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Belarusian Parliament presents a draft law with amendments to the Tax Code, covering e-VAT payment monitoring, new rates, and more

On October 4, 2023, the Government of Belarus submitted a draft Law "On Amendments to the Tax Code of the Republic of Belarus" to the lower chamber of the Belarusian Parliament. As per tradition, significant changes to the Tax Code take effect on January 1 of the new year. This year, it includes a total of 181 amendments. While it's challenging to predict whether all the proposed changes will be adopted, the key points planned for adoption are as follows:

1) A new concept has been introduced – a unified property tax. This amount includes real estate tax, land tax, and vehicle tax. The payment of the unified property tax is now exclusive to individuals. This initiative from the Belarusian Ministry of Taxes and Levies aims to simplify the payment process for these taxes, which individuals are paying separately now. The draft Law does not alter tax exemptions and maintains the payment deadlines – until November 15. Penalties for the unified property tax will be calculated on the difference between the amount paid and the total amount of taxes assessed.

2) Changes have been made to the rules for monitoring tax compliance of permanent representations. Foreign organisations are no longer required to provide a bank statement confirming the opening of a current account in Belarus. For the termination of the permanent representation activities, a conclusion from a foreign audit organisation or a tax consultant is required to validate external expenses for profit tax calculation.

3) Detailed provisions have been added regarding foreign organisations conducting digital sales of goods from afar. Specifically, Belarus is considered the place of sale for digital sales of goods, unless documents provided by the taxpayer confirm the delivery of goods to customers outside Belarus. Such documents may include postal receipts, waybills, CMR international waybills, invoices, specifications, export declarations, and other relevant accompanying documents.

4) The draft law grants the Inspectorate of the Ministry of Taxes and Levies in Minsk the authority to monitor the VAT payment made by foreign organisations and individual entrepreneurs conducting digital sales of goods or services. If a debt of 3,000 basic amounts or more (approximately 32 000,00 EUR / 3 300 000,00 RUB) remains unpaid for 3 months, the Ministry of Taxes and Levies can decide to restrict access to the website (internet resource) used by the foreign seller or service provider for their activities.

5) New tax rates have been established for the following taxes:

- ▶ Profit tax: 25% –when an organisation's revenue exceeds 25 000 000,00 BYN (approximately 7 300 000,00 EUR / 740 000 000,00 RUB), and 10% –when selling own-produced goods.
- ▶ Personal income tax: 25% – when all income of individuals exceeds 200 000,00 BYN (approximately 58 000,00 EUR / 5 900 000,00 RUB), and 30% – when the income of an individual entrepreneur exceeds 500 000,00 BYN (approximately 145 000,00 EUR / 15 000 000,00 RUB).
- ▶ Legal entities with gross revenue not exceeding 1733 440,00 BYN (approximately 500 000,00 EUR / 51 000 000,00 RUB) in the first 9 months of the year can opt for the simplified taxation system (STS). Termination of the STS will occur when gross revenue for the year exceeds 2 311 250,00 BYN (approximately 670 000,00 EUR / 69 000 000,00 RUB).

6) Individual entrepreneurs are no longer considered VAT payers when selling goods, works, or services in Belarus. As a result, the markup previously designated for VAT payment will be recognised as the income of the individual entrepreneur.

For a more detailed review of the draft Law, you can follow [this link](#)

We recommend reading the [material](#) (written in Russian) by Polina Sachava, Associate and the Head of the "Tax Law" practice, which discusses these changes to the Tax code

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