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In Belarus, residents of EEU member states will have to pay VAT on services rendered in electronic form

On May 5, 2023 Belarus ratified the Protocol amending the EEU Treaty on the procedure for levying indirect taxes when rendering services in electronic form. The Protocol extends the EEU Treaty with provisions on the taxation of entities when rendering services in electronic form and approves the procedure for levying value-added tax when rendering services in electronic form (hereinafter - VAT levying procedure).

A service in electronic form is a service provided only via the Internet. At the same time, three types of activities not recognised as services in electronic form are highlighted:

- ▶ sale of goods with distance ordering but physical delivery,
- ▶ sale of software on material carrier,
- ▶ services on the provision of access to the Internet or other ICTs.

The EEU Treaty now stipulates if services are provided in electronic form, the customer (a resident of one EEU member state) must calculate and pay VAT to the budget of the EEU member state recognised as its business place. The VAT levying procedure determines the place of the customer's activity as follows:

for organisations - its business place, location of its subsidiary, representative office, permanent establishment (if the service in electronic form is rendered to these divisions), location of a permanent active executive body (management place);

for individuals - its residency, bank location where the account is opened, the state of its network address registration, the state of the corresponding international code of the customer's phone number.

The vendor (a resident of one EEU member state) must be registered with the tax authority of another EEU member state at the place of his taxpayer's activity via an information resource or by conditional registration. In Belarus, it is only possible to register for taxation via the [website of the Ministry of Taxes and Duties](#). If this registration is not stipulated by law, the customer must calculate and pay VAT.

When a vendor provides services in electronic form in another EEU member state involving a tax-registered in that state payment aggregator (an intermediary in settlements with customers-resident in that state), the last must calculate and pay VAT. If there are several payment aggregators involved, this obligation rests with the intermediary that settles directly with the customer. A vendor registered for taxation in another EEU member state must submit a tax return via the information resource at the place of the services.

[The act is available at the following link](#)

Practice areas

[TAX](#)

Locations

