

**Chandrawat
& Partners**





ABOUT BELARUS

Belarus is a landlocked nation in Eastern Europe that shares borders with Latvia, Lithuania, Poland, Russia, and Ukraine. Belarus, a member of the Commonwealth of Independent States and the Eurasian Economic Union ("EAEU") have a population of around 9.4 million. With its advantageous location, talented people, and government incentives, Belarus presents several chances for international businesses. The chances for doing business in Belarus are very diverse. Foreign investors can take advantage of several incentives provided by the Belarusian government, including tax breaks, special treatment, and other advantages. A strong showing in the World Bank's Ease of Doing Business Index is more proof of the nation's advantageous economic environment.

ADVANTAGES

Some of the advantages include:

Strategic Location

Belarus is situated at the intersection of important thoroughfares that link Western Europe with Asia. It has simple access to Kazakhstan, Russia, Ukraine, and other surrounding nations' markets.

Low Cost of Labor

In comparison to other European nations, Belarus boasts a workforce with a high level of education and training, and labor costs are also comparatively affordable. This makes it a desirable location for international investors.

Access to Resources

Belarus is a desirable location for businesses engaged in agriculture, forestry, and manufacturing due to its abundance of natural resources, which include timber, peat, and fertile soil.

Government Support

The Belarusian government actively encourages foreign investment and provides a variety of incentives to potential investors, including tax breaks, grants, and subsidies.

Stable Political Environment

The political climate in Belarus is stable, which gives companies doing business there a sense of security. To enhance the economic climate and draw in foreign investment, the government has put in place several measures.

Strong IT Sector

The IT workforce in Belarus is renowned for being highly trained. Belarus has a well-developed Technology sector. A nation is a great place for businesses engaged in software development, IT services, and related industries since it has several tech parks and innovation hubs.

Individual tax

Personal income tax is levied against individuals at a fixed rate of 12%.

In some circumstances, rates different than the 12% rate also apply. Income from privacy advocates and private notary services is taxed at a rate of 15%. Individuals who get income under labor agreements from High Technology Park (HTP) residents, individual entrepreneurs who live in the HTP, and those working on a registered business initiative using advanced technology that is being funded by non-HTP inhabitants are all subject to a 9% tax rate. If monthly income is not greater than Belarusian ruble ("BYR") 2.680 million, the individual income tax base is decreased by BYR 440 000. For every dependent kid under the age of 18, the tax base is reduced by BYR 123,000. Other cuts can apply to certain groups of people.

Corporate tax

18% is the overall profit tax rate.

The tax rate on dividends is 12%.

The tax rate on income from the selling of shares in Belarusian corporations is 9%. Certain taxpayers are subject to reduced profit tax rates. A rate of 10% is specifically applicable to businesses that manufacture laser optic equipment. If these businesses are included among the high-tech organizations, the income they get from the sale of self-produced high-tech items (labor, services), is taxed at a 10% rate. For five years from the date of profit declaration, the profit made by inhabitants of Free Economic Zones from the sale of their items (works, services), is free from profit tax; thereafter, a tax rate is lowered to 50% of the general profit tax rate shall be in effect.

To take advantage of these advantages, the created items (work, services) must either be exported from Belarus, recognized as import-substituting commodities, or sold to other Free Economic Zone inhabitants. A minimum investment of EUR 1 million is necessary to move into a Free Economic Zone. For seven years from the date of incorporation, businesses located in small towns with a population under 50,000 are free from paying profit tax on revenue from the sale of self-produced items (works, services). Businesses that manufacture items (or do labor or provide services) in rural regions are free from profit tax until December 31, 2012.

Limited Liability Company

The most popular kind of business entity in Belarus is an LLC. Given that it is intended for small to medium-sized firms, the incorporation procedure should be rather straightforward. In Belarus, a business can be founded by two or more people who provide charter capital divided into shares. The shares are specified in the foundation documents and the sum is of nominal value. A limited liability corporation's members are directly responsible for the debts and liabilities of the firm to the degree of their contributions

Joint Stock Company

Two or more founders can create a joint stock corporation. They are required to provide a share capital made up of the shares specified in the company charter. In Belarus, the shareholders of this form of the corporation are only liable for their contribution and are not held liable for the debts and losses of the Joint Stock with their assets. Shareholders of a JSC are permitted to participate in a trade market without needing the approval of other shareholders to sell their shares.

Closed Joint Stock Company

The closed JSC is a standard JSC that is founded by two or more founders who contribute capital collectively in exchange for nominally valued shares. Their responsibility for the company's debts and liabilities is determined by their contribution, rather than being held liable for them. The fundamental distinction is that shareholders are not permitted to sell their shares to the public without obtaining the approval of other shareholders.

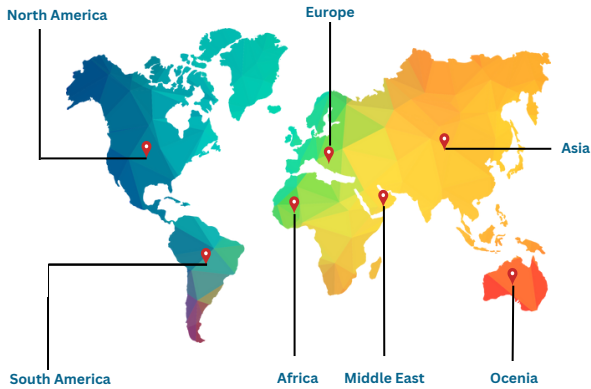
General Partnership

A general partnership is a legal structure created by two or more participants carrying out a shared commercial activity. All of the members are general partners, and there is no minimum capital requirement. They are in charge of partnership representation and managerial choices. Instead of having limitless accountability for the partnership's debts and responsibilities, the members of the partnership split the profits.

Limited Partnership

A Belarussian limited partnership is essentially an ordinary partnership with no minimum capital requirements, but it is also seen as being separate from the identities of the members because it is a separate legal entity. There are general and limited partners among the members, who must number at least two. At least one person is a limited partner, with liability for the company's debts and obligations limited to the amount of their contribution, and at least one member is a general partner, with managerial authority and unlimited liability.

SERVING CLIENTS WORLDWIDE



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