

Opportunities and challenges for investments in “green economy” of Belarus (legal aspect)

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“Green economy” in Belarus: focus area

- electric transport (infrastructure) and city mobility, “smart cities”
- energy-efficient residential construction, increasing of energy efficiency in residential housing
- decreasing energy intensity of GDP, increasing energy efficiency, including by introduction of energy-efficient technologies and materials
- **increasing usage of renewable energy sources (RES);**
- organic production
- **sustainable consumption and production**
- ecotourism



Ways to make investments in Belarus

- establishment of commercial organization
- acquisition, creation, including construction of, immovable property
- acquisition of intellectual property rights
- acquisition of shares, including by means of the share capital increase
- by means of concession
- other ways



Belarus may offer

In the field of corporate law:

- A company may be registered in 1 day
- No minimum amount of the authorized capital for LLC, low requirements to the minimum authorized capital for other forms of companies
- Authorized capital fund may be paid after establishment of the company



Belarus may offer

General measures stimulating capital investments

- Favorable tax and custom duty regimes in 6 free economic zones (FEZ), rural area and small cities, High-Tech Park
- Non-tax supportive measures in FEZ, rural area and small cities, High-Tech Park
- Possibility for organizations to use simplified taxation system, provided that both criteria of average number of employees and of gross revenues are met



Belarus may offer

Special measures stimulating capital investments

- Investment agreements
- Public-Private Partnership
- Sectoral support (including renewable energy projects, waste recycling, construction of water-treating facilities)



Medium, small cities and rural area

The most significant incentives:

- exemption from income tax in respect of income and revenues received from selling own-produced goods (works, services)
- for in-kind contributions to share capital - exemption from import customs duties
- for construction/disposal of immovable property:
 - land plots are granted without auction, no payment for the right of conclusion of lease agreement
 - no compensation for deletion of plants
 - 5 year deferred payment for immovable property acquired from the state



Investment agreement

Requirement: priority activity (sector of economy)

General and special preferences, 2 types of investment agreements

The most significant incentives:

- Import and acquisition of equipment (deduction and exemption from VAT, exemption from custom duties and payments)
- Construction (projection and construction at the same time, exemption from compensation payments, no need for auction to lease a land plot, exemption from lease payments and land tax for the period of construction)
- Compensation of losses incurred due to arbitral actions of state bodies

Challenges:

- Stability of rights and guaranties to investors with/without investment agreement



Support in particular sectors of “green economy”

Renewable Energy Projects

- **quotas** for commercial RE projects (creation, modernization, reconstruction of existing RE plants)
- purchase of electro power at **increased rates** from RE plants created within quotas
- **guaranteed connection** to the state electro power grid
- **guaranteed purchase** of all electro power supplied from RE plants by state power providers
- exemption from **immovable property tax**
- **VAT** exemption for the facilities using RE sources
- **land tax** exemption for the period of construction and usage of electro power plants using RE sources
- decreased coefficient to the **ecology tax** rate in relation to wastewater discharge



Support in particular sectors of “green economy

- **Waste recycling**
 - State operator`s monopoly for collection of waste
 - **VAT exemption** (in relation to revenues from recycling certain types of waste at certain conditions)
 - Exemption from **immovable property tax** for waste recycling plants
 - **Regulated tariffs** in relation to certain services / services in favor of certain customers

- **Water-treating facilities**
 - **Tax deductions** with regard to maintenance of water-cleaning facilities
 - Exemption from **immovable property tax** for water-treating facilities
 - **Regulated tariffs** in relation to certain services / services in favor of certain customers



Thank you for attention!

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