

Digital VAT in Belarus

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WTS CEE

April 19, 2018

Starting from 1 January 2018 foreign companies supplying digital services to individual consumers in the territory of Belarus are obliged to register with Belarusian tax authorities for payment of digital VAT in Belarus.

What are digital services?

Belarusian Tax Code contains exhaustive list of digital services which, *inter alia*, include:

- licensing copyright items via the Internet;
- advertising services on the Internet;
- placing sales offers via the Internet;
- searching and providing data on prospective customers;
- providing domain names and hosting services;
- providing access to search engines on the Internet.

The Tax Code directly provides that the following services are not treated as digital services:

- sale of goods (works, services) ordered on the Internet, but supplied without use of the Internet;
- sale of computer programs, databases on material devices;
- consulting services via e-mail;
- provision of access to the Internet.

Which digital services are supplied in Belarus?

Digital services are deemed to be supplied in Belarus in any of the following cases:

- place of factual presence (registration address) of the purchaser is Belarus;
- account or digital wallet of the purchaser is opened in a Belarusian bank/operator;
- purchaser's IP address is registered in Belarus;
- international phone code of the purchaser is assigned to Belarus.

Foreign companies are obliged to determine whether their digital services are supplied in Belarus or not.

Which foreign companies must register for digital VAT in Belarus?

There are two types of foreign companies which are obliged to register with Belarusian tax authorities for payment of digital VAT in Belarus:



- A foreign company which directly (without agents) supplies digital services to individual consumers in the territory of Belarus;
- A foreign company being an agent (intermediary) of a foreign company supplying digital services, in case such agent (intermediary) participates in settlements with individual consumers in the territory of Belarus.

Registration is carried out in Minsk City Tax Inspection and can be done electronically. Digital VAT registration of a foreign company does not trigger any corporate income tax obligations in Belarus.

How to pay digital VAT in Belarus?

Digital VAT to be paid to Belarusian budget is calculated as: **(VAT base * VAT rate) / 120**. VAT base is price of digital services with Belarusian VAT. Digital VAT rate in Belarus is 20%.

Foreign companies must report and pay digital VAT in Belarus on a quarterly basis. There is no obligation to pay digital VAT in respect of digital services supplied free of charge.

If you would like to know more about digital VAT in Belarus, please visit the [homepage of Sorainen](#), the Belarusian partner firm of WTS Global.

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