



GRATA
INTERNATIONAL

Local Knowledge
for Global Business

www.gratanet.com

On amendments to the tax legislation

Tax legislation in Belarus amends every year. Part of the amendments, which will come into force in 2023, were adopted by the Tax Code of Belarus in 2022, the second part is currently being signed by the President and will be adopted in the near future.

Some of the main amendments are shown below:

1) A new tax on professional income is being introduced. It will be paid by individuals who are involved in a type of activity approved by the Government. The tax rate will be 10% as a general rule and 20% (e.g. if income for the year is over 60,000 Belarusian rubles from Belarusian companies and individual entrepreneurs).

It is important to mention that it is the first tax in Belarus for individuals to be fully administered in a special application that is available for download in any marketplace.

[You can read more about this tax here](#)

2) Tax on income of foreign organizations is paid in Belarus if a Belarusian organization pays a certain income to a foreign company, for example, when buying property from a non-resident, acquiring a share, etc. From January 1, 2023, the tax rate on income from dividends will be 15%, while previously the rate was 12%. It means that from January 1, 2023, if a Belarusian company pays dividends to a non-resident, the tax rate will be 15%, unless the company provides a certificate of tax residency.

3) It is established the grounds when a foreign organization as a permanent establishment in Belarus will have to provide a provision on accounting policy when registering for tax purposes as a permanent establishment in Belarus. This document may show the tax authorities the order of accounting, reflection of expenses and other peculiarities of the activities of the organization.

4) A new VAT object is introduced - the turnover of sales of goods (works, services) and property rights in Belarus, including the turnover of income received by a new creditor that has acquired a monetary claim, when the relevant monetary obligation is fully or partially terminated by performance, granting of compensation, set-off or novation.

5) The requirements for determining the tax base for VAT have been strengthened.

In particular, the Tax Code introduced a clause according to which the tax base for VAT is determined based on the purchase price, if the goods are sold at a price lower than the purchase price of goods purchased on the side, from the date of purchase of which less than twelve months have passed, if the purchased goods at their sale remained in unchanged condition. However, this rule is not applicable, for example, when sold at retail price, goods are fixed assets, real estate, vehicles registered in the authority.

Separately, leasing contracts have been identified. The amount of VAT shall be determined by the contractual value of the leased asset, in particular, in case of sale at a price lower than the contractual value of the leased asset a vehicle previously purchased (imported) by the lessee under a financial lease (leasing) agreement providing for redemption of the leased asset, except for some situations. For example, the sale price can be used for the VAT base if it is higher or equal to the appraised value of such means of transport calculated by an appraiser authorized to perform appraisal according to legislation, or the appraised value of transport means calculated by an appraiser authorized to perform appraisal according to legislation can be used if the sale price is lower than the appraised value of such transport means.

6) The standard income tax rate for Belarusian organizations will become 20%. At present the rate is 18%.

[More details could be found at the link](#)

Practice areas

[TAX](#)

Locations

[BELARUS](#)

