LEGAL REGULATION OF INCORPORATION AND ACTIVITY OF COMMERCIAL ORGANIZATIONS WITH PARTICIPATION OF FOREIGN INVESTORS IN BELARUS

As of July 2026

INCORPORATION OF COMMERCIAL ORGANIZATIONS

Types of commercial organizations

Incorporation and operation of organizations is carried out on the basis of the following legislative acts: Civil Code of Belarus dated 07.12.1998 with further changes and amendments (hereinafter - the "Civil Code"), Law of Belarus "On Companies" with further changes and amendments, Regulations on State Registration of Economic Entities approved by the Decree of the President of Belarus of 16.01.2009 No. 1 with further changes and amendments.

Foreign investors are empowered to incorporate commercial organizations with any amount of foreign investment and in any legal forms stipulated by the Belarusian legislation, namely in the form of:

- unitary enterprise (UE),
- limited liability company (LLC),
- additional liability companies (ALC),
- joint-stock companies (JSC) - closed joint-stock company (CJSC) or open joint-stock company (OJSC).

It is worth noting such legal form as UE. This is a special form of legal entity which inherent in the Belarusian legislation. In contrast to other forms of legal entities (hereinafter referred to collectively and in particular the "Company"), UE is not an owner of assets on its balance sheet. All assets of UE are owned by its founder and belong to UE by virtue of the right of commercial management.

Except for UE, all commercial organizations may be incorporated by either a sole founder or several founders.

The state registration of commercial organizations

A commercial organization acquires the rights of legal entity from the date of its state registration.

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From 01.02.2009, an application procedure of the state registration is established (excluding registration of banks and non-bank credit and financial organizations). The state registration is carried out on the day of submitting the necessary documents. Certificate of the state registration is issued not later than the working day following the day of submitting the documents for the state registration.

As a general rule, the regional executive committees and Minsk City Executive Committee are the bodies that carry out the state registration of commercial organizations. Organizations such as banks, non-bank credit and financial organizations, insurance companies and insurance brokers, commercial organizations in free economic zones or on the territory of the Chinese-Belarusian industrial park "Industrial Park "Great Stone" are to be registered in a specially authorized state bodies and organizations.

Specific Features of Participation of Legal Entities and Individuals in Companies

Belarusian shareholders of a Company may be both non-state entities and state legal entities.

To incorporate a Company, state unitary enterprise must obtain the decision (approval) of the Ministry, state committee or any other state agency depending under whose control it operates. Moreover, depending on the value and kind of property to be contributed to the charter capital of the Company by the state enterprise, subordination of such state enterprise, coordination of the contribution by other state authorities may be required.

When dealing with the state enterprise as the partner of a Company, it is necessary to consider the possibility of its further privatization. However, there are no legal restrictions for the participation of state enterprises in a Company in connection with the process of their privatization.

Belarusian shareholders of the Company may be represented by both legal entities and individuals. It should be noted that, according to Belarusian legislation, officials employed in the bodies of state administration, executive committees of the Soviets of deputies, public prosecutor's offices and courts, as well as heads, deputy heads and main specialists of the state enterprises, organizations and institutions are not allowed to carry out business activities, including participation in a Companies.

Foreign investors may be represented by individuals, stateless persons not permanently residing in Belarus, citizens of Belarus permanently residing outside Belarus, foreign and international legal entities engaged in the investment in the territory of Belarus.

Limitations in investment and participation in the commercial organizations

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It is forbidden to invest in activities prohibited by the Belarusian legislation. Restrictions on investments may be established on the basis of legislative acts in the interests of national security (including environmental, historical and cultural heritage), public order, and protection of morality, health, rights and freedoms of others.

The legislation of Belarus also establishes restrictions for participation in the commercial organization in relation to certain individuals and entities. For example, the founder of a commercial organization cannot be an individual who on the date of state registration:

- is the owner of the property (shareholder), director of a commercial organization that is in the process of liquidation, but the process of liquidation has not been completed;
- is the owner of property (shareholder), director of a commercial organization that is in a state of economic insolvency (bankruptcy);
- is the owner of property (shareholder), director of a commercial organization which was recognized as insolvent (bankrupt) and from the date of its exclusion from Unified State Register of legal entities and individual entrepreneurs (hereinafter - **USR**) less than one year has passed;
- is the owner of property (shareholder) of a legal entity, or individual entrepreneur that was excluded from the USR less than 3 years ago with debts release;
- has unfulfilled court rulings on collection of funds and (or) foreclosure of other property, has executive inscription on collection from individuals, including individual entrepreneurs, taxes, dues (duties) and penalties, arrears of compulsory insurance contributions and penalties to the budget of the state non-budgetary fund for social protection of the population of Belarus;
- has unexpunged or unexpired convictions for crimes against property and business crimes.

Liability of the Parties for obligations of commercial organization

Liability of the shareholders for obligations of the commercial organization depends on the form of the Company (unitary enterprise, limited liability company, additional liability company, joint stock company).

At the same time, the Civil Code establishes a case when shareholders of commercial organizations are liable regardless of the form of the Company. So, if the bankruptcy of the organization is caused by the guilty (deliberate) actions of the founders (shareholders), other persons, including the head of the organization, entitled to issue compulsory orders or commit other actions determining organization’s activity, all persons mentioned above will bear

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subsidiary liability for the obligations of the company in the event if there are no enough company’s assets.

Charter capital of commercial organization

The minimum size of charter capital of a commercial organization depends on the legal form:

- for OJSC - about 5 500 euro (400 basic units, that is 18 000 Belarusian rubles);
- for CJSC - about 1 380 euro (100 basic units, that is 4 500 Belarusian rubles);
- for the LLC, ALC and UE - the minimum amount is not set and to be determined by the charter.

** since 01.01.2026 1 basic unit is 45 Belarusian rubles.*

Charter capital of commercial organizations is declared in Belarusian rubles and is to be formed within 1 year from the date of the state registration of the organization unless the less term is stipulated by charter.

While contributing to charter capital of commercial organizations in foreign currency following the established procedure, it will be re-calculated at the official rate of the Belarusian ruble to the respective foreign currency set by the National Bank on the date of the actual contribution.

Contributions to the charter capital of commercial organizations can be made in monetary and/or non-monetary form.

Non-monetary contributions of founders (shareholders) of a commercial organization are subject to obligatory estimation, conducted in accordance with the Edict of the President of Belarus No. 615 dated 13.10.2006 “On Evaluation Activity in Belarus” as well as to examination of internal assessment reliability, conducted in accordance with the procedure stipulated by the Council of Ministers of Belarus (Regulation No. 173 dated 10.02.2011).

In the case of an independent estimation of the value of non-monetary contribution in charter capital of commercial organization, examination of the reliability of this estimation is not carried out.

As a general rule, the property imported by a shareholder for the formation of charter capital of a commercial organization does not exempt from customs duty and is subject to VAT.

However, upon certain conditions a privileged import of certain goods is possible with the release from the payment of import custom duties (for example, if a commercial organization is located in medium-sized, small urban settlements, rural areas).

CURRENCY REGULATION

The main legal act in the area of foreign currency regulation is the Law of Belarus “On Foreign Currency Regulation and Foreign Currency Control” dated 22.07.2003.

Currency regulation treats all commercial organizations registered in Belarus as residents of Belarus.

The general rule for the residents is that all transactions and settlements between residents should be made in Belarusian rubles. Settlements between residents in other currencies are allowed in a strictly defined number of cases.

According Article 13 of the above Law, all wire transactions between legal entities-residents and legal entities - nonresidents can be conducted both in foreign currency and in Belarusian rubles without restrictions. Therefore, if the clients of the commercial organization are residents, settlements will be carried out in Belarusian rubles. If the clients are legal entities - nonresidents, settlements will be carried out mainly in foreign currency though use of Belarusian rubles is allowed as well.

Foreign Currency Account of the commercial organizations

Organization registered in Belarus has the right to open accounts in Belarusian rubles and foreign currency in banks of Belarus and foreign banks.

Purchase of Currency

Commercial organization can buy foreign currency through the authorized banks at the auctions of OJSC «Belarusian Currency and Stock Exchange» as well as through out-of-the-Exchange market.

Remittance of Profit

Foreign investors have a right to freely forward the income received as a result of investment activity in Belarus outside the country upon making all necessary tax and other obligatory payments set forth by the Belarusian legislation.

Restrictions on receiving income from Belarusian companies and disposing of these funds may be established in connection with the introduction of special restrictive measures and the adoption of relevant resolutions by the Council of Ministers. Currently, a special restrictive procedure is established in the case of payment of profits to foreign participants in a number of countries (USA, Canada, Great Britain, EU countries). In order to pay profits of any amount to foreign participants from the specified countries, it will be necessary to obtain permit from the regional (Minsk City) executive committee.

Dividends received by foreign investors from participation in a Belarusian organization are subject to 25 % tax on profit of foreign organization or 13 % income tax rate of foreign individual (25% when dividends exceed BYR 220,000) unless otherwise is established by active (not suspended) international agreements (for example, with the UAE, China, Qatar, etc.). The tax is withheld from the source of dividend payment.

TAXATION

The Tax Code of Belarus (special part) provides the following tax rates that are subject to payment by organizations with foreign investments and the following objects of taxation:

- Value-added Tax (VAT)

The object of levying is overturns of realization of goods (jobs, services) and personal property rights on the territory of Belarus, and import of goods in the customs territory of Belarus.
The rate of the tax is 20 %, in some cases – 0 %; 10 % or 25 %.

- Profit Tax

The objects of levying are gross profit, as well as dividends and similar income accrued by Belarusian organizations.

The rate is 20%, in some cases – 5%, 9%? 10 %; 25 %, 30%.

The rate for dividends and similar income is 12 %, in some cases – 0% (up to 01.01.2028).

- Excise Tax

Excises are levied on spirits; alcohol products; inedible spirit containing substances, produced with usage of ethyl spirits from all kind of raw materials, beer and beer cocktails, beverages made on the basis of beer (beer drinks), low-alcohol products with volume of ethyl spirits from 1,2 to 7 % (low-alcoholic natural beverages, other low-alcoholic beverages); tobacco; petrol; diesel fuel and diesel fuel with methyl esters of fatty acids; marine fuels; liquefied hydrocarbon gas and natural gas fuel compressed that are used as automotive fuel; motor oils, including oils (liquids), intended for flushing (cleaning of deposits) of oil systems of internal combustion engines; ciders; alcohol-containing food products in the form of solutions, emulsions, suspensions produced using ethanol, liquids for electronic smoking systems, including those contained in electronic smoking systems; electronic smoking systems, tobacco consumption systems; non-tobacco nicotine-containing products; oil; non-alcoholic energy beverages.

The rates may be stated:

- in absolute amount on the measurement unit of excised goods (fixed (specified) rate);
- in percent from the value of excised goods or customs value of excised goods, increased by levied amounts of customs duties (interest (ad valorem) rate).

- Land Payments

Land payments are charged annually in the form of land tax or lease payments. The rates of lease payments, seized instead of land payments are defined by the Edict of the President of Belarus dated 17.12.2025 No. 439 “On Lease Payments for Land Plots in Public Domain”.

Payers of land tax are organizations that own land plots on the right of private property, permanent or temporary use.

- Real Estate Tax

The tax rate is 1 % per year. The tax is charged on the cost of buildings and constructions, that are the property or in possession of the commercial organization.
Reduced tax rate (in the amount of 0.2%; 0.4%; 0.6%; 0.8%) applies to permanent buildings erected after January 1, 2019 (except for unauthorized buildings) - during the second - fifth years after commissioning.

- Compulsory Payments Charged on the Wage Fund of commercial organizations

According to the Law of Belarus “On contributions to the budget of the state extra-budgetary fund for social protection of the population of the Republic of Belarus”, compulsory insurance contributions to the Social Safety Fund are 34%.

We will be happy to provide any further information or assistance should you are interested in the above procedures.

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