

Preferential regimes

Investment Agreement with the Republic of Belarus

Investment agreement with the Republic of Belarus allows the investor to get preferential conditions and benefits for the implementation of a certain investment project, establish additional guarantees to protect its capital.

Application terms:

priority activities;

amount of investment should exceed the cadastral value of a land plot.

Investor has the right to:

rent a land plot from the list approved without auction; appoint a general engineering company without tender; full amount deduction of VAT;

choose the suppliers of goods and service providers without established procedure;

exemption from state due to general contracting and construction organization for the permits to engage foreign labour.

Investor is exempt from:

payment for the right to conclude a land rental agreement; land tax or land rental payment for design and construction period; VAT and profit tax due to the gratuitous assignment of state property to investor;

contribution to innovation funds for the agreement validity period; replacement of losses in agricultural and (or) forestry production;

import customs duties and VAT while importing equipment and its spare parts at the customs territory of the Republic of Belarus for the investment project.

Small and Medium Towns, Rural Areas

Enterprises of small and medium towns, rural areas enjoy a number of tax and customs privileges. This regime covers almost the whole territory of the country, except for the 20 cities marked on the map.

Application terms:

registration at the stated territory.

Peculiarities of taxation and benefits:

Exemption for 7 years from:

profit tax, income tax in terms of sales of own products; state due for licenses issue; compulsory sale of foreign currency.

Exemption from import customs duty and VAT on some goods imported by commercial organizations as a contribution to the authorized fund within the terms stated by constituent documents for the fund formation.

Free Economic Zones (FEZ)

There are 6 free economic zones in Belarus, namely, «Brest», «Gomel- Raton», «Minsk», Vitebsk«, «Mogilev», «GrodnoInvest». As indeed in the whole world, FEZ regime gives enterprises the possibility to operate in special preferential conditions which favour the saving of about 25-30% expenses during the project implementation.

Application terms:

amount of investment should be at least 1 mln euro (0.5) proportion of goods (works, services) destined for export should be at least 70% in the total volume of the goods sold

Main tax preferences:

exemption from profit tax for 5 years since the date of profit declaration; then 50% of the tax rate (no more than 12%);
exemption from real estate tax in terms of buildings and facilities;
exemption from land tax.

Customs privileges:

customs regime of free customs zone;
exemption from import customs duties, VAT and excise duty.

Industrial Park «Great Stone»

Industrial park «Great Stone» is a preferential territory of 91,5 sq. km linked to the international airport. Coming to the Park, an investor receives a ready transport and engineering infrastructure conducted to the selected land plot; convenient geographical location favouring the time and transport cost reduction; state services according to the principle of «one-stop» service.

Application terms:

declared amount of investment should be at least 5 mln USD;
production should be organized in the sphere of electronics, fine chemistry, biotechnology, mechanical engineering and new materials.

Main tax preferences:

For 10 years Park residents are exempt from:

- income tax;
- property tax on buildings and facilities;
- land tax.

For the next 10 years tax rates are reduced by 50%.

Rate of personal income tax is fixed and equals to only 9% till the year 2027.

Other preferences:

the right for VAT deduction in full amount, exemption from customs duties and VAT on goods imported to Belarus for the implementation of investment projects.

When new taxes and fees are established, obligation to pay such taxes and fees does not arise.