

**DOING  
BUSINESS**  
in «Great Stone»  
2018

## Dear friend!



The “Great Stone» is a large-scale investment project in Belarus. Our goal is to become a growing-point of the Belarusian economy. In our Industrial Park we are going to combine innovations and high technologies from all over the world.

The Administration of the «Great Stone» is interested in the development of our partners. We have created the most positive investment environment for our residents. The special legal regime of the Park makes its territory the most favorable place for doing business in the CIS region.

Great Stone Residents are guaranteed tax and customs privileges, absence of bureaucratic procedures. The possibility of duty-free export of goods to the countries of the Eurasian Economic Union and proximity near the European Union will facilitate the earliest ROI.

Currently our residents are companies from Belarus, China, the United States, EU countries, Israel and Russia. And we are ready to work with new partners.

Welcome!

*Alexander Yaroshenko,  
head of the Administration of the  
China-Belarus Industrial Park «Great Stone»*

## Dear reader!



Every investor who plans to build a new production in a foreign country very carefully assesses the opportunities and risks when creating a business. In this way The Republic of Belarus is certainly one of the most attractive jurisdictions for investment in Eastern Europe.

In May 2017, the Industrial Park «Great Stone» was granted more preferences. Objectively, Park has become the best regime for doing business in Belarus and one of the best in the region: it is now easier to become its resident, the threshold of entry for business has decreased, and investors have received more guarantees from the state.

This manual was prepared by REVERA lawyers. You can find the most detailed description of both economic benefits for residents and investors, and a step-by-step guide to joining an Industrial Park.

I hope that Doing Business in Great Stone will not only tell you about preferences in the Park, but will allow you to make a well-considered decision to create a new business in Belarus.

*Sincerely,  
Denis Bogdanov  
REVERA associate partner*

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*On issues related to the Great Stone, please, contact:*

**Aliaksandr Antonau** — associate of the Construction and Real Estate practice of REVERA

+375 29 512 42 70 | [aa@revera.by](mailto:aa@revera.by)



**Denis Bogdanov** — associate partner, head of the Construction and Real Estate practice of REVERA

+375 44 500 15 05 | [db@revera.by](mailto:db@revera.by)

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# Introduction

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The first and the main question asked by any investor getting to know a new 'special economic zone' — is why he needs exactly this place for doing business. The answer resides in defining the key advantages and peculiarities of the economic zone.

The China-Belarus "Great Stone" Industrial Park is notable among all other economic zones for:

### I. Tax and customs preferences

The Industrial Park's regime provides an unprecedented selection of tax and customs privileges in our region:

- exemption from profit tax — full exemption for 10 years and 50% standard rate further on (standard rate is 18%);
- 0% dividend tax during 5 years from the year of first dividend accrual + exemption from offshore duty (i.e. every resident may receive dividends without any tax payments in Belarus);
- reduced 5% royalty tax rate — till 2027;
- exemption from real-estate tax;
- exemption from land tax;
- reduced personal income tax rate of 9% for Park residents (instead of standard 13%) + privilege of paying Social Security Fund contributions according to the national average salary rate (instead of normally applying rates which may be 5 times bigger);

*for instance, if an employee has a monthly take-home pay equivalent to 1,500 USD, the Belarusian employer has to pay 820 USD of tax and non-tax payments to various funds, while a Great Stone resident will only have to pay 286 USD (three times less);*

- Social Security Fund contributions need not be paid for foreign employees;
- Great Stone residents may apply the procedure of 'free economic zone' (i.e. they may import goods to be later exported (including goods processed) outside the Eurasian Union territory, without paying VAT and customs duties);
- goods produced by Park residents within the 'free customs zone' are exempt from 'import VAT', provided they are realized in Belarus;
- revenues pertaining to some operations and services performed to Park residents by foreign companies are exempt from VAT. Such operations/services include auditing, consulting, marketing, legal, engineering, advertising and other services.

### II. Great Stone has advantageous location

- Great Stone offers visa-free entrance regime for foreigners;
- located on the international Moscow-Berlin route;
- proximity to the Belarusian capital provides access to highly qualified human resources;
- Great Stone is a part of the One

Belt and One Road Initiative as its key hub;

- Great Stone provides easy entrance to the Eurasian Economic Union market of over 200 mln consumers.

### III. Government support and investment security assurances

- at present, the "Great Stone" Industrial Park is the main investment project of the Republic of Belarus and its fundamental legal principles and guarantees are stipulated by the Agreement between the Government of the Republic of Belarus and the Government of People's Republic of China on the China-Belarus Industrial Park. However, the Industrial Park is open for investors from all over the globe and imposes no obligations to use Belarusian or Chinese goods, services, etc.;
- cooperation with the residents and investors is arranged on the basis of "one stop service" principle;
- Park residents are granted the most favourable business regime in Belarus as compared to other modes of treatment (where any more advantageous business regimes should be established, they will immediately apply to Park residents as well);
- all guarantees and assurances stipulated by the Belarusian legislation apply to Park residents, in particular international treaties and the grandfather clause guaranteeing that any changes in legislation will not impact Park res-

idents (in terms of taxation — at least until 2027);

- any inspections of Park residents may be performed only as agreed by the Administration.

#### IV. Infrastructure

- Industrial Park boasts modern well-developed infrastructure that has been specially designed for manufacturing investment projects and may be tailored for any special needs of a specific investor;
- the up-to-date warehouse and customs infrastructure created by the world biggest logistic company China Merchants Group optimises the flow of goods and the export-import procedures;
- land plots may be granted on lease or purchased as private property, at resident's/investor's option;
- the Park territory comprises the National Minsk Airport capable of accomodating all types of aircraft.

#### V. Partnership advantages:

- the joint "Industrial Park Development Company" arranges the construction of Park's engineering infrastructure and also assists in constructing investors' facilities;
- opportunity to do business side by side with other major companies.

After reviewing the general information, an investor would normally require more detailed information for his decisions.

This review has been prepared to provide an understanding of the peculiarities of doing business in the Industrial Park during all project stages, and to be an investor's road map at the beginning of its activities in the Industrial Park.

This review has been prepared by REVERA experts with the participation of the Ministry of Economy of the Republic of Belarus, of the public institution "Administration of the China-Belarus "Great Stone" Industrial Park" and the China-Belarus equity joint venture "Industrial Park Development Company", according to the legislation of the Republic of Belarus as of March 1, 2018 (unless otherwise directly specified herein).

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# 1

About the  
“Great Stone” Park

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### 1.1. General information

Legal name: the China-Belarus “Great Stone” Industrial Park.

Location: the Republic of Belarus, Minsk region, Smolevichi district. The Park is adjacent to the international airport “Minsk”. Railway lines and motor roads (in particular the transnational highway M1/E30) are nearby.

The distance to Minsk, the capital of the Republic of Belarus, is 25 km.

Total area: 11,247 hectares.

### 1.2. Project dynamics

▲ On September 18, 2011, an intergovernmental agreement on the China-Belarus Industrial Park was signed. It was ratified by the both countries on January 30, 2012. The project of the China-Singapore Suzhou Industrial Park (China) was taken as model.

▲ On June 5, 2012, a special legal

regime of a ‘special economic zone’ was granted to the Industrial Park providing favourable terms of business activities for residents and investors.

▲ On August 27, 2012, the China-Belarus equity joint venture “Industrial Park Development Company” was established.

▲ On September 26, 2012, the Administration of the China-Belarus Industrial Park was established.

▲ On June 4, 2013, the government of the Republic of Belarus approved the Industrial Park Master Plan.

▲ On June 19, 2014, construction of the Industrial Park was started officially; by the end of 2014, 2 residents were registered — affiliates of HUAWEI and ZTE.

▲ On August 31, 2015, Directive No. 5 of the President of the Republic of Belarus guaranteed the most favourable legal regime for the Industrial Park throughout all

EEU countries.

▲ On May 12, 2017, Edict No. 166 of the President of the Republic of Belarus ratified the Regulation on the Special Legal Regime of the China-Belarus Great Stone Industrial Park (hereinafter — the Regulation). Its provisions largely expanded the list of remissions and preferences granted to Park residents and decreased the minimum investment limit making way for mid-sized business.

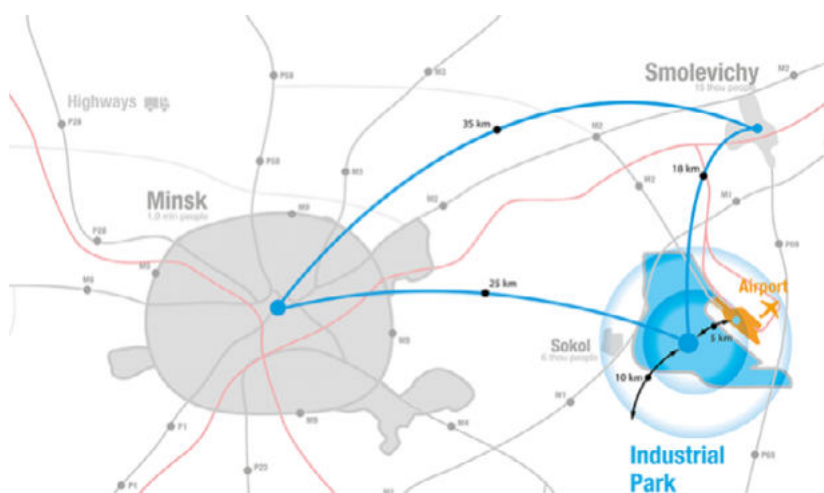
▲ As of July 1, 2018, 36 residents were registered in the Industrial Park.

### 1.3. Project opportunities

The “Great Stone” Industrial Park is a transnational project aimed at creating favourable conditions for investment and trade cooperation. Park’s advantageous location and privileged business regime provides the investors with a gainful access to the EEU and CIS markets. *The main goal of the Industrial Park is to maintain most favourable conditions for developing high-quality and innovative production facilities, in particular through developing its territory by attracting production companies of various profiles making use of preferential business regimes.*

The Industrial Park will become a platform for projects developing the following spheres:

- electronics
- telecommunications
- pharmaceuticals
- fine chemistry
- biotechnologies
- machine building
- new materials



- integrated logistics
- electronic commerce
- social and cultural activities
- research and advanced development

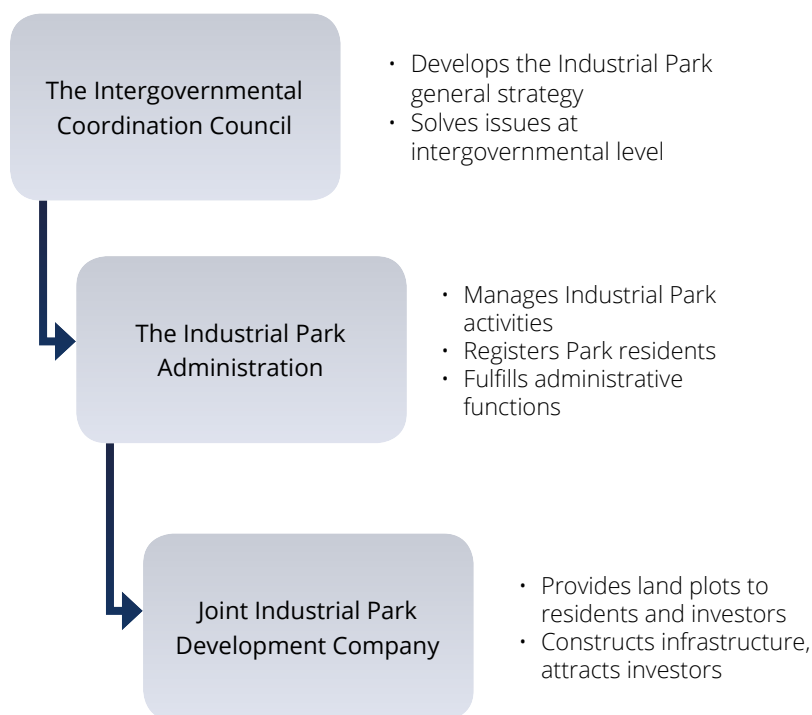
The [Industrial Park Master Plan](#) was approved determining the strategy of functional territory de-

velopment. A large portion of the Park territory was allocated for its industrial and logistic facilities. Alongside with industrial projects, investors are also encouraged to develop social projects. Industrial Park’s infrastructure, in addition, to production facilities, also comprises social, entertainment, recreation

and shopping premises — thus providing opportunities for investment in many business areas.

#### 1.4. Management structure of the Industrial Park

The Industrial Park’s management structure has three levels:



*Management structure of the Industrial Park*

The Administration of the Industrial Park is a governmental body created by the Government of the Republic of Belarus. The Head of the Industrial Park Administration is appointed and dismissed by the President of the Republic of Belar-

us. Administration Head may appoint and dismiss Deputy Heads.

The China-Belarus equity joint venture “Industrial Park Development Company” is the joint enterprise authorised to develop the Indus-

trial Park. It unites the following Belarusian and Chinese shareholders:

- Chinese national machine-building corporation Synomach

- China Merchants Group
- Chinese engineering corporation SAMS (JSC)
- Kharbin Investment Group
- Administration of the China-Belarus “Great Stone” Industrial Park
- Duisburger Hafen AG

# 2

Activities of residents:  
remissions and preferences

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The legislation stipulates a number of remissions and preferences for Industrial Park residents. Once an applicant has been registered as a Park resident, it may enjoy the Park's special privileged regime, one of the most favourable business regimes in Eastern Europe.

### 2.1. Tax privileges

Industrial Park residents are, within a predefined period, exempt from:

- tax on profits from the realisation of goods/operations/services produced in the Park territory — within 10 years from the date of first profit accrual.

Thereafter a reduced 50% profit tax rate will be applied;

- real estate tax on facilities/premises within the Park territory;
- land tax on land plots within the Park territory.

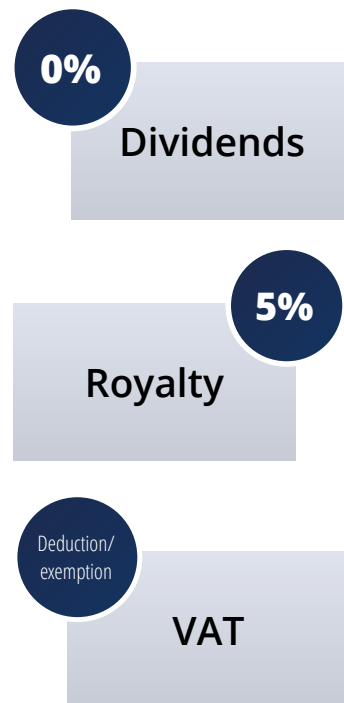
**Dividends.** All dividends accrued by Park residents to their founders within 5 years from the year of first dividend distribution are charged with a preferential 0% rate of profit

tax, personal income tax and profit tax pertaining to foreign entities having no representative office in Belarus. Park residents are also exempted from the offshore duty.

That is, any and all allocated profits are fully exempt from all taxes within 5 years. It means that any allocated profits are fully exempt from taxes for 5 years.

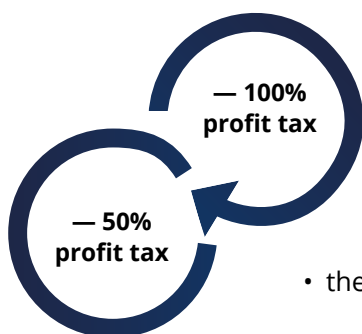
**Royalty.** Until January 1, 2027, the royalty tax rate for any Park residents' royalty payments to foreign entities having no representative office in Belarus made as remuneration for any information on manufacturing, commercial or scientific practices (including know-how), payments for a license, patent, design, utility model, scheme, formula, industrial prototype/process, will only be charged at 5% — which is three times less than the standard royalty tax rate.

**Value-added tax.** Park residents are entitled to make full deduction of VAT sums pertaining to any purchase of goods (works, services) and/or property rights on the territory of Belarus (or paid during importing in Belarus), where such goods/works/services/prop-



erty rights are used for the construction or fitting of buildings/structures located within the Park territory, however not later than on December 31 of the year following the year of commissioning.

Most transactions pertaining to sales of works and services by Park residents to foreign companies (as specified in subcl. 1.4, cl. 1, art. 33 of the Tax Code of the Republic of Belarus) are exempt from VAT. These include auditing, consulting, marketing, legal, engineering, advertising and other works/services.



- within 10 years from the date of first profit accrual

- thereafter (till 2062)

### 2.2. Customs privileges

#### 2.2.1. During construction phase

All goods (manufacturing equipment, component/spare parts, raw materials) imported in Belarus to be used exclusively for the investment projects for the construction

and equipping of Industrial Park facilities will be exempted from import customs duties and VAT charged by customs authorities.

### 2.2.2 During production phase

Park residents are entitled to use the 'customs free zone' procedure that allows importing foreign goods in the Park territory without paying customs duties and taxes, provided that such goods will not be moved outside the Park territory and will only be used by the resident for an investment project.

(I) Goods manufactured (processed) from foreign goods placed under the 'customs free zone' procedure, and (II) goods manufactured (processed) from foreign goods placed under the 'customs free zone' procedure and EAEU goods, will be treated as foreign goods. As a consequence, any trader selling such goods in the EAEU market will have to pay import customs duties. However, where a Park resident places under the 'release for domestic consumption' procedure any goods produced by using of foreign goods previously placed under the 'customs free zone' procedure, such goods will be exempted from VAT charged by the Belarusian customs authorities.

Park residents are entitled to bypass the 'customs free zone' procedure. In such a case, during importing foreign goods, they will have to pay import customs duties and VAT. However, provided all required processing criteria have been duly observed, such resident's goods will be treated

as EAEU goods and no import customs duties will be charged on them.

### 2.3. Currency regulation privileges

All foreign trade transactions involving Park residents are exempted from the restrictions on foreign trade transactions established by the legislation of the Republic of Belarus, in particular from the requirements for deadlines.

Park residents are also exempted from the forex surrender liability as long as their revenues in foreign currency are derived from activities within the Park territory. It should be noted that Belarusian residents are normally required to sell 10% of their revenues in foreign currency in the internal foreign exchange market.

Park residents are also entitled to:

- conduct currency exchange transactions in the internal exchange market of the Republic of Belarus through banks without restrictions;
- buy foreign currency in the internal exchange market without restrictions as for purposes of its use;
- open accounts in foreign banks without a permit of the National Bank;
- carry out capital flow transactions without a permit of the National Bank, as follows:
- purchase of capital stock being

distributed among founders, participatory share or equity interest in a non-resident company;

- purchase of security papers issued by a non-resident from a non-resident entity, except for purchasing capital stock being distributed among founders;
- purchase of property which is located outside of the territory of the Republic of Belarus and classified by Belarusian laws as 'real estate', in particular under agreements for shared construction units;
- investing monetary assets in a non-resident bank or transferring monetary assets to a non-resident entity (except banks) under trust management terms;
- granting loans to non-resident entities;
- raising of credits/loans from non-resident entities without considering the restrictions of the exchange regulations of the Republic of Belarus.

### 2.4. Privileges for Industrial Park employees

A number of tax allowances for personnel employed by Park residents have also been established. Until January 1, 2027, personal income tax on all incomes gained from Park residents under employment agreements will be charged at the rate of 9% (instead of standard 13%).

Furthermore, the following incomes, which are not being remuneration of labour, will be also

exempted from the personal income tax until January 1, 2027:

- material aid;
- presents and prizes;
- reimbursement of catering/accommodation/travelling expenses, trip/air tickets,
- provided that such incomes have been gained from Park residents by their employees at an amount of money, which is not exceeding 500 basic units as of the date of acquisition of income (equals ca. 5,000 euros), from each source of income during a calendar year.

Preferences pertaining to mandatory insurance contributions have also been established:

- insurance contributions to the Social Security Fund (SSF) shall not be paid for foreign citizens who are temporarily resident in the territory of the Republic of Belarus and engaged in investment projects within the Park territory;
- in respect of employees of Park residents, mandatory insurance contributions are only charged on the sum of the average monthly wage in the Republic of Belarus. According to the Belarusian law, all employers are required to pay 34% of all payments accrued to their employees to the Social Security Fund. However, Park residents are allowed to pay such contributions only with respect to the national average monthly wage (equal to ca. 500 US dollars).

## 2.5. Other remissions and preferences

Park residents are also exempt from:

- the liability to compensate for losses of the agricultural/forestry industry incurred in connection with seizure or temporary acquisition of agricultural land and/or forestry;
- the liability to compensate for costs of removed/transplanted flora objects, for detrimental effect on animals and their habitat;
- the state due for the permit to recruit foreign workers in the Republic of Belarus, the special permit to employ foreign citizens and/or stateless persons in the Republic of Belarus;
- sales of the most works/services delivered by Park residents to foreign companies are exempt from VAT. These include auditing, consulting, marketing, legal, engineering, advertising and other works/services.

It is worthwhile noting that foreign investors are guaranteed with the right to transfer outside the Republic of Belarus their profits received in the Republic of Belarus due to their investment activities in the Industrial Park without any restrictions.



# 3

Gaining Industrial Park  
resident status

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All investors, irrespective of whether they are residents of Belarus or another state, shall enjoy the same treatment and equal rights to found and to do business in the Industrial Park.

However, only legal entities registered in the Republic of Belarus are entitled to do business in the Industrial Park as its residents. Consequently, foreign investors (and private individuals from among Belarusian residents) may carry out an investment project only through the participation in a Belarusian legal entity.

### 3.1. Conditions for gaining Industrial Park resident status

Gaining an Industrial Park resident status is a standalone administra-

tive procedure requiring compliance with a number of terms.

#### 3.1.1. Location

Only legal entities founded in the Republic of Belarus and located in the territory of the Industrial Park can be registered as Industrial Park residents. Thus, in order to be registered as a resident, a company must be located in the Industrial Park territory.

If a company is founded directly within the Industrial Park territory it needs not change its legal address to become a resident of the Industrial Park. The procedure for the creation and registration of a legal entity in the Industrial Park territory is described below.

An existing legal entity registered

by another registering body (not by the Industrial Park Administration) may as well become an Industrial Park resident. However, before applying for Park residency, such legal entity shall notify the Industrial Park Administration of its relocation. *The relocation procedure is described below.*

As part of the incorporation and registration procedure, a legal entity of the Republic of Belarus shall:

- define its title;
- define the size of its authorised capital\*;
- form its governing bodies.

The following legal forms of business entities are stipulated by the Belarusian legislation:

Legal form	Abbreviation
Limited Liability Company	LLC
Additional Liability Company	ALC
Joint Stock Company (open or closed)	OJSC, CJSC
Unitary Enterprise	Unitary Enterprise

\* Authorised capital may be formed within one year from the date of state registration; the minimum limit of the authorised capital is defined only for joint stock companies.

Procedure required for the registration of a business entity in the Industrial Park:

- 1 Founders decide on floating a company in the Industrial Park territory
- 2 Founders choose a legal form for the company
- 3 Founders agree upon the company name
- 4 Founders form governing bodies, execute and sign constituent documents
- 5 Founders submit documents to the Industrial Park Administration (registering body) and pass state registration (obtain the certificate) on the same day
- 6 Production of company seal (optional)
- 7 Formalisation of labour relations with company's chief executive officer and chief accountant
- 8 Opening a settlement account in a bank
- 9 Executing an agreement for custody and advisory service; Registration of shares with the authorised governmental body

Additional step for joint stock companies

## Expenses for business entity registration

## Mandatory expenses

Step	Fee
State duty for registration	1 basic unit (≈ 10 euros)
Creation of authorised capital	The minimum limit for the authorised capital is not defined. Exceptions: for CJSCs — 1,000 euros for OJSCs — 4,000 euros
Production of seal	≈ 20 euros

## Collateral expenses

Legalization, Russian (Belarusian) translation of the foreign commercial register extract, notarization of translator's signature	Russian (Belarusian) translation of one page costs 6 to 12 euros depending on the original language. Notarization of one translator's signature ≈ 7 euros
Translation of passport or another ID into Russian (Belarusian) and notarization of translator's signature	Russian (Belarusian) translation of one page costs 6 to 12 euros depending on the original language. Notarization of one translator's signature ≈ 7 euros
Legalization, Russian (Belarusian) translation of the power of attorney and notarization of translator's signature (in case of delegation of powers under a power of attorney)	Russian (Belarusian) translation of one page costs 6 to 12 euros depending on the original language. Notarization of one translator's signature ≈ 7 euros

**Relocation procedure**

Procedure of relocation (placing company domicile in the Industrial Park) is performed on a notification basis and requires the following:

▲ you will have to notify the Industrial Park Administration:

a) within 10 working days from the relocation date, you will have to notify the Industrial Park Administration;

b) within 10 working days from the relocation date, you will also have to notify your local tax authority ac-

ording to your previous location;

c) within 5 working days from the relocation date, you will have to notify your local SSF unit according to your previous location;

d) within 1 month from the relocation date, you will have to notify BelGosStrakh.

▲ you will have to introduce modifications in your license within 1 month from the relocation date, if the newly formed company will carry out a licensable activity;

▲ you will have to notify employ-

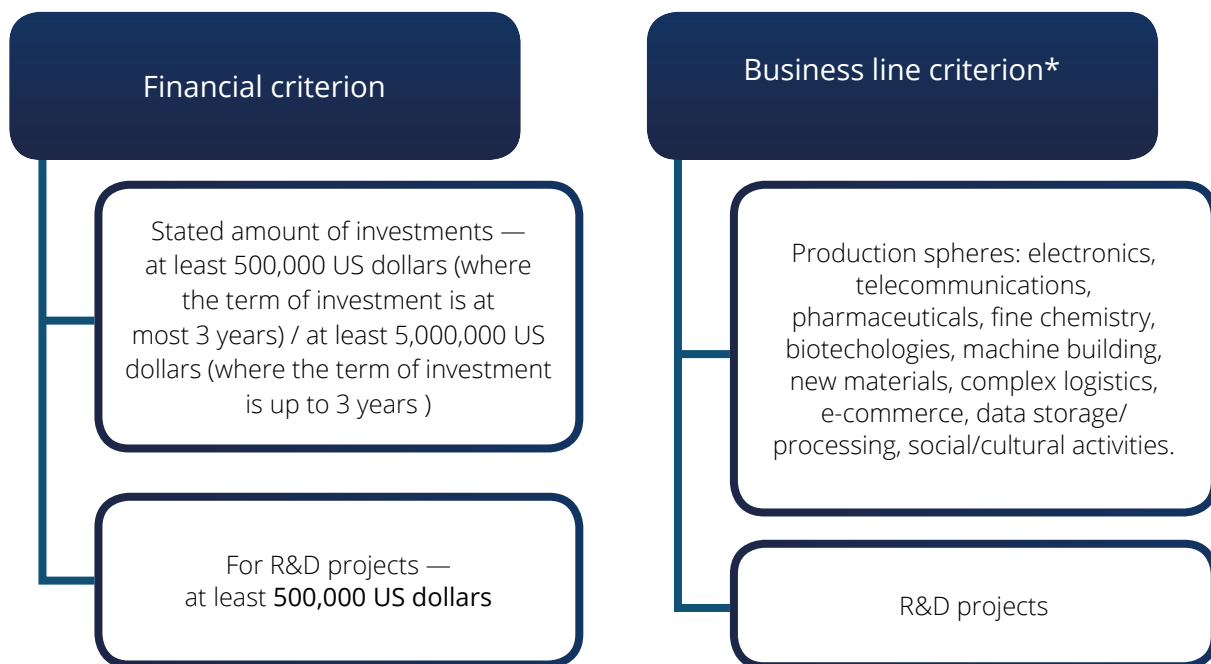
ees, and if necessary secure their consent to relocation;

▲ you will have to notify third parties, including your counterparties and servicing bank.

**3.1.2. Investment project implementation**

The second requirement for Park residency is implementing an investment project in a prescribed sphere.

An investment project of a legal entity applying for Park residency shall simultaneously comply with the following criteria:



### 3.2. Procedure for gaining a resident status

#### 3.2.1. Preparing required documents

To obtain the status of a resident of the Industrial Park, the following documents should be prepared:

##### 1. Application

An application shall be prepared according to the model form prescribed by the Head of the Industrial Park Administration, and shall specify, in particular, the information about the investment project, type (types) of business activity planned to be developed in the Industrial Park, the volumes and

terms of investments. The application form is available on the Industrial Park website in the Internet.

##### 2. Originals and copies of the state registration certificate and the constituent documents verified by company CEO or duly authorised official

Company Charter (Articles of Association) is the 'constituent document' for the purpose hereof.

##### 3. Investment project rationale

Investment project rationale is the document containing the main aspects of the prospective investment project. It shall be compiled according to the model

form prescribed by the Head of the Industrial Park Administration. An investment project rationale shall be approved by company CEO or another duly authorised official.

Investment project rationale shall include:

- a description of the project and the products
- an analysis of market outlets, marketing strategy
- concrete methods to create and develop high-quality production facilities competitive in external markets
- a production plan

\* If a legal entity desires to carry out another type of activities or define other investment volumes, it shall submit such proposal to the Industrial Park Administration.

- an investment plan
- project performance evaluation
- project schedule chart

**4. Draft agreement on Park operational conditions**

This draft shall be compiled according to the model form prescribed by the Head of the Industrial Park Administration. The draft agreement shall be signed by company CEO or another duly authorised official.

**3.2.2. Examination of documents and decision making**

The Industrial Park Administration is authorised to make decisions on the registration of a legal entity as an Industrial Park resident.

The Industrial Park Administration will examine the submitted documents and approve (or refuse) the registration of an applicant within 5 working days.

An applicant will be refused the Industrial Park residency status in the following cases:

- the application and/or attached documents have been prepared in violation of the mandatory requirements
- the applicant has failed to submit any of the required documents
- applicant's location fails to comply with the Industrial Park location requirement
- applicant's prospective business activity and/or volumes of investment do not comply with the Industrial Park's main areas of activity and/or prescribed volumes of investment, unless the Administration decides otherwise
- applicant's prospective business activity does not comply with the Industrial Park's main business objectives
- the Industrial Park territory does not have an available land plot fitting for the characteristics of the

proposed investment project as stated in the application

- the proposed investment project implies any business activities prohibited in the Industrial Park

The date of Administration's decision on applicant admission is the date of registration of such applicant as a Park resident.

**3.3. Deprivation/loss of residency status**

Residency status may be terminated due to:

- deprivation of residency status; or
- loss of residency status

Status deprivation implies termination of residency caused by volitional actions either of the resident itself or the Industrial Park Administration.

Status loss is normally caused by actions not depending on volitional actions of entities and results from some external circumstances.

	Residency status deprivation	Residency status loss
Ground	<ol style="list-style-type: none"> <li>1. Application of a Park resident.</li> <li>2. Resident's non-performance or improper performance of its obligations under the Park Activities Contract and this Regulation.</li> <li>3. A resident has failed to comply with the requirements for residency status.</li> </ol>	<ol style="list-style-type: none"> <li>1. Liquidation of a legal entity registered as a Park resident.</li> <li>2. Restructuring of a legal entity registered as a Park resident in a form of merger / separation or affiliation with another legal entity.</li> <li>3. Termination of the Park Activities Contract. Thereby a resident will lose its residency status as from the date of such termination.</li> <li>4. Relocation of a legal entity registered as a Park resident, where its new domicile is located outside the Industrial Park territory.</li> <li>5. Exclusion of a land plot comprising such legal entity's location from the Industrial Park territory.</li> <li>6. Liquidation of the Industrial Park.</li> </ol>

	Residency status deprivation	Residency status loss
Decision making procedure	The Industrial Park Administration will render its decision within one month from the date of disclosure of the above ground(s).	The Industrial Park Administration will make a relevant entry into the Industrial Park Register within one working day and will inform governmental bodies on its decision within three days.
Consequences	If a legal entity is deprived its resident status due to the ground specified in cl. 3, it is no longer entitled to use residents' privileges <i>as from January 1 of the year of non-compliance until the date of the decision on residency deprivation, and shall pay all taxes and other duties stipulated by the legislation for such a period.</i>	The loss of residency will not entail any negative property consequences for the company.

Deprivation or loss of resident status will entail termination of the Park Activities Contract.

Where a legal entity is deprived or loses its Park residency status, it must return its residency certificate to the Park Administration within 3 business days from the date of such deprivation/loss.

# 4

Investors' activities:  
remissions and preferences

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Remissions and preferences are granted not only to Industrial Park residents, but also to investors. 'Investors' are entities not being Park residents but involved in financing of construction/equipping of Industrial Park facilities (facilities being constructed under the approved planning documentation).

*The investor status is offered to entities planning to carry out any activities in the Industrial Park which do not qualify for the main areas of Park activities. For instance, if an entity wishes to start housing construction in the Park territory.*

The investor status is subject to approval by the Industrial Park Administration.

#### 4.1. Remissions and preferences for investors

Industrial Park investors are entitled to all the privileges and preferences stipulated by the special legal regime established for Park investors and also to the privileges specified for enterprises located in rural areas (according to Presidential Decree No. 6 of May 7, 2012 "On promotion of entrepreneurial activities in mid-sized/small towns and rural areas").

##### 4.1.1. Privileges in land use / construction

Investors of the Industrial Park are entitled to the following privileges:

- ▲ importing goods (manufacturing equipment, component/spare parts, raw materials) to be used exclusively for the investment projects for the construction and equipping of Industrial Park facil-

ities, without paying import customs duties (with due account for the international commitments of the Republic of Belarus) and VAT;

- ▲ investors may acquire land plots as leasehold property or with the right of ownership without an auctioning process. Land plots will be transferred by decision of a joint company, and may be acquired during any stage of Park territory development;

- ▲ investors may start developing the land plot allocated for an Industrial Park facility within 2 years from the date of Administration approval of design and survey work;

- ▲ investors will make special-purpose allocations to the Construction Supervision Department of the State Standardization Committee at a reduced rate, that is at a rate defined for entities financed through the national and/or regional budgets, state special-purpose budget funds and state non-budgetary funds;

- ▲ investors are exempt from other allocations, charges and other payments legally binding for entities involved in architectural, town-planning and construction activities;

- ▲ investors are exempt from the liability to compensate losses of the agricultural/forestry industry incurred in connection with seizure or temporary acquisition of agricultural land and/or forestry within the Industrial Park territory to be used for investment projects, and from the liability to compensate for removed/transplanted

flora objects, to make compensation costs for the adverse effects on fauna objects and/or their habitat;

- ▲ investors are exempt from the liability to prepare pre-project/pre-investment documentation for their construction projects;

- ▲ investors are entitled to construct facilities in the Industrial Park concurrently with preparing duly required project documentation.

##### 4.1.2. Privileges in labour relations and migration

Industrial Park investors are entitled to the following remissions and preferences in manpower management and engagement of foreign labour:

- ▲ investors are entitled to engage foreign nationals and/or stateless persons having no permits for permanent residence in Belarus for labour activity in the Republic of Belarus under employment agreements, by virtue of authorisations to engage foreign labour and/or special permits for labour activity in the Republic of Belarus;

- ▲ investors are exempt from the state duty for the authorisation to engage foreign workforce in Belarus, for the special permit for labour activity in Belarus granted to foreign nationals and/or stateless persons;

- ▲ investors are exempt from the liability to pay mandatory pension/social insurance contributions pertaining to remuneration sums paid to foreign employees;

▲ investors' foreign employees, founders, participants, shareholders and wealthholders are entitled to visa-free entry/exit regime in Belarus, pursuant to listings duly submitted by investors to the State Border Committee; such persons are entitled to 180 days of stay in the Republic of Belarus within a calendar year.

#### 4.1.3. Other remissions and preferences

Industrial Park investors from among residents of the Republic of Belarus are also entitled to a number of remissions and preferences applicable to business entities registered in mid-sized/small towns and rural areas (detailed information is given in section 6).

Foreign investors are guaranteed with the right to transfer outside the Republic of Belarus their profits received in the Republic of Belarus due to their investment activities in the Industrial Park without any restrictions.

# 5

Gaining Industrial Park investor  
status

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An applicant becomes an 'Industrial Park investor' once its investor status has been confirmed by the Park Administration.

This confirmation is issued in the prescribed form.

The following categories of entities involved in investment activities in the Industrial Park may be treated as 'Industrial Park investors':

- individual entrepreneurs of the Republic of Belarus;
- legal entities of the Republic of Belarus;
- foreign legal entities.

### 5.1. Submitting documents for investor status

In order to have its investor status confirmed, an applicant shall submit the following to the Industrial Park Administration:

#### 1. Application

The application shall be filled in according to the form prescribed by the Industrial Park Administration (order No. 47 of July 20, 2017), specifying data on:

- the investor;
- the investment project;
- investment project execution period;
- lines and types of prospective business activities in the Park territory;
- volumes of investments;

- terms of investments.

#### 2. Originals and copies of constituent documents and state registration certificate verified by company CEO or by individual entrepreneur, — for residents of the Republic of Belarus

In the Republic of Belarus, company Charter (Articles of Association) is the 'constituent document' for the purpose hereof.

*A legalised extract from the commercial register of investor's home country or another confirmation of investor's legal status pursuant to its home country's laws, or notarised copies of the said documents, — for foreign legal entities.*

Such extract shall bear a date at most 1 (one) year prior to the date of submission.

#### 3. Investment project rationale, prepared in any form

However, an investment project rationale must include:

- a plan of investments (including volumes and terms);
- types of prospective business activities in the Park territory;
- types and volumes of prospective products (works, services) and production rationale;
- anticipated revenues from the investment project;
- other technical and economical characteristics.

### 5.2. Examination of documents and decision making

The Industrial Park Administration shall examine the submitted documents and render its decision on the confirmation of an investor status within at most 3 (three) business days from the date of submission.

An investor status confirmation certificate will be issued in two copies, one to be kept by the investor, and the other to be kept by the Industrial Park Administration.

The applicant's copy of the investor status confirmation certificate will be sent to the applicant on the next day after the day of decision.

An application for investor status confirmation may be refused in the following cases:

- the investment project implies activities partially or fully beyond the scope of Park construction/equipping activities;
- the investment project does not comply with the Industrial Park's areas of business.

### 5.3. Investor status change/annulment

An investor shall give a notification in writing to the Industrial Park Administration in the following cases:

- the investor has cut off the funding of construction/equipping activities under an Industrial Park project;
- the investor has changed the

deadlines of an investment project.

Such notification shall be given to the Industrial Park Administration at latest on the next day after the

day of such circumstances.

On account of the information received, the Industrial Park Administration will decide to modify the validity period of the investor

status certificate or to extinguish the certificate.

The Administration may extinguish the investor status certificate on the following grounds:

### Investor status annulment

the investor has provided inaccurate data and/or documents during status confirmation

the investor has cut off the funding of construction/equipping activities under an Industrial Park project

the investor has modified the investment project scope in such a way that it involves any operations/services partially or fully beyond the scope of construction/equipping activities pertaining to the Park facility

Annulment of the investor status certificate will entail loss of investor status:

- where an investor has provided inaccurate data and/or documents for the investor status confirmation — as from the date of investor status certificate;
- in other cases — as from the date of annulment.

# 6

Preferential terms for other  
entities involved  
in Industrial Park activities

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The Industrial Park territory is classified as a 'rural area' — therefore Industrial Park investors and other entities not being Park residents are entitled to a number of privileges as prescribed by law.

In this case, privileges are provided according to the Decree of the President of the Republic of Belarus No. 6 of May 7, 2012 "On promotion of entrepreneurial activities in mid-

sized/small towns and rural areas".

Privileges under the said Decree will be granted for a term of 7 (seven) calendar years from the date of the state registration of the applicant entity.

*Important! Privileges provided for by the said Decree do not apply to economic entities which are Industrial Park residents.*

## 6.1 Tax privileges

### ▲ Profit tax

Business entities are exempt from profit tax for 7 calendar years from the date of state registration, provided that the following conditions are observed:

Registration in a rural area and carrying out activities in such area connected with the production of goods (performance of works, provision of services)

Profit is gained from sales of own-produced goods (works, services), i.e. the entity has an in-house production certificate

Production of goods (works, services) is performed through entity's fixed assets and using the work of employees permanently residing in such rural area

Receipts from selling own-produced goods (works, services) are accounted separately

### ▲ Real estate tax

Exemption from real estate tax is provided for 7 calendar years from the date of state registration, provided:

Such entity is registered in a rural area and is carrying out activities in such area connected with the production of goods (performance of works, provision of services)

In the immediately preceding quarter such entity realised own-produced goods (works, services)

Entity's real property is located in such rural area

**Important!** Leasing of property or other compensated/uncompensated provision of property for use is not deemed to be 'sales/realisation of own-produced goods (works, services)'. Thus, if an entity is only renting out property, it will not be entitled to apply the real estate tax exemption.

#### ▲ Exemption from local taxes and dues

### 6.2. Exemption from import customs duties

Business entities are also exempt from import customs duties in relation to certain goods that were produced not more than 5 years ago and that are imported as non-monetary contribution to the statutory fund of such business entity. Such goods, in particular, include:

- boilers;
- gas generators;
- internal-combustion engines;
- electric engines and generators;
- transport for industrial purposes;
- cruise ships, cargo ships and other floating structures;
- musical instruments;
- furniture;
- merry-go-rounds and other amusement rides.

**Important!** Such goods shall be contributed namely as contributions to the statutory fund of an entity, but not be purchased at the expense of the founders.

### 6.3. Other privileges

#### ▲ Exemption from the forex surrender liability

Exemption from the liability to sell foreign currency received from transactions with non-residents from sales of goods (works, services) of own production, as well as from property lease.

#### ▲ Exemption from the state due for the issuance of the special permit (license);

#### ▲ Possibility of using the preferential allowance when participating in government procurement procedures.

Business entities located in rural areas normally qualify for the above privileges if they have certificates of in-house manufacture for their products (works/services). This certificate also entitles its owner to use a 15% preferential allowance for its bids in any state procurement procedures.

### 6.4. Privileges to branch offices created in the Industrial Park territory

Privileges may also be granted to branch offices and other standalone subdivisions established by business entities in rural areas. In particular, the following privileges

are granted to branch offices within 7 calendar years from the date of their creation.

- 1** Exemption from profit tax in respect of profits drawn by a standalone subdivision from the sale of goods (works, services) of own production;
- 2** Exemption from real estate tax in respect of real estate located in the Industrial Park territory;
- 3** Exemption from the forex surrender liability.



# 7

Options of property / land use

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### 7.1. Real estate lease and acquisition of turnkey projects

The Industrial Park offers opportunities of purchasing or leasing real estate. Acquisition or leasing are allowed providing zoning/land use requirements are complied with, according to the Industrial Park Master Plan. Industrial Park zoning into manufacturing, office, shopping-and-recreational, financial and research segments allows increasing economic benefits from the commercial use of real property.

Also, the Industrial Park design makes provisions for housing areas that will comprise both mansion houses and multifamily residential buildings. Investors will be able to buy or to take a lease of housing units with the most convenient location of their choice.

### 7.2 Particular characteristics of land grant in the Industrial Park. New construction projects

#### 7.2.1. Particular characteristics of land grant in the Industrial Park

The Industrial Park Administration provides land plots within the Industrial Park territory for the Joint Company so far as the Industrial Park territory is actually being developed, according to the Industrial Park Master Plan and the detailed planning plans. Land plots are provided to the Joint Company for the purposes of subsequent transfer to residents for title or under lease (up to 99 years).

In order to obtain a land plot in the Industrial Park territory, an Industrial Park resident/investor shall apply to the Joint Company with a corresponding request. The Joint Company will consider such request and will render a decision in accordance with its findings.

As a rule, an Industrial Park resident/investor shall indicate the following information in the request:

- the purpose for which the land plot is requested;
- proprietary interest in the requested land plot;
- description of the construction project, including its functionality and approximate dimensions;

- tentative location of the land plot and its approximate area.

In choosing a land plot, an Industrial Park resident/investor shall comply with the Industrial Park Master Plan containing a strategy for the territorial development of the Industrial Park, its functional zoning and detailed planning.

According to the Industrial Park Master Plan, its territories are combined in functional zones, their designated purpose defining their land use procedures. Location of a land plot will be approved subject to the type of activities to be conducted by the Industrial Park resident/investor on such land plot, the functional zoning of the Industrial Park territory, the sanitary/ecological requirements, and the take-up rates for the Industrial Park territory.

The Joint Industrial Park Development Company shall ensure creation of engineering and transport infrastructure for a land plot chosen by an Industrial Park resident/investor.

Land plots are provided to Industrial Park residents/investors for title or under lease (sublease).

### Legal titles to granted land plots

Private property	Lease (sublease)
<input type="checkbox"/> Industrial Park resident	<input type="checkbox"/> Industrial Park resident
<input type="checkbox"/> Investor (non-state legal entity of the Republic of Belarus)	<input type="checkbox"/> Investor (non-state legal entity of the Republic of Belarus)
	<input type="checkbox"/> Other investors

By reference to the above chart, a non-resident investor is only entitled to land grant under lease or sublease.

### Certain peculiarities of land grant in the Industrial Park

▲ A sale contract or a lease contract is concluded between an Industrial Park resident/investor and the Joint Company.

▲ The standard form of land lease contract normally applied in the Republic of Belarus is not used in executing such contract. Hence, the terms of such lease contract are determined by agreement of the parties. This enables the parties to specify just those terms which are essential for a particular project.

▲ The Industrial Park residents have a privilege of land tax exemption in respect of land plots located within the Industrial Park. This privilege applies only to land plots acquired by an Industrial Park resident for title.

▲ The price of a land plot under a sale contract and the rental value under a land lease contract executed between the Joint Company and an Industrial Park resident/investor are determined by the parties in such contracts.

### 7.2.2. General requirements to participants of construction activities

Construction of new real estate units in the Industrial Park territory is conducted on preferential terms, with due account for the Master Plan containing a strategy for the

territorial development of the Industrial Park and the functional zoning of its segments according to their functional purpose.

Under the applicable laws of the Republic of Belarus, both residents and non-residents of the Republic of Belarus may act as participants of construction activities (customer, contractor, designer, etc.).

However, the legislation specifies certain requirements to the participants of construction activities carried out in the territory of the Republic of Belarus, which are also applied to construction projects within the Industrial Park.

Normally, construction activities are at present carried out by legal entities having compliance certificates issued according to the procedure established by the Council of Ministers of the Republic of Belarus.

The national unitary enterprise “BelStroyCentre” is the organization authorised to certify the participants of construction activities in Belarus and to issue compliance certificates.

Qualification requirements for certification of participants of construction activities are subject to the project complexity class. These requirements have been defined by the Decree of the Ministry of Architecture and Construction of the Republic of Belarus No. 25 of May 2, 2014. Classes of projects are listed in the STB 2331-2015 “Buildings and structures. Classification. General guidelines” standard approved by Resolution No. 7 of the State Standardization Committee of the

Republic of Belarus dated February 14, 2014.

The main objective of the certification is checking the applicant’s compliance with the criteria established by law aiming at examining whether the applicant has personnel with the required qualification level, necessary operational facilities and a proper quality control system.

It is prohibited to carry out construction activities without a compliance certificate (in the spheres where it is mandatory). A violation of this rule will entail confiscation of incomes drawn from such activities (in this context, total proceeds net of expenses are recognised as ‘total income’) and a penalty of up to 500 basic units (approximately 5,090 euros).

Apart from the compliance certificate, an entity wishing to act as a building contractor shall also have:

- technical competence certificate for the production supervision system
- organised labour safety system
- safety compliance certificates with regard to construction operations conducted without subcontracting and subject to mandatory certification.

#### For reference:

Pursuant to the Technical Regulation “Buildings and structures, construction materials and products. Safety” (TR 2009/013/BY) the following types of building/construction works are sub-

ject to mandatory certification:

1. Building of monolithic concrete and reinforced concrete structures;
2. Filling of window and door apertures;
3. Installation of interior engineering systems;
4. Installation of wooden structures;
5. Installation of masonry and reinforced masonry structures;
6. Installation of lightweight enclosing structures;
7. Installation of external supply lines and constructions;
8. Installation of precast concrete and reinforced concrete structures;
9. Installation of steel structures;
10. Installation of antirust coatings of building structures;
11. Roadway surfacing of pedestrian areas with walkway slabs;
12. Installation of insulation covering;
13. Roofing;
14. Construction of foundations;
15. Installation of thermal insulation of enclosing structures.

### 7.2.3. Construction authorisations

Construction of buildings and structures in the Republic of Belarus is conducted on an authorisation basis.

The required authorisations include the following basic documents:

- decision authorising design and

survey works and project construction

- architectural planning assignment;
- permits of approving authorities;
- technical specifications for project engineering facilities.

Please note that the land plot passport is not required for any construction activities in the Park.

Availability of authorisations is a critical requirement for a customer to enter into a contract on the development of project documentation and an independent work contract for project construction.

The project documentation is subject to mandatory state expert examination prior to its approval. Such expert examination is carried out on a paying basis on applications submitted to specially authorised state enterprises. State examination of project documentation of Industrial Park construction projects is performed by the national unitary enterprise "GlavGosStroyExpertiza".

Construction and installation works at a construction site may be started after the project owner has given a notification to state construction supervision bodies.

### 7.2.4. Peculiarities of construction within the Industrial Park territory

The following entities may act as owners of construction projects within the Industrial Park territory:

- the Joint Company;
- Industrial Park residents;
- Industrial Park investors;
- the Industrial Park Administration, with regard to construction projects financed fully or partially through the funds of the national budget and/or local construction budgets (including execution of project documentation), where such projects imply construction of transport and/or engineering infrastructure (structures and utility systems of electric power, heat, gas and water supply, waste water disposal systems, telecommunications, motor ways and other service lines), outside the Industrial Park, where such projects are necessary to ensure complete and well-timed development of the Park territory under the Master Plan.
- other entities

Furthermore, the Joint Company will render all-round support (including execution of project documentation) for construction projects in accordance with the Industrial Park Master Plan, including transport and engineering infrastructure facilities. Therefore, when an Industrial Park investor/resident obtains a land plot to develop, it normally has all service lines and driveways necessary for project construction available near its boundaries.

Decisions authorising design and survey works and project construction in the Industrial Park territory, including infrastructure facilities, are made by the Industrial Park

Administration.

***Other features of construction activities in the Industrial Park:***

▲ The legislation stipulates a possibility of carrying out project construction within the Industrial Park simultaneously with developing, examining and approving project documentation according to an established procedure for each stage of construction, — which is an outstanding exception from the law made especially for the projects implemented in the Industrial Park to facilitate the construction process.

The privilege will be applied provided: the project documentation for a concrete construction stage has passed state expert examination and has been duly approved.

▲ In developing and harmonising urban planning projects and design documentation for Industrial Park projects, it is allowed to apply technical regulatory acts similar to those applied in the European Union or the People's Republic of China; provided however that such urban planning / project documentation has duly passed the state expert examinations of the Republic of Belarus, including ecological examination (complete adaptation of such documentation to the Belarusian regulations is not required).

Where such Industrial Park urban planning / project documentation is being adapted to the Belarusian regulations, such documentation shall pass the state expert examinations of the Republic of Belarus. The expert examination will verify

the compliance of the design estimates to the mandatory requirements of Belarusian laws in terms of mechanical strength and stability and environment protection.

▲ Authorisations for Industrial Park construction projects, commissioning documents and documents required for the state registration of such Industrial Park projects and rights thereto shall be executed in the Russian (Belarusian) language or in the Chinese (another foreign) language with a notarized translation into Russian (Belarusian) attached.

▲ Any goods imported for the purpose of Industrial Park urban planning / construction / equipping projects are exempt from the mandatory certification of compliance in the National system of compliance certification of the Republic of Belarus, unless otherwise is specified by international treaties of the Republic of Belarus;

▲ Participants of construction activities pertaining to Industrial Park projects (general design organization, general contracting agency, design organization, contracting agency, engineering company, etc.) and providers of construction supplies may be selected and engaged without the prescribed tendering procedure.

### **7.3. Construction participant status**

Industrial Park construction participants — are design, contracting, engineering and other entities engaged for the construction of Industrial Park buildings and facilities.

#### **7.3.1. Remissions and preferences for construction participants**

The following remissions and preferences are offered to construction participants in the Industrial Park:

1. exemption from the liability to compensate losses of the agricultural/forestry industry incurred in connection with seizure or temporary acquisition of agricultural land and/or forestry within the Industrial Park territory to be used for investment projects;
2. exemption from the real estate tax charged on permanent buildings/structures erected in the Park territory as part of construction activities under investment projects implemented by Park residents or the Joint Company, for the period of construction of project facilities;
3. construction participants may engage foreign citizens and stateless persons having no permanent residence permits for labour activities under employment agreements, under permits to engage foreign workforce and special permits for labour activity;
4. exemption from the state due for the issuance/extension of permits to engage foreign workforce and special permits for labour activity in Belarus for foreign citizens and stateless persons engaged by Park residents and investors, the Joint Company, Park construction participants for construction activities and/or investment projects in the Park;

5. exemption from the liability to pay mandatory pension/social insurance contributions pertaining to remuneration sums paid to foreign employees. Pension coverage for such foreign workers will be provided according to the legislation of their respective countries of origin;

6. exemption from the forex surrender liability, where foreign currency has been gained through activities in the Park territory.

### 7.3.2. Gaining construction participant status

The procedure for gaining a construction participant status has been defined by the Regulation as follows:

#### 1. Filing of application

An Industrial Park construction participant shall submit an application to the Park Administration requesting to confirm its participant status (model application form is given in Appendix 1) attaching the following documents:

- a certified copy of its Charter and state registration certificate (for foreign entities — a copy of its Representative Office Regulation and the MFA representative office authorisation);
- a certified copy of the construction contract, of the design and survey works contract and/or designer supervision contract, the pre-project documentation contract, etc. concluded with Industrial Park investors or residents, and/or with the joint Chinese-Belarusian "Industrial Park Development

Company" or other legal entities involved in business activities in the Park with an equity share of at least 50% owned by the Industrial Park Development Company or the Park Administration.

#### 2. Application processing

The Park Administration will confirm (or decline) construction participant's status within at most 3 business days from the date of submission.

#### 2.1. Granting construction participant status

A certificate confirming construction participant status will be formalised in two copies, one to be delivered to the construction participant not later than on the following business day after the day of decision, and the other one to be kept by the Park Administration.

However, regardless of the actual date of certification, the applicant will be acknowledged a 'construction participant' only after the contract has been concluded.

The effective period of the construction participant status is subject to the currency of the respective contract: i.e. where the currency of the underlying contract is three years, the construction participant status will also endure three years. Where any grounds for an extension or modification of the underlying contract should arise, the construction participant must forthwith notify the Park Administration of such circumstances not later than on the following day after the occurrence of such circumstances. Thereafter, the Park

Administration, within three days of such notification, will decide on modifying the effective period (in such a case, a mark on the previously issued copy will be made) or abrogating the Park construction participant status, — which entails loss of such status as from the date of abrogation.

#### 2.2. Refusal to grant construction participant status

An application for a construction participant status may be declined on the following grounds:

- the underlying contract fails to specify or provides incomplete provisions pertaining to the scope of contract, starting dates and/or deadlines of construction activities;
- the scope of contract implies activities partially or fully beyond the scope of Park construction activities.

All data on granted and abrogated construction participants statuses are publicly available on the Great Stone Industrial Park website <http://www.industrialpark.by>.

### 7.4. Financing of construction activities

The legislation specifies no limitations on sources of financing in respect of construction projects within the Industrial Park. This enables residents and investors to use own or raised funds, including bank credits.

Moreover, special offers from financial institutions are available for Industrial Park residents. Thus, the China Development Bank signed

a number of credit agreements with the Belarusian Development Bank and BelarusBank on establishing credit lines of total worth over 1 billion US dollars. In order to receive funding under such line (offering an interest rate of 7 to 8% p.a., including charges and commissions), a project must involve at least 50% total share of Chinese equipment/works/services and at least 15—20% share of owner's equity.

# 8

Conditions and procedures for  
certain privileges

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## 8.1. Exemption of imported goods from import customs duties and VAT (in construction projects)

Current regulations provide for the exemption of goods (production equipment, accessories and spare parts, raw stuff and other materials) imported in the Republic of Belarus to be used exclusively in Belarus for the implementation of investment construction/equipping projects in the Industrial Park from import customs duties and VAT charged by the customs authorities.

In order to apply the exemption of production equipment, accessories and spare parts, raw stuff/materials from import customs duties and VAT, a company shall obtain a report on the intended purpose of goods from the Park Administration (according to the form prescribed by Appendix 1 and Appendix 2 to the Resolution of the Council of Ministers of the Republic of Belarus No. 87 of January 31, 2018).

The report on the intended purpose of manufacturing equipment and the report on the intended purpose of raw stuff/materials are issued under different administrative procedures (subcl. 1.27.1 and 1.27.2 of the unified list of procedures conducted by the Great Stone Industrial Park Administration).

The execution period of these administrative procedures is 10 business days. These procedures are conducted for free.

However, the usage procedure for

this privilege differs depending on the imported goods:

- manufacturing equipment, accessories and/or spare parts; or
- raw stuff / other materials.

### 8.1.1. Peculiarities of production equipment import

Goods will be classified as 'production equipment' or 'accessories and spare parts for production equipment', where they comply with at least one of the following conditions:

1) they are classified according to the unified FEACN nomenclature of the Customs Union in commodity headings (subheadings): 7309 00, 7311 00, 8402 — 8408, 8410 — 8431, 8433 — 8443, 8444 00, 8445 — 8448, 8449 00 000 0, 8450 — 8466, 8468, 8471 — 8475, 8477 — 8481, 8483, 8484, 8486, 8487, 8501, 8502, 8503 00, 8504 — 8508, 8514 — 8517, 8523, 8528 — 8531, 8535 — 8537, 8543, 8545, 8603, 8604 00 000 0, 8605 00 000, 8608 00 000, 9010 — 9013, 9015, 9016 00, 9022, 9023 00, 9024, 9026, 9027, 9030 — 9032;

2) they are classified as 'production equipment' by technical and/or other regulatory legal acts of the Republic of Belarus;

3) they are an integral element of an investment project for the construction/equipping of an Industrial Park facility according to the design and estimate documentation for such facility.

*The procedure for importing pro-*

*duction equipment, accessories and spare parts to such equipment, without paying customs duties and VAT*

1. The importer shall file an application to the Industrial Park Administration requesting to issue a report on the intended purpose of the imported production equipment (accessories / spare parts), according to the form prescribed by the Resolution of the Council of Ministers of the Republic of Belarus No. 87 of January 31, 2018.

The application shall contain the following information:

- description of the Park unit to be constructed/equipped under the investment project, requiring the imported production equipment (accessories / spare parts)
- full name and tax identification number of the applicant
- details of the foreign trade contract
- description of the investment project, including its stages (if applicable)
- investment project implementation period

The application shall be accompanied with the list of production equipment, accessories / spare parts to such equipment, according to the foreign trade contract, with an indication of:

- description
- quantity

- price
- importing entities

The Industrial Park Administration will examine the application within at most 10 business days.

2. The Industrial Park Administration will issue its report on the intended purpose of the imported production equipment.

3. The Industrial Park Administration will forward information on the issued report(s) to the competent customs authorities (Minsk Central Customs Office) — on the date of issue.

4. Equipment / accessories / spare parts will be imported without paying customs dues and VAT, by virtue of the Park Administration report.

### 8.1.2. Peculiarities of raw stuff/materials import

The privilege pertaining to imports of raw stuff and other materials is applicable subject to an additional condition: such imported raw stuff/materials shall either: (i) not be produced in the member countries of the Customs Union, or (ii) be produced in insufficient quantities, or (iii) not correspond to the technical characteristics of the investment project.

#### *The procedure for importing raw stuff/materials without paying customs duties and VAT*

1. The importer shall file an application to the Industrial Park Administration requesting to issue a report on the intended purpose

of the imported production equipment (accessories / spare parts), according to the form prescribed by the Resolution of the Council of Ministers of the Republic of Belarus No. 87 of January 31, 2018.

The application shall contain the following information:

- description of the Park unit to be constructed/equipped under the investment project, requiring the imported raw stuff/materials
- full name and tax identification number of the applicant
- details of the foreign trade contract
- description of the investment project, including its stages (if applicable)
- investment project implementation period

The application shall be accompanied with the list of raw stuff/materials, according to the foreign trade contract, with an indication of:

- description
- quantity
- total price
- importing entities
- characteristics (properties) of such raw stuff/materials
- manufacturer(s)

2. The Industrial Park Administration will examine the application within at most 10 business days.

3. The Industrial Park Administration will issue its report on the intended purpose of the imported raw stuff/materials. On the date of issue of such report, the Industrial Park Administration will forward information on the issued report(s) to the competent customs authorities (Minsk Central Customs Office).

4. Raw stuff/materials will be imported without paying customs dues and VAT, by virtue of the Park Administration report.

### 8.2. Full deduction of the value added tax

During the currency of the special legal status, the Joint Company and Industrial Park residents, on the basis of a list of goods / works / services / property rights (as approved by the Park Administration) acquired in (imported into) the territory of the Republic of Belarus and used for:

- ▲ development of town-planning projects in the Industrial Park
- ▲ construction of Industrial Park units/facilities
- ▲ equipping of Industrial Park units/facilities

are entitled to full deduction of the value added tax, regardless of estimated VAT sums, but not later than on December 31 of the year following the year of commissioning of such buildings and structures. Tax sums shall be calculated by means of separate accounting method.

*This list (to be agreed with the Park Administration) shall contain the following information:*

- ▲ description of Industrial Park units/facilities (their segments) utilising goods (works, services, property rights) purchased in (imported into) the territory of the Republic of Belarus
- ▲ full name and tax identification number — of the Industrial Park resident, the Joint Company
- ▲ name, quantity and value of goods (works, services, property rights) utilised for Industrial Park town-planning projects, construction/equipping projects, for which VAT has been declared during purchasing or paid during importing
- ▲ details of source accounting documents, customs declarations and other documents confirming the purchase in the Republic of Belarus (import into the Republic of Belarus) of goods (works, services, property rights) used for Industrial Park town-planning projects, construction/equipping projects (name of document(s), date of compilation, number (if any))
- ▲ details of documents confirming the use of goods (works, services, property rights) for Industrial Park town-planning projects, construction/equipping projects (name of document(s), date of compilation, number (if any))
- ▲ VAT sums declared during the purchasing in the Republic of Belarus of goods (works, services, property rights) for Industrial Park town-planning projects, construction/equipping projects, and details of documents, including electronic VAT invoices specifying such VAT sums (name of document(s), date of compilation, number (if any)),

number and date of issue (signature by resident/Joint Company) of the electronic VAT invoice)

- ▲ VAT sums paid during the importing in the Republic of Belarus of goods used for Industrial Park town-planning projects, construction/equipping projects, date of VAT payment, details of documents confirming VAT payment during the importing of such goods in Belarus (name of document(s), date of compilation, number (if any), details of electronic VAT invoices (number and date of issue))

***Condition for the full VAT deduction:***

An entity is entitled to exercise the right of full VAT deduction where the amount of tax deductions exceeds the total VAT amount calculated according to the sales of goods (works, services, property rights). In this situation, a business entity will not pay the value added tax and will be entitled to offset the resulting difference against taxes, duties and other budget payments, or return the difference from the budget.

***Refund terms and procedure:***

**1. Filing of an application**

An application for the refund of the difference between the amount of tax deductions and the total VAT amount calculated according to the sales of goods (works, services, property rights) shall be filled in according to the form established by the legislation and shall be sent to the local tax body on paper or in electronic form.

The procedure for filling the refund application is subject to the current payer's situation. The payer may take one of the following decisions:

- ▲ offsetting the full difference amount against the current payments, penalties and tax debts / duties / other obligatory budget payments and fines (where difference amount does not exceed the amount of such payments);
- ▲ refunding the full difference amount to payer's account (if there are no current payments, tax debts / duties / penalties / fines or other obligatory budget payments);
- ▲ offsetting a portion of the difference amount, and refunding the rest to payer's account (if the difference amount exceeds the amount of current payments, penalties, tax debts / duties, other budget payments and/or fines).

The payer shall fill in corresponding lines and graphs in the application according to his/her decision.

In order to refund the difference amount by means of its offsetting against the VAT sum payable in the next reporting period, it is not required to submit an application: such a refund will be made by the tax authority without an additional procedure. The payer just needs to file a regular tax declaration in the next reporting period.

**2. Tax inspection**

A tax body is entitled to conduct an unscheduled inspection, at its own discretion or at payer's initiative, in order to check the

relevancy of the refund (offset) of the existing difference. In case of a tax authority inspection, it shall be appointed not later than 2 business days after the date of payer's refund application.

Inspection period shall be not more than 15 business days from the date of payer's refund application.

### 3. Tax authority decision

A decision to refund the existing difference will be taken by a tax authority not later than 2 business days from the date of payer's refund application, on the basis of payer's declaration submitted to the tax authority. Where an inspection is conducted, the decision on the refund shall be taken not later than 2 business days after the end of the inspection.

A decision of the tax authority will be sent to the payer on paper or as an electronic document not later than 5 calendar days from the date of its adoption.

Entities regularly (monthly) facing the occurrence of difference amounts may have earlier unperformed decisions. However, in a situation of earlier unperformed decisions, a tax authority decision on refunding will only be performed:

- ▲ either after a full offset of difference amount(s) under previous decisions
- ▲ or one month after the date of adoption of a previous decision

### 4. Offset procedure

Within one month from the date of the refund decision rendered by a tax authority, a difference between the amount of tax deductions and the total VAT amount calculated on the sales of goods (works, services, property rights) shall be offset against:

- ▲ current payments of taxes, duties and other obligatory budget payments
- ▲ repayment of debts and penalties pertaining to taxes, duties and other obligatory budget payments
- ▲ repayment of debts pertaining to fines imposed by tax authorities

The offset of the difference will be made according to the position(s) indicated in the refund application, not later than 6 business days from the day of refund decision. The tax authority shall notify the payer of the performed offset not later than five working days from the date of offset.

Where any debts pertaining to taxes, duties, penalties, other obligatory budget payments or fines are revealed (including those not listed in the refund application), the difference amount will be offset against such debts. Such offset will be performed within at most 6 business days from the day of incurrence.

The difference amount is not remitted to payer's account within the period established for offsetting procedures (one month from the date of tax authority's refund decision).

### 5. Difference refund onto

#### payer's account

Upon expiry of one month, the difference remaining after offsetting procedures will be returned from the state budget and remitted to the payer's bank account, according to the procedure established by law.

### 8.3. Obtaining a certificate of own production

A certificate of own production is a document entitling to profit tax privileges stipulated for Industrial Park residents (cl. 5.1 hereof), as well as to privileges of business entities registered in a rural area (cl. 6.2, 6.3 hereof).

#### *Conditions and criteria of recognition as a producer of own products*

In order to be recognised as a producer of own products, an entity must comply with all of the following requirements:

- ▲ all persons engaged in the production process shall be on the entity's permanent staff

Engagement of staff is also possible under contracts of hiring work. However, the prices of works and services performed under such contracts shall not exceed 15 per cent of the prime costs, and the direct producer (manufacturing entity) shall ensure finished product characteristics through its own resources.

- ▲ land plots, premises, other real estate units, equipment, tools and appliances used in the production process shall be in ownership (held

under operational control terms) of the producer or used by the producer under a rental contract or gratuitous use contract

▲ basic/raw materials and component products shall be owned by the producer on the freehold basis

Given that the above conditions are observed, legal entities and/or individual entrepreneurs engaged in manufacturing activities and using production works and services under contracts of hiring work are also recognized as 'manufacturers', provided however that such manufacturers shall perform production and process activities directly conferring the properties of finished products to raw materials. In doing so, the prices of production works and services performed under contracts of hiring work by other legal/natural persons or individual entrepreneurs shall not exceed 15 percent of the prime costs.

Where all recognition requirements are complied with, both products completely produced by a producer and products largely processed by a producer in the territory of the Republic of Belarus are classified as 'own products'.

Products 'completely produced by one producer' include, in particular, natural resources mined in the territory of the Republic of Belarus; scrap and waste products resulting from production, technical or other processing operations.

However, with due account of the specific nature of projects to be implemented in the Industrial Park territory, the criterion of 'sufficient processing in the territory

of the Republic of Belarus' will be more important for the recognition of an entity as a 'manufacturer of products'.

Products will be deemed to have been 'sufficiently processed by a producer in the Republic of Belarus' where its processing characteristics comply with any of the following criteria:

▲ change of the classification code according to the unified FEACN nomenclature of the Eurasian Economic Union involving a change of any of its first four digits

▲ a difference of at least 30 percent between the manufacturer's ex-factory price and the cost of raw materials (other materials) used for production (net of VAT in such prices)

▲ manufacturer's observance of necessary conditions, manufacturing and process operations required for the duly acknowledgment of the product's country of origin

**Important!** *Legal entities are not recognized as 'manufacturers of products', where they only carry out one or more operations that do not confer the properties of finished products to basic material (for example, connection of components (nodes) forming a final product, preparation of products for sale/transportation, etc.).*

#### **Conditions of recognition as a producer of works and/or services**

In order to be recognised as a producer of works and/or services, an entity must comply with all of the

following requirements:

▲ all persons engaged in the performance of works / provision of services shall be on the entity's permanent staff

▲ land plots, premises, other real estate units, equipment, tools and appliances used in the performance of works / provision of services shall be in ownership (held under operational control terms) of the producer or used by the producer under a rental contract or gratuitous use contract

#### ***Obtaining a certificate of in-house products/works/services***

Certificates of in-house products/works/services are issued by the Belarusian Chamber of Commerce and Industry.

#### Stages:

1) passing an expert examination of the conformity of products/works/services to the existing conditions and criteria to in-house goods/works/services. The expert examination is conducted on the basis of a service contract concluded with the Belarusian Chamber of Commerce and Industry. According to the results, an expert examination act is issued;

2) requesting the certificate from the Belarusian Chamber of Commerce and Industry

Documents to be submitted:

▲ application according to the prescribed form

▲ expert examination act

▲ confirmation of payment of issuance fees

An expert examination will be conducted within at most 20 days; where additional documents/data are required, the period can be extended by no more than 15 days.

The certificate will be issued within 10 days from the date of application.

#### 8.4. Obtaining a certificate of country of goods origin

A certificate of country of goods origin is a document certifying that some goods were either completely produced in the country of origin, or some process operations were used in the country of origin (a group of countries) ensuring sufficient processing of raw stuff / materials / components (hereinafter — basic material).

A certificate of country of goods origin (hereinafter — the certificate) shall be furnished to the customs authorities of the importing country in order to avail of the existing privileges pertaining to customs duties and similar fees (if applicable). The certificate is also required in order to confirm the country of origin of certain types of goods imported into countries which have imposed non-tariff regulation measures in respect of such goods subject to their country of origin.

Accordingly, a decision on the need for such certificate shall be made by a Belarusian business entity subject to its need for the existing remissions and preferences.

The Belarusian Chamber of Com-

merce and Industry will confirm the country of origin and verify the certificates of the country of goods, if an execution of such certificate is required by:

- ▲ conditions of the contract
- ▲ national regulations of the importing country
- ▲ international treaties of the Republic of Belarus

The conditions and criteria of sufficient processing qualifying a Belarusian product as 'a product of Belarusian origin' and the form of the certificate will be defined subject to a particular exporting country.

The procedure for the recognition of products as 'products of Belarusian origin' is similar to the procedure for obtaining a certificate of own production, and in general is as follows:

- 1) conclusion of a service contract for expert examination
- 2) filing and registration of an application (according to the prescribed form) for expert examination, with accompanying documents
- 3) analysis of applicant's documents for their compliance with the regulatory legal acts
- 4) examination of the production process directly on-site, verification of data furnished by the applicant
- 5) defining products' compliance with the prescribed criteria
- 6) compiling a expert examination act

A tentative package of documents required for an expert examination shall contain:

- product delivery contract
- data on the classification of the end product according to SC
- a list of starting materials, including data on the country of origin and classification of materials according to SC, and a confirmation of manufacturer's ownership of the materials
- a calculation of the ad valorem rate (if applicable)
- a description of the production process pertaining to the product

A positive expert opinion entails issuance of a certificate for each batch of products.

A certificate will be issued on the basis of exporter's application accompanied with:

- supply contract
- invoice
- calculation of the ad valorem rate (if applicable)

A certificate may be issued in the below forms in the following cases:

1. Certificate on form CT-1

.....  
is executed for the purposes of the free trade regime for exporting goods in a state-party to the Free Trade Zone Agreement of 15.04.1994 and/or the Free Trade Zone Agreement of 18.10.2011, in accordance with the Rules for

Establishing the Country of Goods Origin applicable for the above mentioned documents, as well as for exporting goods in Georgia in accordance with the existing agreements.

#### 2. Certificate on form CT-2

is executed for the purposes of the free trade regime in accordance with the Agreement between the Government of the Republic of Belarus and the Government of the Republic of Serbia on Free Trade of 31.03.2009.

#### 3. Certificate on form A

is executed for the purposes of confirming the Belarusian origin of a product, for the purposes of exporting goods to a country offering tariff preferences to Belarus under the Generalized System of Preferences (hereinafter — the GSP), and where such certificate on form A is required due to contract terms.

#### 4. Certificate on general form

is executed in the following cases:

- if it is required by the customs authorities of an importing country which does not have an international treaty (agreement) with the Republic of Belarus on the requirements for product origin and certificate form, or which does not grant preferences under the GSP system, where product's country of origin must be confirmed pursuant to contract terms or national regulations

- if it is required to confirm Belarusian origin of the product by the customs authorities of an importing country which has an international treaty (agreement) with the Republic of Belarus granting tariff preferences or free trade regime to such product, or of an importing country granting tariff preferences to Belarus under the GSP system, where such certificate is required by contract terms and not by the need to obtain mentioned tariff preferences or free trade regime

- for the purpose of confirming the country of goods origin, where the certificate is issued to replace a certificate verifying the origin of goods from another country apart

from the member states of the Agreement

#### 5. Certificate on another prescribed form

May be executed where national regulations of the importing country prescribe a specific form of the certificate of goods origin to be submitted to competent bodies of such country.

### 8.5. Visa-free entry for foreigners

Visa-free entry and exit to/from Belarus (for up to 180 days in a calendar year, provided no application for temporary residence permit be filed) is offered to:

- persons engaged by Industrial Park residents and/or investors for Industrial Park investment projects

- founders, participants, shareholders, wealthholders (and their employees) of Park residents and/or investors.

**This preference shall be used as follows:**

1. Park investor/resident files an application to the Park Administration\*

2. The Park Administration delivers an official list to the State Border Committee

3. Visa-free entry in Belarus is granted by virtue of travel documents (passport or another personal document)

An application filed by an investor/resident shall specify the following:

- full name (in Latin letters from the passport of another travel document supporting entry in Belarus, in the Russian language, and for Chinese nationals – in the Chinese language)
- gender
- nationality
- date of birth (day, month, year)
- number of travel document supporting entry
- date of entry
- traveller's relation to the applying entity (whether it is a person engaged in a Great Stone investment project, a founder/promoter, participant, shareholder, wealthholder (or an employee of a founder/promoter, participant, shareholder, wealthholder) of a Park resident/investor or the Joint Company).

Application form is available [on the Industrial Park website](#).



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