

**Comparative characteristics of taxation
for legal entities in the Republic of Belarus
(2021)**

<i>Type of tax, fee (duties), deductions</i>	<i>Enterprises residents in the Republic of Belarus</i>	<i>Resident FEZ Grodnoinvest</i>
1. Profit tax	<p>18% (clause 1 of Article 184 of the Tax Code of the Republic of Belarus, hereinafter - TC)</p> <p>On dividends 0%, 6%, 12% (clause 6, 7, 8 of art. 184 TC)</p>	<p>The profit of FEZ residents received from the sale of goods (works, services) of their own production, which is subject to taxation features in FEZ, is exempt from profit tax (Article 382, 383 TC).</p>
2. Income tax for foreign legal entities who do not operate in the Republic of Belarus through a permanent representation:	<p>Calculated, withheld and transferred to the budget by legal entities and individual entrepreneurs accruing and (or) paying income to a foreign organization that does not carry out activities in the Republic of Belarus through a permanent representation</p> <p>0%, 6%, 10%, 12%, 15% (art. 192 TC)</p>	
3. VAT	<p>0%, 10%, 20% (art. 122 TC)</p>	<p>0%, 10%, 20% (art. 102 TC)</p> <p>Exempt from the value-added tax charged by customs authorities, placed by FEZ residents under the customs procedure for the release for domestic consumption of goods manufactured (received) using foreign goods placed under the customs procedure of the free customs zone. (Decree of the President of the Republic of Belarus of 30.12.2016 No. 508).</p>
4. Excises	<p>At rates for each type of excisable product or goods (art. 155 TC)</p>	
5. Ecological tax	<p>At the rates (art. 249 of TC), applying the coefficients for the:</p> <ul style="list-style-type: none"> - emissions of pollution into the air; - discharge of sewage; - storage, burial of production wastes 	
6. Real estate tax	<p>1% - in reference to permanent structures (buildings, constructions), their integral parts (art. 227, 230 TC), apart from permanent structures (buildings, constructions) and their integral parts, constructed after the 1st January, 2019;</p> <p>0.2% - within the second year (twelve months) from the date of acceptance of abovementioned permanent structures (buildings, structures) and their parts into operation;</p> <p>0.4% - within the third year (twelve months) from the date of acceptance of abovementioned permanent structures (buildings, structures), and their parts into operation;</p> <p>0.6% - within the fourth year (twelve months) from the date of acceptance of abovementioned permanent structures (buildings, structures) and their parts into operation;</p> <p>0.8% - within the fifth year (twelve months) from the date of acceptance of abovementioned permanent structures (buildings, structures) and their parts into operation.</p> <p>Regional Councils of Deputies or, on their behalf, Local Councils of Deputies of the basic territorial level have the right to increase (decrease) real estate tax rates to certain categories of taxpayers: for 2019 - not more than two and a half times; for 2020 and subsequent years - not more than two times.</p>	<p>Exempted:</p> <ul style="list-style-type: none"> - within three years calculated from the quarter on which the date of registration of the organization as a FEZ resident falls due, for objects of taxation with this tax located on the territory of relevant FEZ acquired (occurred) in the specified three-year period, regardless of the direction of their use. At the same time, the exemption is granted starting from the quarter in which the object of taxation by property tax is acquired (originated). The exemption does not apply to real estate taxation objects taken and (or) leased out by a FEZ resident (financial lease (leasing)), other paid or uncompensated use. - on objects of taxation with this tax, located on the territory of the relevant FEZ, regardless of the direction of their use. The privilege is granted in the quarter, if in the immediately preceding quarter the resident of the FEZ sold goods (works, services), which are subject to taxation in the FEZ (art. 382, 383 TC).
7. Land-tax (land rent)	<p>Land tax is calculated at rates (art.238, 241 TC) based on the cadastral value of the land plot and its area (depending on the quality and location of the site).</p> <p>Local Councils of Deputies have the right to increase (decrease) land tax rates for certain categories of taxpayers: for 2019 - no more than 2.5 times; for 2020 and subsequent years - no more than 2 times.</p>	<p>Exempt from land tax (rent) on land plots granted for the construction of facilities for the design and construction period of the facility, but not more than five years from the date of registration.</p> <p>Land plots of FEZ residents are exempted from land tax (rent) regardless of their designated purpose, located within the boundaries of the FEZ.</p>

	Taking rent for land plots, owned by the state, is carried out in accordance with the Decree of the President of the Republic of Belarus of 01.03.2010 No. 101.	The privilege is granted in the quarter, if in the immediately preceding quarter the resident of the FEZ sold goods (works, services), which are subject to taxation peculiarities in FEZ (art. 382, 383 of TC; Decree of the President of the Republic of Belarus dd. 01.03.2010 No. 101).
8. Social protection fund contribution	34% wage fund	

* **Activities covered by features of taxation in FEZ:**

- 1) the sale by residents of FEZ outside the Republic of Belarus of goods (work, service) of its own production;
- 2) the sale by residents of FEZ outside the Republic of Belarus to foreign legal and (or) individuals of goods of its own production produced by these residents on the territory of FEZ, if such implementation is carried out on the basis of commission, commission or other similar civil law contracts concluded by these residents the FEZ who are members of a holding registered in the Republic of Belarus, with a commission agent (attorney), another similar person who is a member of the same holding;
- 3) the sale by residents of FEZ outside the Republic of Belarus to foreign legal entities and (or) individuals in accordance with the contracts concluded between them of own-produced goods produced by these residents on the territory of the FEZ.
- 4) the sale by FEZ residents of goods (works, services) of own production by the FEZ resident to other FEZ residents.

Activities covered by features of taxation in FEZ are set out in the Special Part of the Tax Code of the Republic of Belarus (chapter. 41).

Residents are **obliged** to keep separate records of revenues (revenues), costs (expenses) for the activities covered by the features of taxation in FEZ (paragraph 8 of art. 382 of TC of the Republic of Belarus).

** FEZ residents, in addition to the above, use all other benefits and preferences granted to business entities in accordance with the current tax legislation.

*** Income tax by individuals-residents of FEZ is paid in accordance with the tax legislation on personal income tax in the Republic of Belarus (flat scale - 13%).

**** Taxes are withheld and transferred to the budget, depending on the specifics of the activities of legal entities and individual entrepreneurs.