location in the state with which the DTAA is concluded must be provided. The beneficial owner of the income is also

analyzed in the Republic of Belarus when applying a DTAA.

#### **(e) Personal Income Tax (Chapter 15 of the Tax Code (Special Part)).**

Payers of personal income tax are individuals. Depending on the tax residence status, the taxable object is determined as follows:

(a) income from sources in the Republic of Belarus and/or from sources outside the Republic of Belarus – for individuals recognized as tax residents of the Republic of Belarus;

(b) income from sources in the Republic of Belarus – for individuals not recognized as tax residents of the Republic of Belarus.

Examples of income derived from sources in the Republic of Belarus include dividends received from a Belarusian organization; income received from the use, within the territory of the Republic of Belarus, of intellectual property assets; income received from the alienation of real estate located on the territory of the Republic of Belarus; and income from the alienation of shares or founders' (participants') shares in the charter fund of Belarusian organizations.

Examples of income derived from sources outside the Republic of Belarus include dividends received from a foreign organization; income received from the use of intellectual property assets outside the territory of the Republic of Belarus; income received from the alienation of real estate located outside the territory of the Republic of Belarus; and income from the alienation of shares or founders' (participants') shares in the charter fund of foreign organizations outside the territory of the Republic of Belarus.

When calculating personal income tax on income, for example in the case of selling a share, all amounts – the amount of contribution or acquisition expenses and the sale price – are converted into USD at the official exchange rate on the date of the respective transactions. Personal income tax is paid on the difference converted into Belarusian rubles.

The general personal income tax rate is 13%.

A 9% rate applies to income received by individual entrepreneurs – residents of the High-Technology Park from transactions involving tokens.

Until January 1, 2028, a 0% rate applies to income in the form of dividends received by payers who are tax residents of the Republic of Belarus, provided that profits have not been distributed among participants (shareholders) — tax residents of the Republic of Belarus — for five consecutive preceding calendar years.

Additionally, starting from January 1, 2024, a 25% rate is provided for the following types of income derived from sources in the Republic of Belarus: dividends, employment contracts, and civil law contracts whose subject matter is the performance of work, provision of services, or creation of intellectual property assets. This rate applies if the amount of income from the specified sources exceeds 220,000.00 Belarusian rubles (approximately 62,110 EUR) in 2025. Importantly, this rate applies only if the 13% rate would have applied to this taxable object without exceeding the amount.

**(3) Permanent Establishment of a Foreign Organization (Article 180 of the Tax Code (Special Part) and the Letter of the Ministry for Taxes and Duties of the Republic of Belarus Nr. 4-2-21/01461 of April 18, 2025 “On Taxation of Foreign Organizations Carrying Out Activities on the Territory of the Republic of Belarus Through a Permanent Establishment”).**

A permanent establishment of a foreign organization located on the territory of the Republic of Belarus is recognized as:

- a branch of a foreign legal entity or another permanent place of business through which a foreign organization fully or partially carries out entrepreneurial and other activities\* on the territory of the Republic of Belarus;

\* When performing work or providing services on the territory of the Republic of Belarus, the term of 180 calendar days established in the Tax Code, as well as the term specified in a DTAA, is taken into account for recognizing a permanent establishment. For example, the term is 18 months in the DTAA with the People’s Republic of China, 12 months with Azerbaijan or Kazakhstan, and 6 months with Saudi Arabia.

- an organization or an individual carrying out activities on behalf of a foreign organization and/or in its interests and/or having and exercising the authority of the foreign organization to conclude contracts or to agree on their essential terms (a

“dependent agent”). An exception applies where the dependent agent carries out ordinary activities, meaning such activities are performed independently and are not subject to instructions or control from the foreign organization, and the entrepreneurial risk for the results lies with the dependent agent rather than the foreign organization.

An organization, an individual, or a place used exclusively, for example, for the storage or delivery of goods without sales through the permanent establishment; the collection or distribution of information for a foreign organization; or carrying out preparatory or auxiliary activities, shall not be recognized as a permanent establishment.

A foreign organization must register for tax purposes on the territory of the Republic of Belarus and pay taxes (corporate profit tax, VAT) on the amount of gross profit received through the permanent establishment from the sale of goods (work, services), property rights, and non-operating income reduced by the amount of non-operating expenses. Additionally, the permanent establishment shall act as a tax agent for income tax and personal income tax.

When determining gross profit, tax-deductible expenses related to the activities of the permanent establishment are taken into account, including those incurred on the territory of the Republic of Belarus and those incurred abroad, provided that a corresponding auditor’s report is available.

**(4) Transfer Pricing.**

Transfer pricing is applied in the Republic of Belarus (Chapter 11 of the Tax Code) and consists of analyzing a transaction for compliance with market prices (comparison of commercial and/or financial conditions).

The Tax Code establishes a closed list of transactions subject to transfer pricing control:

- (i) A foreign trade transaction with a related party where the transaction amount is approximately above 117,000 EUR (for organizations not included in the list of large taxpayers).

- (ii) A transaction for the sale or acquisition of goods (work, services), property rights carried out with a related legal entity that is a tax resident of the Republic of Belarus and is a resident of a free economic zone; a taxpayer applying a special tax

regime or a taxpayer carrying out activities on territories determined by legislative acts, residents of the High-Tech Park, the Special Tourism and Recreation Park “Augustow Canal”, or the Great Stone China–Belarus Industrial Park. The transaction amount must be approximately above 117,000 EUR (for organizations not included in the list of large taxpayers);

(iii) A transaction carried out with a related party, with a taxpayer applying special tax regimes, for the sale or acquisition of immovable property (its part), including transactions resulting in the transfer of a shared-equity construction facility to a shareholder, residential and (or) non-residential premises to the owner of housing bonds. The transaction amount does not matter;

(iv) A transaction carried out with a related party, with a taxpayer applying special tax regimes, for the sale or acquisition of shares (units (their parts), shares (their parts) in the charter fund) of an organization, for the provision (receipt) of a loan. The transaction amount must be approximately above 117,000 EUR (for organizations not included in the list of large taxpayers);

(iv) A foreign trade transaction for the sale or acquisition of strategic goods defined in the Resolution of the Council of Ministers of the Republic of Belarus Nr. 470 of June 16, 2016 (for example, potassium chloride).

A number of transactions will not fall under regulation regardless of conditions, for example, the disposal to a bank of immovable property previously pledged to secure its claims for repayment of creditor indebtedness.

Reference: The following are equated to transactions with a related party:

(1) a set of transactions carried out with the participation (through the intermediation) of a third party that is not a related party, provided that such a party:

- does not perform significant functions in this set of transactions, except for organizing the sale and/or acquisition of goods (work, services), property rights by one party to another party recognized as related to that party;

- does not use any assets and/or does not assume risks to organize the sale and/or acquisition of goods (work, services), property rights by one party to another party recognized as related to that party;

(2) a transaction for the sale or acquisition of goods (work, services), property rights with a resident of an offshore zone.

The Tax Code establishes the following methods for determining market prices: the comparable uncontrolled price method; the resale price method; the cost-plus method; the comparable profitability method; the profit-split method. At the same time, the use of a combination of two or more methods is permitted.



# 8. Counter-sanctions policy of Belarus





# 8.1 Counter-Sanctions Measures Adopted in Belarus

In connection with the introduction of restrictive measures by foreign states, the Republic of Belarus has developed and introduced a set of so-called “counter-sanctions” measures. The main regulatory act determining Belarus’ counter-sanctions policy is Presidential Decree Nr. 93 of March 14, 2022 “On Additional Measures to Ensure the Stable Functioning of the Economy” (hereinafter - Decree Nr. 93). In addition, the Law of the Republic of Belarus Nr. 280-Z of July 12, 2023 “On the Application of Special Restrictive Measures” was adopted, which establishes the principles and the procedure for the application by the Republic of Belarus of special restrictive measures not listed in Decree Nr. 93.

## 8.1.1. List of «Unfriendly» States

Counter-sanctions measures in their overwhelming majority apply to foreign states that undertake unfriendly actions against Belarusian legal entities and (or) individuals (“unfriendly” states), as well as to persons controlled by them and their assets located in Belarus.

The list of “unfriendly” states is approved by Resolution Nr. 209 of the Council of Ministers of the Republic of Belarus of April 6, 2022, and includes Australia, the member states of the European Union, Albania, the United Kingdom, Iceland, Canada, Liechtenstein, New Zealand, Norway, North Macedonia, the United States, Montenegro, Switzerland.

## 8.1.2. General Overview of Adopted Counter-Sanctions Measures

Globally, the adopted counter-sanctions measures may be divided into several groups:

- corporate counter-sanctions measures:
  - restrictions on the disposal of shares owned by persons from “unfriendly” states, in Belarusian legal entities (para. 8.2.1);

- “unfriendly” states from Belarusian legal entities (para. 8.2.1);

- restrictions on the reorganization of Belarusian legal entities whose shares are owned by persons from “unfriendly” states (para. 8.2.2);

- restrictions on the payment of profit and (or) dividends in favor of persons from “unfriendly” states (para. 8.2.3);

- measures aimed at supporting the economy:

- transfer of organizations with capital from “unfriendly” states to temporary external management (para. 8.3);

- seizure of assets of persons from “unfriendly” states (para. 8.4);

- restrictions on the disposal of immovable property owned by persons from “unfriendly” states or by Belarusian organizations whose shares are owned by residents of “unfriendly” states at the level of 25% or more (para. 8.5);

- legalization of parallel import (para. 8.6);

- restriction of exclusive rights to intellectual property objects (para. 8.6);

- suspension of the application of certain provisions of double taxation avoidance agreements;

- performance of obligations under foreign securities (e.g., “Eurobonds”) in Belarusian rubles;

- restriction of foreign trade in certain groups of goods (services);

- introduction of a moratorium on the performance of obligations;

- other measures;

- measures aimed at protecting national interests:

- establishment of prohibitions or restrictions on the use of the territory of the Republic of Belarus (including the airspace of the Republic of Belarus);

- suspension of enforcement of execution documents in favor of residents of “unfriendly” states (para. 8.8);

- establishment of exclusive jurisdiction of Belarusian courts over certain categories of cases affecting the interests of the Republic of Belarus;

- other measures.

## 8.2 Corporate Counter-Sanctions Measures

### 8.2.1. Restrictions on Disposal of Shares and Exit from Business Companies

The disposal by participants of legal entities of the Republic of Belarus who are persons from “unfriendly” states of shares in the charter funds requires a prior authorization of the Council of Ministers of the Republic of Belarus for the disposal of shares (“Authorization”), in accordance with subparagraph 2 of part 1 of paragraph 2.13 of Decree Nr. 93.

The disposal, in particular, includes the performance of actions involving the transfer for consideration or on a gratuitous basis of a share (a part of a share) in the charter fund of a company into the ownership of another person, that is, the conclusion of such transactions with this property

as sale, exchange, donation, and other transactions resulting in a transfer of property rights.

Based on part 3 paragraph 2.13 of Decree Nr. 93, the state registration of any changes arising from the performance of the above actions is also restricted. Such registration is permissible only if the Authorization is obtained.

According to Decree Nr. 93 and Resolution Nr. 27 of the Council of Ministers of the Republic of Belarus of January 12, 2024 “On Issuing Authorizations” (hereinafter - Resolution Nr. 27), there is following procedure for obtaining the Authorization:

Step 1	<p>Conducting a market valuation of the share</p> <ul style="list-style-type: none"> <li>Ø a market valuation must be conducted</li> <li>Ø the valuation must be performed by a state valuation organization (in practice, this authority has been assigned to the RUE “Institute of Real Estate and Valuation” (Minsk))</li> </ul>
Step 2	<p>Submission by the Seller of an application to the regional (Minsk city) executive committee at the location of the legal entity, with the following documents attached:</p> <ul style="list-style-type: none"> <li>- information on the legal entity (a letter describing the sphere of activity, sales markets, number of employees, payments to the republican and local budgets, state extra-budgetary funds; the balance sheet as of the last reporting date with the profit and loss statement);</li> <li>- a copy of the valuation report of the market value of the share;</li> <li>- a legalized extract from the commercial register of the state of incorporation or another equivalent proof of legal status, with a translation into Belarusian or Russian, of the participant from an “unfriendly” state intending to carry out the disposal;</li> <li>- information on the acquirer of the share in the charter fund (the exact list of required information is not established; it is assumed that the composition of information should be analogous to the information about the legal entity itself);</li> <li>- other documents requested by the Minsk City or regional executive committees.</li> </ul> <p>Thus, the list of documents is open and left to the discretion of the particular executive committee that will make the decision on approving the transaction.</p>
Step 3	<p>Review of the application and obtaining the Authorization</p> <p>Within 5 business days, the executive committees decide whether to accept or refuse to accept the application.</p> <p>The executive committees decide on the possibility of performing the transaction within 30 business days from the moment all required documents have been submitted.</p> <p>It is important to note that the review period depends on the submission of documents, i.e., the period begins to run from the moment all additionally requested documents are submitted, and not from the date of filing the application. Thus, from the moment of submitting the initial package of documents until the moment the period begins to run, up to additional 30 business days (or more) may pass.</p> <p>After the executive committees issue a decision on the possibility of issuing the Authorization, the decision is transferred to the Council of Ministers of the Republic of Belarus for the adoption of a Resolution on issuing the authorization. The period for adopting the Resolution is not established. A copy of the Resolution is sent to the applicant within 5 business days from the date of its adoption.</p> <p>The Resolution is valid for 1 year; therefore, the transaction must be performed within that period. If the transaction is not performed, the Authorization must be obtained again under the general procedure.</p>

Step 4	Payment of the contribution to the local budget (the "exit tax") The exit tax in the amount determined by the Resolution on issuing the authorization, but not less than 25% of the market value of the share being disposed of, must be paid to the local budget. The specific amount payable is established individually in each case in the authorization issued by the Government and may be significantly higher than 25% of the market value.
Step 5	Filing an application for registration of changes for the legal entity After the closing of the transaction, when registering the changes, the payment order confirming the payment of the exit tax and a copy of the Authorization must be attached to the application.

A similar procedure is established with respect to the exit of "unfriendly" residents from the participation in Belarusian commercial companies. At the same time, there is no statutory requirement to pay the exit tax in the case of an exit.

### 8.2.2. Restrictions on Reorganization of Legal Entities

The restriction on the reorganization of legal entities whose participants (owners) are persons from "unfriendly" states is established in subparagraph 5 of part 1 of paragraph 2.13 of Presidential Decree Nr. 93. This restriction applies to reorganization in any form, including transformation.

A reorganization may be carried out subject to obtaining an Authorization. The procedure for obtaining the Authorization is generally similar to the procedure described in section 8.2.1, with two exceptions: payment of the exit tax is not required, and the applicant for the purposes of obtaining an Authorization for reorganization shall be the Belarusian legal entity itself.

### 8.2.3. Restrictions on Payment of Profit and/or Dividends

By Resolution of the Council of Ministers of the Republic of Belarus of April 19, 2024, Nr. 299 "On the Application of a Special Restrictive Measure" (hereinafter – Resolution Nr. 299), a restriction was introduced on the payment of distributed profit and/or dividends (hereinafter – dividends) to persons from "unfriendly" countries.

This restriction applies to dividends accrued to a resident of an "unfriendly" state, regardless of their amount. Such dividends may be transferred only on the basis of an authorization issued by the regional (Minsk City) Executive Committee at the location of the company.

The conditions for obtaining such authorization depend on the total amount of dividends accrued to the "unfriendly" participant during the calendar year.

If the amount does NOT exceed 20,000 basic units (up to 840,000 BYN), the authorization is granted upon fulfillment of all of the following criteria:

1.1. The number of employees on the reporting date of the current year is at least 70% of the level for the same period of the previous year;

1.2. As of the date of submission of the application for authorization or as of the last reporting date, date of formation of the credit report, there are no:

- overdue loans granted by banks of the Republic of Belarus, OJSC "Development Bank of the Republic of Belarus," and interest thereon;
- unpaid taxes, fees, penalties, and other mandatory payments to the budget, contributions to the FSZN, as well as budget loans provided from the republican budget, fulfilled guarantees of the Government of the Republic of Belarus, budget loans provided from local budgets, fulfilled guarantees of local executive and administrative authorities;
- unpaid wages and other payments due to employees under labour legislation and state social insurance;
- obligations under enforcement proceedings executed by enforcement authorities;

The list of such state authorities and information that may prevent the issuance of authorization is not established.

If the amount exceeds 20,000 basic units (over 840,000 BYN), the authorization is granted upon fulfillment of all of the following criteria:

2.1. Criteria specified in paragraphs 1.1–1.3;

2.2. The total volume of profit or/and dividends claimed for payment and paid in the current

calendar year does not exceed 50% of the average volume of foreign direct investment on a net basis (excluding debt owed to the direct investor for goods, works, services) for the 5 years preceding the year in which the payment is made;

2.3. No net loss of the resident for the previous year and the reporting period of the current year;

2.4. Ensuring that the nominal accrued average salary for the previous year and the reporting period of the current year is at least 3.5 times the monthly minimum salary (i.e., not less than 2,541 BYN), established by the Council of Ministers of the Republic of Belarus as of January 1 of the current year.

#### **Procedure for issuing authorization:**

**STEP 1.** The company submits an application for authorization to the relevant Executive Committee in two copies.

The application is accompanied by the consent of the credit history subject for the provision of the credit report, prepared in accordance with the legislation on credit histories.

**STEP 2.** The Executive Committee considers the application within 30 business days from the date of submission by the resident.

**STEP 3.** To confirm compliance with the above criteria, a verification of the information provided in the application is carried out.

At this stage, the Executive Committee actively interacts with the relevant state authorities by sending them necessary requests, which must be considered within 3 business days (for the National Bank, deadlines may differ and are established by the legislation on credit histories).

**STEP 4.** Based on the verification results, the Executive Committee makes one of the following decisions:

- to issue the Authorization;
- to refuse the Authorization.

**STEP 5.** After making one of the decisions, the Executive Committee stamps each copy of the application with a corresponding note indicating the details of the decision, which is certified by the signature of the head or other authorized person of the Minsk City Executive Committee, and returns one copy of the application to the company.

In case of refusal to issue Authorization, the company has the right to reapply.

If the Authorization is not obtained, dividends are credited to special accounts, the operation of which is regulated by Presidential Decree of the Republic of Belarus of September 13, 2023, Nr. 285 "On Special Accounts" (hereinafter – Decree Nr. 285).

What happens to funds transferred to the special account?

Funds credited to the special accounts of foreign participants have a designated purpose. The participant cannot withdraw these funds to other accounts.

Funds credited to the special account may only be used for the following purposes:

1. financing the implementation of investment projects in the territory of the Republic of Belarus;

2. repayment of debts under loans provided by OJSC "Development Bank of the Republic of Belarus," as well as by other banks in accordance with Presidential decisions of the Republic of Belarus;

3. purchase of government securities of the Republic of Belarus issued for the purpose of implementing the Resolution on the application of the special restrictive measure of the Council of Ministers. These government securities are not transferable;

4. placement in irrevocable bank deposits for at least one year in the bank where the special account of the foreign participant, owner of the property, is opened. The return of the deposit, as well as interest on such deposit, is carried out:

before the expiration of the special restrictive measure – to the special account of the foreign participant;

after the expiration of the special restrictive measure – to the current (settlement) bank account of the foreign participant;

5. other purposes agreed upon by the Council of Ministers of the Republic of Belarus with the President of the Republic of Belarus (the procedure for such agreement is not established).

## 8.3 Transfer to Temporary External Administration

Issues concerning the transfer of companies with foreign capital from “unfriendly” countries to temporary external management are governed by the Law of the Republic of Belarus of January 3, 2023, Nr. 239-Z (as amended on July 8, 2024) “On the Issues of Transfer to Temporary External Management”, as well as the Regulation on the Procedure for the Transfer of Commercial Organizations to Temporary External Management, approved by Resolution of the Council of Ministers of the Republic of Belarus of January 24, 2023, Nr. 56.

Commercial organizations of the Republic of Belarus whose owners (participants, shareholders) are persons from “unfriendly” countries may be transferred to temporary external management.

The Regional Executive Committees (and the Minsk City Executive Committee) shall:

- form registers of commercial organizations registered in the territory of the respective region or the city of Minsk, taking into account the significance of the commercial organizations for the region (settlement), the scale of production (performance of work, provision of services), the impact of the commercial organization on the labour market, budget contributions, and other criteria determined by the regional executive committees or the Minsk City Executive Committee;

- conduct analysis of the activities of commercial organizations included in the registers to identify grounds for transfer to temporary external management.

Transfer to temporary external management is possible in the following cases:

- if the management of the organization by executive and/or other governing bodies, the owner of the property, has effectively ceased;

- if the executive and/or other governing bodies of the organization, the owner of its property, are taking economically unjustified actions that may lead to the actual cessation of operations, liquidation, and/or bankruptcy of such organization, causing harm to it.

If grounds exist, temporary external management may be applied both to a commercial organization included in the register and one not included.

Temporary external management is established for a period of up to 18 months from the date of the decision on temporary external management.

Temporary external management shall not be applied to:

- commercial organizations that are in the process of liquidation;
- commercial organizations undergoing procedures in the course of insolvency or bankruptcy proceedings.

The conditions of temporary external management, including the external manager, are determined in the decision on temporary external management, adopted by the regional executive committee or the Minsk City Executive Committee, based on the information submitted by the Executive Committees regarding the need for temporary external management, reviewed by the Prime Minister of the Republic of Belarus or the First Deputy Prime Minister of the Republic of Belarus.

Temporary external management ends upon expiration of its term and may also be terminated early by decision of the regional executive committee or the Minsk City Executive Committee.

## 8.4 Seizure of Property

The procedure for the seizure of property of persons from “unfriendly” countries is established by the Law of the Republic of Belarus of January 3, 2023, Nr. 240-Z “On the Seizure of Property.”

Under this Law, any property may be seized, including things, money, securities, and other property, including property rights, located on the territory of the Republic of Belarus and owned by “unfriendly” countries, persons from “unfriendly” countries, as well as their affiliated persons.

### Reference

For the purposes of this Law, affiliated persons are:

- legal entities and/or individuals who directly and/or indirectly (through other legal entities and/or individuals) determined the decision to commit unfriendly actions or influenced the adoption of such a decision by “unfriendly” countries;
- legal entities and/or individuals, dependent on the decisions of persons from “unfriendly” countries and included in the list determined by the Council of Ministers of the Republic of Belarus.

The basis for the seizure of property rights objects is the commission of unfriendly actions against the Republic of Belarus or its legal entities and/or individuals.

The decision on the necessity of taking a countermeasure through the seizure of property rights objects is made by the Council of Ministers of the Republic of Belarus.

After the decision is made by the Council of Ministers, the State Property Committee files an application with the Economic Court of the city of Minsk for the seizure of property rights objects.

Seized property becomes the property of the Republic of Belarus. The issue of compensation (reimbursement) of their value is determined taking into account the application of compensation (reimbursement) in connection with unfriendly actions committed against the Republic of Belarus or its legal entities and/or individuals.

## 8.5 Restrictions on Disposal of Real Estate

Restrictions on the disposal of real estate by residents of “unfriendly” countries and legal entities of the Republic of Belarus, in whose charter fund the ownership share of such persons is 25% or more, are established by subparagraphs 3 and 4 of part 1 of paragraph 2.13 of Decree Nr. 93. Such disposal is allowed only upon obtaining Authorization.

The procedure and conditions for the disposal of real estate are regulated by Resolution Nr. 27.

The procedure for obtaining Authorization is similar to that described in section 8.2.1:

Step 1	<p>Conducting market valuation of property</p> <ul style="list-style-type: none"> <li>Ø a market valuation must be conducted</li> <li>Ø the valuation must be performed by a state valuation organization (in practice, this authority has been assigned to the RUE "Institute of Real Estate and Valuation" (Minsk))</li> </ul>
Step 2	<p>Submission by legal entity of an application to the regional (Minsk city) executive committee at the location of the legal entity, with the following documents attached:</p> <ul style="list-style-type: none"> <li>- information on the legal entity (a letter describing the sphere of activity, sales markets, number of employees, payments to the republican and local budgets, state extra-budgetary funds; the balance sheet as of the last reporting date with the profit and loss statement);</li> <li>- a copy of the valuation report of the market value of the property;</li> <li>- a legalized extract from the commercial register of the state of incorporation or another equivalent proof of legal status, with a translation into Belarusian or Russian, of the participant from an "unfriendly" state intending to carry out the disposal;</li> <li>- information on the acquirer of the share in the charter fund (the exact list of required information is not established; it is assumed that the composition of information should be analogous to the information about the legal entity itself);</li> <li>- other documents requested by the Minsk City or regional executive committees.</li> </ul> <p>Thus, the list of documents is open and left to the discretion of the particular executive committee that will make the decision on approving the transaction.</p>
Step 3	<p>Review of the application and obtaining the Authorization</p> <p>Within 5 business days, the executive committees decide whether to accept or refuse to accept the application. The executive committees decide on the possibility of performing the transaction within 30 business days from the moment all required documents have been submitted.</p> <p>It is important to note that the review period depends on the submission of documents, i.e., the period begins to run from the moment all additionally requested documents are submitted, and not from the date of filing the application. Thus, from the moment of submitting the initial package of documents until the moment the period begins to run, up to additional 30 business days (or more) may pass.</p> <p>After the executive committees issue a decision on the possibility of issuing the Authorization, the decision is transferred to the Council of Ministers of the Republic of Belarus for the adoption of a Resolution on issuing the authorization. The period for adopting the Resolution is not established. A copy of the Resolution is sent to the applicant within 5 business days from the date of its adoption.</p> <p>The Resolution is valid for 1 year; therefore, the transaction must be performed within that period. If the transaction is not performed, the Authorization must be obtained again under the general procedure.</p>
Step 4	<p>Payment of the contribution to the local budget (the "exit tax")</p> <p>The exit tax in the amount determined by the Resolution on issuing the authorization, but not less than 25% of the market value of the disposed property, must be paid to the local budget. The specific amount payable is established individually in each case in the authorization issued by the Government and may be significantly higher than 25% of the market value.</p>
Step 5	<p>Filing an application for registration of transfer of ownership</p> <p>After the closing of the transaction, when registering the transfer of ownership of the real estate, the payment order confirming the payment of the exit tax and a copy of the Authorization must be attached to the application.</p>

If the transaction for the disposal of real estate did not take place, the exit tax may be refunded by the regional (Minsk city) Executive Committee (at the place of registration of the legal entity) upon a written application of the payer (the applicant or the acquirer) substantiating the grounds for the refund.

Decree Nr. 93 contains a list of exceptions where, upon disposal of real estate by legal entities, obtaining Authorization and payment of the exit tax are not required. In particular, such actions are not required in the following cases:

- disposal by banks and by OJSC "Development Bank of the Republic of Belarus" of property

obtained from debtors to third parties, regardless of the type and method of its acquisition;

- disposal by legal entities of real estate:

- constituting the subject of leasing under a financial lease (leasing) agreement completed by redemption of the leased subject, upon transfer of ownership of such real estate from the lessor to the lessee;

- constituting the subject of leasing under a financial lease (leasing) agreement to a third party during the lease term;

- previously acquired by them for the purposes of transfer under financial lease (leasing) agreements and returned to them by lessees under



terminated financial lease (leasing) agreements not completed by redemption of the leased subjects;

- accepted as security for performance of obligations under a financial lease (leasing) agreement, upon foreclosure on such real estate and its sale in case of non-performance by the lessee of its obligations;

- disposal to individuals by developers or customers, in accordance with legislation on architectural and urban development activities, of real estate in respect of which they act as such developers or customers;

- state registration of the emergence, transfer, termination of rights, and restriction (encumbrance) of rights based on transactions whose subject is disposal of real estate registered before October 22, 2023;

- disposal by a debtor of real estate on the basis of a resolution of a bailiff on independent sale by the debtor of seized property;

- alienation by a debtor of property in procedures applied in insolvency or bankruptcy proceedings;

- gratuitous transfer of property into state ownership, as well as into ownership of business entities with a state share in the charter fund of 50 percent or more;

- disposal by insurance organizations of real estate obtained as a result of transfer of claim rights by way of subrogation or used as an investment object of insurance reserves;

- other cases as decided by the President of the Republic of Belarus.

In all other cases, obtaining Authorization is required. In case of violation of the requirements of Decree Nr. 93, the above transactions are void.

## 8.6 Parallel Import and Other Restrictions on Intellectual Property Rights

As of January 17, 2023, the Law of the Republic of Belarus of January 3, 2023, Nr. 241-Z "On Restriction of Exclusive Rights to Intellectual Property Objects" has been in force in the Republic of Belarus. The Law allows parallel import and the use of certain intellectual property objects without the consent of right holders from foreign states.

The Law allows the import into the territory of Belarus of goods marked with trademarks without the consent of the right holder, subject to compliance with three conditions: (1) the import is carried out from foreign states; (2) the imported goods were previously lawfully placed into civil

turnover in any state by the right holder itself or by another person with its consent (this is presumed); (3) the goods are included in the lists of goods (groups of goods) recognized as critically important for the domestic market.

By Resolution of the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus of June 18, 2024, Nr. 43, the List of goods (groups of goods), the import into the territory of the Republic of Belarus and placement into civil turnover of which is allowed without the consent (authorization) of right holders from foreign states, was approved. Such goods include, in particular,

knitted clothing for men and boys (suits, trousers, overalls, underwear, pajamas, bathrobes, vests, undershirts), gloves and mittens; leather goods (bags, suitcases, cases, wallets, etc.); hair care products (shampoos, hair sprays, curling and straightening products, lotions, etc.). This means that import of such goods marked with trademarks without the consent of the right holder will not be regarded as a violation of its exclusive right, and therefore state authorities will refuse to satisfy claims filed by such right holders.

In addition, the Law provides for the possibility of free use of certain intellectual property objects (computer programs, audiovisual or musical works, or broadcasts of broadcasting organizations) without the consent of the right holder, provided that all of the following conditions are met simultaneously: (1) the right holder is a resident of a foreign state listed in Resolution of the

Council of Ministers of the Republic of Belarus of April 6, 2022, Nr. 209; (2) the right holder has prohibited or has not granted consent for the use of the relevant object in Belarus; (3) such object is included in a special list of right holders.

In practice, these rules are not yet applied, since the state authorities have not approved the relevant lists. Until their approval, intellectual property rights of foreign right holders are subject to protection under the general procedure.

## 8.7 Special Restrictive Measures

On July 31, 2023, the Law of the Republic of Belarus Nr. 280-Z “On the Application of Special Restrictive Measures” entered into force. The Law establishes the legal framework for the application by the Republic of Belarus of special restrictive measures aimed at excluding (minimizing) unfriendly actions of foreign states. It also establishes exclusive jurisdiction of Belarusian courts over certain categories of disputes and the possibility to apply to court for an anti-suit injunction.

Decisions on the application or cancellation of special restrictive measures are adopted by the Government of the Republic of Belarus in the form of resolutions. The basis for applying such measures is the commission by a foreign state of unfriendly actions against Belarus, its citizens or organizations (including unilateral restrictive measures) not authorized by the UN Security Council and/or incompatible with principles and norms of international law. Special restrictive measures may be applied to foreign states committing unfriendly actions, as well as to citizens or organizations from such states.

The following types of special restrictive measures are provided for: inter alia, prohibitions and restrictions on import, sale, and transit of certain groups of goods; import into Belarus of works and services; export of goods, works, and services to foreign states; prohibitions and restrictions on financial transactions; deferral of performance of obligations (moratorium) under foreign trade agreements.

Compliance with special restrictive measures is mandatory for Belarusian organizations and citizens, foreign organizations subject to the law of the Republic of Belarus, foreign citizens and stateless persons temporarily staying, temporarily or permanently residing in Belarus. Such persons may be held liable for non-compliance with special restrictive measures, while they are exempt from civil liability for non-performance of contractual and other obligations whose performance was materially affected by special restrictive measures.

In addition, the Law establishes that, unless otherwise provided by a treaty of the Republic of Belarus or an agreement of the parties providing for jurisdiction of disputes to a foreign court or foreign

arbitral tribunal, disputes in the field of entrepreneurial and other economic activity fall within the exclusive jurisdiction of Belarusian economic courts if they involve:

- Belarusian state authorities, Belarusian organizations, legal entities, individual entrepreneurs, and other citizens (hereinafter - Belarusian persons) in respect of whom unfriendly actions have been committed;

- a dispute between a Belarusian person and a resident of an “unfriendly” state, where the basis of the dispute is unfriendly actions committed against the Belarusian person.

The rule on exclusive jurisdiction of Belarusian economic courts applies even where an arbitration (prorogation) agreement exists, if such agreement cannot be performed due to unfriendly actions committed against one of the parties, creating obstacles to the protection of its rights, freedoms, and legitimate interests.

An application to a Belarusian economic court in the above categories of disputes may be filed only if no dispute between the same parties on the same subject matter and on the same grounds is pending before a foreign court or foreign arbitral tribunal.

The Law also grants Belarusian persons subject to sanctions the right to apply to the economic court at their place of location with an application to prohibit the other party, a resident of an “unfriendly” state, from initiating or continuing proceedings in a foreign court or arbitration (anti-suit injunction).

Requirements for the form and content of such application and the documents attached thereto are regulated by the provisions of the Law (Article 11).

Following consideration of the application, the regional economic court (or the Economic Court of the city of Minsk) issues a decision either prohibiting or refusing to prohibit the party from initiating or continuing proceedings in a foreign court or foreign arbitral tribunal.

### 1. The Law establishes exclusive jurisdiction Important!

An application to a Belarusian economic court in the above categories of disputes may be filed only if no dispute between the same parties, concerning the same subject matter and based on the same grounds, is pending before a foreign court or foreign arbitral tribunal.

2. The Law establishes the right of Belarusian persons to apply to an economic court at their place of location, notwithstanding the existence of an arbitration clause or an agreement on jurisdiction of disputes to a foreign court or commercial arbitration, provided that there are facts of unfriendly actions committed against the Belarusian person that prevent or create obstacles to the protection of its rights and interests in a foreign court or arbitration.

3. The Law grants Belarusian persons subject to sanctions the right to apply to an economic court at their place of location with an application to prohibit the other party (a resident of an “unfriendly” state) from initiating or continuing dispute resolution proceedings in a foreign court or arbitration.

The requirements for the form and content of such application, as well as the documents to be attached thereto, are regulated by the provisions of the Law (Article 11).

Based on the results of consideration of the application, the regional economic court (or the Economic Court of the city of Minsk) issues a decision either prohibiting or refusing to prohibit the party from initiating or continuing proceedings in a foreign court or foreign arbitral tribunal.

## 8.8 Suspension of Enforcement of Execution Documents

As of April 10, 2022, pursuant to Presidential Decree of the Republic of Belarus Nr. 137 “On Enforcement Documents”, enforcement of enforcement documents issued in favor of claimants who are residents of “unfriendly” states has been suspended. The list of “unfriendly” states is determined by the Council of Ministers of the Republic of Belarus (see sub-section 8.1.1 of section 8.1 of the Guidebook).

The suspension of enforcement documents implies both the suspension of initiated enforcement proceedings and a prohibition on banks and non-bank credit and financial organizations, as well as OJSC “Development Bank,” from accepting payment demands without the payer’s acceptance issued on the basis of enforcement documents. If such payment demands were submitted prior to April 10, 2022, they are subject to withdrawal or their execution is suspended.

For the application of the restrictions established by Decree Nr. 137, the type of enforcement document (court order, notarial writ of execution, etc.), the amount of the claim, or the date of issuance of the enforcement document (before or after April 10, 2022) is irrelevant.

At the same time, Decree Nr. 137 does not establish restrictions on voluntary repayment of debt in favor of residents of “unfriendly” states. Residents of “unfriendly” states are also not prohibited from applying to courts and arbitral institutions, or to a notary, to recover debt and obtain enforcement documents, or to enforcement authorities to initiate enforcement proceedings (however, once initiated, such enforcement proceedings will be suspended).

Decree Nr. 137 does not apply to citizens of “unfriendly” states.



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The National Agency for Investment and Privatization will be pleased to give a helping hand to foreign investors that have interest in doing business in Belarus. We can:

- ▶ Provide information about investment opportunities, preferential regimes and incentives, industries and legal framework
- ▶ Provide up-to-date information on investment projects
- ▶ Search and select options of plots of land and premises
- ▶ Find potential partners to implement an investment project and arrange meetings and negotiations with potential partners to establish cooperation
- ▶ Offer facilities for negotiations and provide support in the course of negotiations
- ▶ Arrange visits to the Republic of Belarus (draw up a visit programme and assist in obtaining a visa)
- ▶ Represent your interests in negotiations with national and local authorities regarding the implementation of investment projects as well as possible improvements in the conditions for doing business in Belarus
- ▶ Provide support during the post-investment phase

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