

## Belarus

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## Key facts

### Main tax rates

Corporate tax rate: 24 percent

VAT/GST standard rate: 18 percent

Personal income tax top rate: 12 per cent

### Population/GDP

Population: 9.69 million

GDP (2008): US\$58.55b (as of January 1, 2009 exchange rate US\$ 1 = BYR 2200).

### Currency

Belarusian ruble, abbreviated here to BYR. Since January 2, 2009 the National Bank of Belarus has pegged BYR to a currency basket, divided equally into US dollars, euros, and Russian rubles. The initial ruble value of the currency basket has been set at BYR 960, which corresponds to the level of the bilateral exchange rates of the currencies that form it: BYR 2,650 per US dollar, BYR 2,703 per euro, and BYR90.16 per Russian ruble. The value of the basket can fluctuate plus/minus 5% during 2009.

### Membership of economic groups

Member of the Commonwealth of Independent States (CIS) and the Eurasian Economic Community (EURASEC).

### Major industries

Machine building, metalworking, chemical and petrochemical, woodworking, textiles, agriculture and food production

### Website of tax/finance authority

[www.nalog.by](http://www.nalog.by) – Ministry of Taxes and Duties

[www.minfin.gov.by](http://www.minfin.gov.by) – Ministry of Finance

## Introduction

In 1991, after the breakup of the Soviet Union, Belarus became an independent state. Like majority of former states of the Soviet Union it faced problems in the transition to a market-based economy. Such problems as inflation and disproportion in economy had a negative influence on taxation system of Belarus. Though the Belarusian taxation system has been intensively reformed during the last couple of years, it is still considered as complicated and characterized by the following features: complex and inconsistent tax laws; frequent changes of the tax legislation; the excessive reporting; high tax burden; and rigid system of penal sanctions.

Belarus has a two-tier taxation system, i.e. there are state taxes and duties paid throughout Belarus and local taxes and duties established by local authorities and subject to payment on the respective territories. The main Belarusian taxes and duties are profit tax; value added tax; payment to the state fund for the support of agricultural producers (turnover tax); personal income tax; social security contributions; excise tax; immovable property tax; land payments; and environmental tax. Moreover, Belarusian laws provide for a number of special tax regimes, in particular, unified tax for businesses subject to simplified taxation; taxation of commercial companies operating in towns with population

under 50,000; taxation of businesses operating in rural areas; taxation in free economic zones; taxation of the residents of the High Technology Park.

## Recent developments

Recent developments in the taxation system of Belarus evidence measures taken by the authorities on reduction of the tax burden on companies and simplification of certain tax reporting procedures

As of January 1, 2009 the following main changes in the taxation system came into force:

- List of deductible expenses for the profit tax purposes was expanded. In particular, expenses for compulsory audit, audit according to International Financial Reporting Standards, and trainings of employees can be deducted in full.
- Tax on income from disposal of securities was abolished. Such income is included in the profit tax base. It should also be noted that in April 2008 the tax on income from disposal of securities was reduced from 40% to 24%.
- Bonds issued by companies from April 1, 2008 to January 1, 2013 are exempt from the profit tax.
- Taxation of income from redemption of state securities and securities of the National Bank was abolished.
- Fixed assets are no longer subject to immovable property tax.
- Rate of payment to the state fund for the support of agricultural producers (turnover tax) was reduced from 2% to 1%. In 2008 its rate was reduced from 3% to 2%.
- Personal income tax is paid at a flat tax rate of 12%, while previously it was calculated according to a progressive rates scale starting from 9% and up to 30%.
- Criteria allowing companies to use simplified taxation system were lowered. In addition, tax rates were reduced. New rates are as follows: 6% of revenues for companies which are VAT payers; 8% of revenues for companies which are not VAT payers.
- Requirement to submit “empty” tax returns or information on the absence of objects subject to taxation was abolished.
- Taxpayers may submit tax returns in electronic form.

## Corporate taxes

### General outline

The Belarusian corporate income tax system is a classical system – corporate profits are taxed at the level of the company and the distributed profits are taxed again at the level of the company or the individual which receive dividends.

Profit tax is imposed on gross profit, which is the total profit from the sale of goods (work, services) and other assets (including fixed assets), securities, property rights and non-operating income, minus the deductible expenses related to such operations.

Non-operating income includes: dividends and other income from participation in other companies; income from the liquidation of the company-investee; income from the withdrawal or expulsion from the shareholders of the company-investee; income from the sale of shares in authorized capital fund of the company-investee; income from leasing the property; interest on loans and deposits; sums of fines, interest and other penalties paid for breach of contractual obligations; sums of donated goods, works, services, other assets and property rights; positive exchange differences; and other. Non-operating income is offset by non-operating expenses and then included in the taxable profit.

The deductible expenses relating to production and sale of goods (works, services) are divided into five main groups:

- cost of materials;

- employees' remuneration;
- depreciation of fixed and intangible assets;
- various social payments;
- other expenses (in particular, taxes and duties which are included in the cost of goods, works, and services).

There are some expenses that are related to business activity but deducted for profit tax purposes only within the limits determined by Belarusian laws. Such expenses include, inter alia, the cost of consulting, informational, representational, advertising, auditing services, payroll costs, costs on business trips.

The taxable profit is reduced on calculated amounts of immovable property tax; offshore duty; stamp duties; amount of profit expended on capital investments used for production and housing construction, including repayments of bank loans received for these purposes; amount of profit expended on donations to state-funded entities involved in public health, public education, social welfare, culture and sports up to a maximum of 5% of the taxable profit.

The tax period for profit tax is one calendar year. The reporting period for foreign companies operating in Belarus through permanent establishment is a calendar quarter, for other taxpayers – a calendar month. Tax returns are submitted to the tax authorities by the 20th and the tax is paid by the 22nd day of the month following the reporting period. The amount of the profit tax due is determined as progressive total from the beginning of the calendar year.

### **Corporate tax rates**

The general tax rate is 24% of the taxable profit. It is a flat rate and all companies which do not fall under a specific regime are taxed accordingly.

The rate of 10% applies to companies producing laser-optic equipment. Income of companies received from the sale of high-tech goods (work, services) of own production is taxed at the 12% rate, provided that such companies are included in the list of high-tech organizations approved by the President of Belarus.

The rate of profit tax for residents of free economic zones is 12 %; profits gained from realization of goods (work, services) of own production are exempt from profit tax for five years from the date of declaration of profit. To become a resident of a free economic zone at least 1 million euro must be invested.

The income of companies situated and operating in small towns with population under 50,000 received from the sale of goods (works, services) of own production is exempt from profit tax for five years from their date of incorporation.

Companies situated in rural areas are exempt from profit tax until December 31, 2012 provided that they produce goods (perform work, render services) in such rural areas.

Moreover, the residents of the High Technologies Park (HTP) are exempted from the profit tax. The company may become a resident of the HTP if its activity is related to analysis, development and software support of information systems; data processing; fundamental and applied research, exploratory developments in the field of natural and engineering sciences; other types of business activities determined by the government.

### ***Simplified taxation system (STS)***

Businesses subject to the STS pay a unified tax which virtually replaces all taxes and duties, except for customs duties, social security payments, immovable property tax, offshore duty, profit tax on income from disposal of securities, and tax on the acquisition of motor vehicles.

The unified tax is imposed on gross revenues. Gross revenues are considered to be the amount of revenues received during the taxation period as the result of sales of goods (works, services), ownership rights to intellectual property and non-operating incomes.

The STS can be used by companies which corresponds to established requirements on amount of gross revenues within one calendar year and number of personnel, i.e.:

- gross revenues do not exceed BYR 1,000,000,000 and number of personnel is not more than 15 employees (such companies are entitled not to pay VAT);
- gross revenues do not exceed BYR 3,500,000,000 and number of personnel is not more than 100 employees (such companies are obliged to pay VAT);

The following tax rates under the STS are applied:

- 6% - as to companies which do not pay VAT;
- 8% - as to companies which pay VAT.

### **Capital gains taxes**

There is no specific concept of capital gains tax. Capital gains are included in the taxable income of the company.

### **Position of losses**

Under Belarusian laws losses can not be carried forward or carried back. They must be recognized in full in the year in which they are incurred.

### **Group treatment**

There is no group taxation in Belarus.

## **Withholding taxes**

There is no withholding tax on dividends, interest and royalties paid to resident companies. However, as it was previously mentioned, such income is included in the taxable base for corporate income tax purposes and taxed at the general rate, i.e. 24%.

Non-resident companies that do not carry out activities through permanent establishment and receive income from Belarusian sources pay withholding taxes on such income. Tax rates are provided in the Belarusian laws and subject to application unless other rates are established in tax treaties.

Table 1 shows withholding tax rates applicable to dividends, interest and royalties under the tax treaties currently in force.

### **Position of resident companies**

Companies incorporated under the laws of Belarus are treated as Belarusian tax residents. The income received by tax residents from sources in Belarus and abroad, as well as the property of tax residents located both in Belarus and abroad are fully taxed in Belarus

### **Position of non-resident companies**

Non-resident companies pay withholding taxes on certain types of income received from sources in Belarus and taxes imposed on immovable property located in Belarus.

Moreover, non-resident companies that carry out activities through a Belarusian permanent establishment are also subject to corporate income tax on the income derived through such permanent establishment. The taxable income of a permanent establishment is determined in the same manner as that of resident companies and is taxed at the corporate income tax rate, i.e. 24%.

### **Dividends, interest and royalties**

#### *Dividends*

Unless otherwise provided by the tax treaty, the tax rate applied to dividends is 15%.

#### *Interest*

Unless otherwise provided by the tax treaty, the tax rate applied to interest is 10%.

#### *Royalties*

Unless otherwise provided by the tax treaty, the tax rate applied to royalties is 15%. Under Belarusian laws royalties include fees for the use or right to use property rights to copyright objects, objects of

related rights, as well as payment for patent, trade mark, service mark, firm name, drawing, scheme, formula, industrial design, process, or information relating to industrial, commercial, scientific knowledge (including know-how), and payments for the use of property in Belarus or the right to use such property.

#### *Other withholding taxes*

Freight (charges connected with international shipping transactions and forwarding services) are taxed at the rate of 6%.

A 15% withholding tax rate applies to income derived from:

- sale of goods under agency agreements;
- holding of concerts, circus and other similar performances;
- contractual fines and penalties;
- performance of innovation works (including research and development works);
- granting of guarantees and / or suretyship;
- sale of real estate located in Belarus;
- sale of shares owned by shareholders located in Belarus;
- rendering of consulting, bookkeeping, audit, marketing, legal, and engineering services;
- rendering of services relating to trust management of real estate;
- rendering of courier services;
- rendering of mediatory services;
- rendering of management services;
- rendering of training services;
- rendering of the services relating to safekeeping of property;
- rendering of insurance, co-insurance, and reinsurance services;
- rendering of advertisement services;
- rendering of services relating to forwarding and safekeeping of cargos.

### **Indirect taxes**

#### **VAT/GST: main and reduced rates, exemptions**

VAT is imposed on the supply of majority of the goods (works, services) and property rights in Belarus, and on most imports to Belarus.

The standard VAT rate is 18%.

A lower rate of 10% applies to production of plant growing (except flowers and decorative plants), animal breeding (except fur farming), fish breeding, and bee-farming; import and / or supply in the territory of Belarus of foodstuffs and goods for children in accordance with the list approved by the President. A 0% rate applies to exports of goods; tracking, loading, shipment, and other services directly connected to the sale of exported goods; exported transport services, and exported works (services) on production from raw materials supplied by the customer. A 24% rate applies to supply and import of white sugar in Belarus.

Moreover, certain types of supply are exempted from VAT. In particular, VAT is not imposed on supply of certain pharmaceuticals and medical equipment, medical services, educational services, non-banking financial and insurance services, housing and communal services provided to individuals.

A VAT return is submitted by the 20<sup>th</sup> day of the month following the reporting one and the tax is calculated based on the amount of tax accumulated from the beginning of the year. The VAT is subject

to payment by the 22<sup>nd</sup> day of the month following the reporting one. However, if the VAT accrued and paid for the previous reporting month exceeds 40,000 euros, taxpayers are required to make advance payments of tax by the 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 25<sup>th</sup> of the current month and by the 5<sup>th</sup> of the following month.

There is no special registration for VAT purposes in Belarus.

### **Other indirect taxes**

Besides the VAT, Belarusian laws provide for excise duty.

Excise duty is imposed on:

- manufacturing of excise goods;
- import of excisable goods to the customs territory of Belarus; and
- sale of excisable goods imported to Belarus.

The main categories of excisable goods include spirits, alcohol, beer, tobacco, oil for diesel engines and / or carburetor engines, petrol, diesel oil, minibuses, and automobiles.

Excise rates are established by the President of Belarus either in the form of a fixed amount for a physical unit of excisable goods (fixed rates) or as a percentage of their value (ad valorem rates).

## **Personal taxes**

### **Domicile and residency requirements**

An individual is deemed a tax resident of Belarus if he has actually stayed in the territory of Belarus for a period exceeding 183 days during a calendar year. A stay includes both the actual length of the period during which an individual is physically present in Belarus, as well as any other period, for which this individual departs from Belarus for business trips, holidays, or medical treatment abroad.

Belarusian citizens and foreign nationals, who are recognized as tax residents, are taxed in Belarus on their worldwide income received during a calendar year.

For tax purposes, a calendar year is the period of time from January 1 until December 31.

### **Main rates and bands**

As from January 1, 2009, individuals pay personal income tax at a flat tax rate of 12%.

Besides the 12% rate, other rates apply in specific cases.

A 15% rate applies to:

- dividends;
- income received from business and private notarial activities;
- income received by taxpayers who are not Belarusian tax residents from the sale of goods (works, services) and other property to individuals, other than individual entrepreneurs.

A 9% rate applies to the income received by:

- individuals from residents of the HTP under labour agreements;
- individual entrepreneurs who are residents of the HTP;
- individuals involved in implementation of a registered business-project in the sphere of high technologies from non-residents of the HTP.

The individual income tax base is reduced by BYR 250,000 if income per month does not exceed BYR 1,500,000. Reduction of the tax base by BYR 70,000 is provided for each child under the age of 18 and a dependent person. Some other reductions are subject to application to specific categories of individuals.

### *Dividends*

As it was previously mentioned, dividends received by individuals are taxed at the 15% rate.

### **Social security/national insurance payments**

Social security contributions (SSC) to the Social Security Fund are paid by both employers and employees. Employees pay SSC at the rate of 1% on their remuneration. The contributions are withheld from the remuneration by employers.

As to individuals who independently pay SSC (i.e. individual entrepreneurs; private notaries; artists; citizens who perform works under contracts concluded with individuals; citizens employed by representative offices of international organizations in Belarus, diplomatic missions and consulates accredited in Belarus; and citizens who work abroad) the rate of 29% is applied.

## **Transfer pricing and anti-avoidance rules**

### **Transfer pricing rules (documentation requirements, APAs, etc.)**

There are no transfer pricing rules in Belarus.

### **Anti-avoidance provisions**

There are no general anti-avoidance rules in Belarus.

However, Belarusian laws provide for offshore duty levied at the rate of 15%.

The objects of taxation are:

- transfer of monetary funds by a resident of Belarus to a non-resident of Belarus registered in an offshore zone or to other company to which an offshore resident has obligations, or to a bank account opened in an offshore zone;
- non-cash settlement with a non-resident of Belarus registered in an offshore zone;
- transfer of property rights and / or obligations due to substitution in commitments where the parties are the resident of Belarus and non-resident registered in an offshore zone.

An offshore duty is not imposed on funds transferred by residents for the purpose of repaying credits, loans or interest on loans granted by non-residents or other funds obtained from non-residents in accordance with legislation or agreement.

The list of offshore zones is approved by the President of Belarus. At present this list includes 52 offshore zones.

### **Thin capitalisation/other interest deductibility rules**

There are no thin capitalisation rules in Belarus.

### **Controlled Foreign Company (CFC) rules**

There are no special CFC rules in Belarus.

## **Tax treaties**

At present, Belarus has 59 effective double tax treaties. To some of them Belarus became a successor of the former USSR.

The main trading partners of Belarus include Russia, the Ukraine, the Netherlands, Germany, Poland, Latvia, the United Kingdom, China, Brazil, and Italy.

## **Miscellaneous taxes**

### **Taxes on payroll**

As it was previously mentioned, employers are obliged to pay SSC to the Social Security Fund. The base for SSC is payroll in cash or in other forms charged in favour of employees.

The general rate of SCC is 35%.

Moreover, employers pay obligatory insurance contributions for cases of accidents at work or work-related diseases to state-owned insurance company Belgosstrakh.

The base is the same as for SSC. Insurance tariffs vary from 0.07% to 2.4% considering the type of the employer's activity.

### **Taxes on capital**

There is no capital tax or general wealth tax in Belarus.

### **Taxes on property**

An individual immovable property tax is paid by owners of buildings. The annual tax rate is 0.1%. The tax is assessed by tax authorities who send a respective written notice to taxpayers until August 1 of the relevant year.

The corporate immovable property tax is imposed on depreciated value of buildings and constructions owned or leased by companies. The annual tax rate is 1%. A 2% rate applies to objects of incomplete construction where the terms of construction are exceeded and the company is engaged in construction of other objects.

Companies and individuals who own, use or lease land in Belarus make land payments. Land payments are levied in an annual lump-sum amount per hectare of land depending on the quality and location of the land.

### **Other taxes**

#### ***Payment to the state fund for the support of agricultural producers (turnover tax)***

The tax is imposed on turnover from the sales of goods and services. The tax rate is 1%.

#### ***Ecological tax***

The objects of taxation are volume of natural resources used (extracted); volume of processed oil and oil products; volume of transported oil and oil products; volume of pollutant emissions; volume of waste products allocated at waste storage objects, volume of goods which lost their consumer properties under customs regime of construction, as well as waste originated from destruction of such goods; and volume of produced and / or imported plastic and glass containers, carton and paper package, as well as volume of imported goods packed in plastic and glass containers, carton and paper package.

Tax rates are established by the President, except for the tax rate for oil and oil products processing equal to BYR 3,300 per tonne.

#### ***Offshore duty***

Please see section "Anti-avoidance provisions" above.

#### ***Tax on acquisition of motor vehicles***

Taxpayers are companies and individuals (excluding citizens who acquire cars in their private ownership). The tax base is the value of cars acquired by purchase, swapping, donation or gratuitous transfer to the authorized capital, as well as under financial lease (leasing) agreements. The tax rate is 3% of the value of the car excluding VAT.

#### ***Customs duty***

Import duties are levied based on the type and origin of the imported goods. The rates are normally determined as a percentage of the value of the imported goods, or as a set amount of euros per unit or kilogram, or as a combination. Export duties are imposed only on a limited number of goods, e.g. fuels, marine products.

#### ***Local taxes***



The main local taxes are retail sales tax and tax on services. The exact rates for these taxes are set by local authorities within the limits established by the Law on Budget of Belarus,

Retail sales tax is imposed on revenue from retail activities. At present, the maximum tax rate is 5% without distinction between local and imported goods.

Tax on services is imposed on revenue from rendering travel agency services, hotel services, restaurant (café, bar) services, mobile telecommunication services, services related to disco clubs, bowling, billiard, etc. At present, the maximum tax rate is 5%.

Moreover, the Law on Budget provides for local special-purpose duties and user duties.

**Table 1 Tax treaty withholding rates**

| <i>Country</i> | <i>Dividends</i>                  |   | <i>Interest<sup>a</sup></i> | <i>Royalties</i> |
|----------------|-----------------------------------|---|-----------------------------|------------------|
|                | <i>Individuals, companies (%)</i> | <i>Qualifying companies<sup>b</sup> (%)</i> |                             |                  |
| Armenia        | 15                                | 10 <sup>c</sup>                             | 10                          | 10               |
| Austria        | 15                                | 5   | 5                           | 5                |
| Azerbaijan     | 15                                | 15  | 10                          | 10               |
| Bahrain        | 5                                 | 5   | 5                           | 5                |
| Belgium        | 15                                | 5   | 10                          | 5                |
| Bulgaria       | 10                                | 10  | 10                          | 10               |
| China          | 10                                | 10  | 10                          | 15               |
| Croatia        | 15                                | 5   | 10                          | 10               |
| Cyprus         | 15                                | 5/10 <sup>d</sup>                           | 5                           | 5                |
| Czech Republic | 10                                | 10  | 5                           | 10               |
| Denmark        | 15                                | 15  | 0                           | 0                |
| Egypt          | 15                                | 15  | 10                          | 15               |
| Estonia        | 10                                | 10  | 10                          | 10               |
| Finland        | 15                                | 5   | 5                           | 5                |
| France         | 15                                | 15  | 0/10                        | 0                |
| Germany        | 15                                | 5 <sup>e</sup>                              | 0/5                         | 3/5              |
| Hungary        | 15                                | 5   | 5                           | 5                |
| India          | 15                                | 10  | 10                          | 15               |
| Iran           | 15                                | 10  | 5                           | 5                |

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|                      |                  |                     |                |        |
|----------------------|------------------|---------------------|----------------|--------|
| Israel               | 10               | 10                  | 10             | 5/10   |
| Italy                | 15               | 15                  | 0              | 0      |
| Japan                | 15               | 15                  | 10             | 0/10   |
| Kazakhstan           | 15               | 15                  | 10             | 15     |
| Korea Republic       | 15               | 5                   | 10             | 5      |
| KDPR                 | 10               | 10                  | 10             | 10     |
| Kuwait               | 0/5 <sup>f</sup> | 0/5 <sup>g</sup>    | 5              | 10     |
| Kyrgyzstan           | 15               | 15                  | 10             | 15     |
| Latvia               | 10               | 10                  | 10             | 10     |
| Lebanon              | 7.5              | 7.5                 | 5              | 5      |
| Lithuania            | 10               | 10                  | 10             | 10     |
| Macedonia            | 15               | 5                   | 10             | 10     |
| Malaysia             | 15               | 15                  | 15             | 10/15  |
| Moldova              | 15               | 15                  | 10             | 15     |
| Mongolia             | 10               | 10                  | 10             | 10     |
| Montenegro           | 15               | 5                   | 8              | 10     |
| Netherlands          | 15               | 0/5 <sup>h</sup>    | 5              | 3/5/10 |
| Oman                 | 5                | 5                   | 5              | 10     |
| Pakistan             | 15               | 10                  | 10             | 15     |
| Poland               | 15               | 10 <sup>i</sup>     | 10             | 0      |
| Qatar                | 5                | 5                   | 5              | 5      |
| Romania              | 10               | 10                  | 10             | 15     |
| Russia               | 15               | 15                  | 10             | 10     |
| Serbia               | 15               | 5                   | 8              | 10     |
| Slovakia             | 15               | 10                  | 10             | 5/10   |
| South Africa         | 15               | 5                   | 5/10           | 5/10   |
| Spain                | 18               | 18                  | 0              | 0/5    |
| Sweden               | 10               | 0/5 <sup>j</sup>    | 5              | 3/5/10 |
| Switzerland          | 15               | 5                   | 5/8            | 3/5/10 |
| Syria                | 15               | 15                  | 10             | 18     |
| Tajikistan           | 15               | 15                  | 10             | 15     |
| Thailand             | 10               | 10                  | 10             | 15     |
| Turkey               | 15               | 10                  | 10             | 10     |
| Turkmenistan         | 15               | 15                  | 10             | 15     |
| Ukraine              | 15               | 15                  | 10             | 15     |
| United Arab Emirates | 10               | 0/5/10 <sup>k</sup> | 5              | 5/10   |
| United Kingdom       | 0                | 0                   | 0              | 0      |
| United States        | – <sup>l</sup>   | – <sup>m</sup>      | – <sup>n</sup> | 0      |
| Uzbekistan           | 15               | 15                  | 10             | 15     |

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|         |    |    |    |    |
|---------|----|----|----|----|
| Vietnam | 15 | 15 | 10 | 15 |
|---------|----|----|----|----|

<sup>a</sup> Most tax treaties provide for an exemption from tax on certain types of interest, e.g. interest paid to public bodies and institutions. These exemptions are not indicated in the table.

<sup>b</sup> Unless otherwise indicated, the lower treaty rates apply if the non-resident company owns at least 25% of the capital in the Belarusian company.

<sup>c</sup> The rate applies if the non-resident company owns at least 30% of the capital in the Belarusian company.

<sup>d</sup> The 5% rate applies if the non-resident (a company or an individual) has invested at least EUR 200,000 in the capital of the Belarusian company. The 10% rate applies if the non-resident holds directly or indirectly at least 25% of the capital in the Belarusian company.

<sup>e</sup> The rate applies if the non-resident company owns at least 20% of the capital in the Belarusian company and the non-resident investment amounts to at least EUR 81,806.70.

<sup>f</sup> The lower rate applies if the non-resident company is a government agency or a financial institution.

<sup>g</sup> The lower rate applies if the non-resident company is a government agency or a financial institution.

<sup>h</sup> The 0% rate applies if 1) the non-resident company owns at least 50% of the capital in the Belarusian company and the non-resident investment amounts to at least EUR 250,000; 2) the non-resident company owns at least 25% of the capital in the Belarusian company and the non-resident investment is guaranteed and insured by the government of a contracting state. The 5% rate applies if the non-resident company owns at least 25% of the capital in the Belarusian company.

<sup>i</sup> The rate applies if the non-resident company owns at least 30% of the capital in the Belarusian company.

<sup>j</sup> The 0% rate applies if the non-resident company owns 100% of the capital in the Belarusian company and the profits from which the dividends are paid were derived from industrial or production activities, agriculture, forestry, fishery or tourism. The 5% rate applies if the non-resident company owns at least 30% of the capital in the Belarusian company.

<sup>k</sup> The 0% rate applies if the dividends are paid to the state, its Central Bank, the Abu-Dhabi Investment Authority or any other company as approved by the governments of the contracting states. The 5% rate applies if the non-resident company owns at least USD 100,000 in the Belarusian company.

<sup>l</sup> The domestic rate applies; there is no reduction under the treaty.

<sup>m</sup> The domestic rate applies; there is no reduction under the treaty.

<sup>n</sup> The domestic rate applies; there is no reduction under the treaty.