

Institutional Framework



Dmitry Krutoy
Minister of Economy of the
Republic of Belarus

Mir Castle (was founded in 1520s)



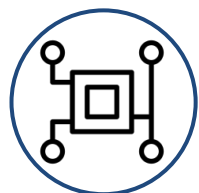
Support from government to business...



Efforts to Improve Business Environment

- **Decree No. 7 “On the Development of Entrepreneurship”** is aimed at liberalizing of entrepreneurship (Nov 2017) includes among other:

- No new taxes introduction until 2020; no increase for effective tax rates; a simplified system of taxation
- Notification, instead of permission, for a new business start-up
- Optimization of administrative procedures for business registration
- Development of electronic government services
- Board of businessmen was created to enhance dialogue between government and business



- **Decree No. 8 “On the development of the digital economy”**

creates unprecedented conditions for the residents of the High-Tech Park and gives serious competitive advantages to the country in the creation of the digital economy



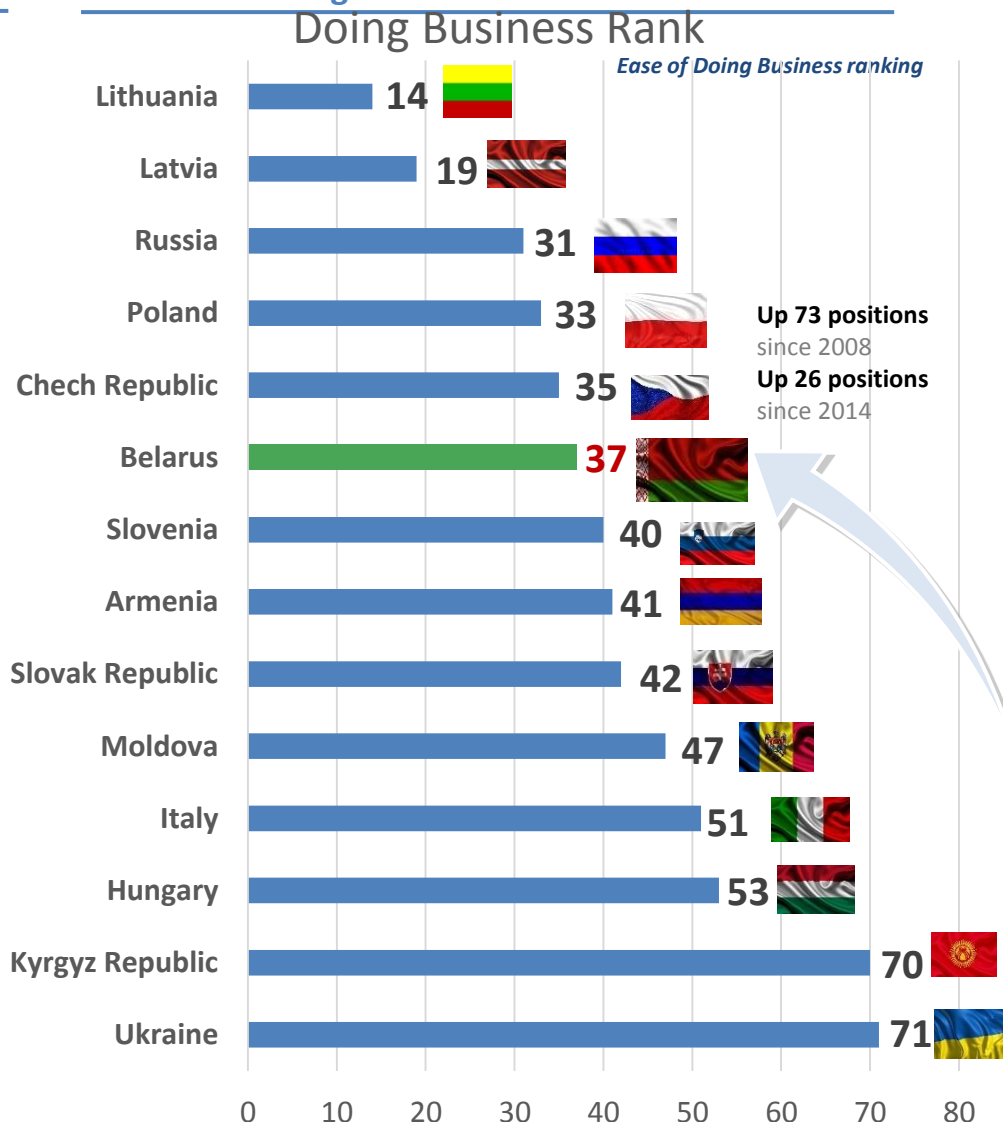
Visa-free regime

- ✓ Introduction of **visa-free** regime for 74 countries:

2017: 5 days ► 2018: 30 days

- ✓ other support

... led to notable improvement in Ease of Doing Business ranking



Source: Ease of Doing Business 2019



Republic of Belarus
is **a member of MIGA** since 2012

60 agreements

on assistance in the mutual protection of
investment

67 agreements

on avoidance of double taxation

Legal framework for investments support

- Law No. 53-3 “On Investments” of 12 July 2013
- Law No. 345-3 “On Public Private Partnerships” of 30 December 2015

Preferential regimes :

- **Free economic zones** (Law No. 213-3 “On Free economic zones” , Tax Code (articles 382, 383))
- **High-Tech Park** (Presidential Decree No. 8)
- **“Great Stone” Industrial Park** (Presidential Edict No.166)
- **Medium and small-sized cities and rural areas** (Presidential Decree No. 6)
- **Investment Agreement** (Presidential Decree No. 10)

National Agency for Investment and Privatization

“ One stop shop ” providing information, consulting, organizational and other assistance for investors in terms of searching for potential partners, organization of fact finding trips and introduction to the relevant governmental entities and bodies



	Investment agreements	Free Economic Zones	SM Towns in Rural Areas	High-Tech Park	Industrial park Great Stone
Corporate Profit Tax	No (in case of free transfer of property to the investor)	No (in case of export and sales of goods to other FEZ residents)	No (for 7Y from the date of the registration)	No	No (for 10Y and 50% standard rate further on)
VAT	Returned from the budget (for the goods, work, services, property rights when implementing the investment project)	20%	20%	No	Returned from the budget
Property Tax	1%	No	No (for 7Y)	No	No
Land Tax	No (for the period of design and construction until December 31 of the year following the year of completion)	No	Yes	No (for construction period, max 3Y)	No
VAT & Custom Import Duties	No (for the technological equipment imported)	No (for the technological equipment imported; if exported outside the Eurasian Economic Union)	No (for capital investment, for certain goods)	No (for IT activities)	No (for the goods imported to start a project, if exported outside the Eurasian Economic Union)

IT Sector is Steadily Growing and has a Prominent Role in the Economy



Belarus has become a leading Eastern European IT hub and the development of the sector is prioritised by the Government

Top 10
In BlockShow Rating
of Crypto-friendly European Countries



0 taxes for cryptocurrencies till 2023
HTP as a special economic zone
Smart contracts as legal documents

IT sector highlights

37 000

software engineers employed in the IT sector of the HTP

> USD 1.0 bn

HTP software and IT-services export in 2017

25x

increase export volume between 2006 and 2017

Top 9

in Primary Locations for Outsourcing & Service Delivery centres
in EMEA¹

Decree on Development of Digital Economy

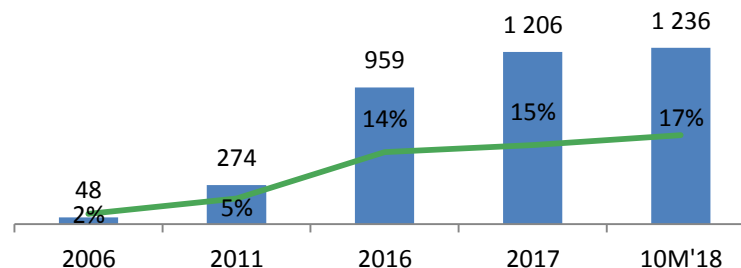
ICO and tokens to be allowed	Self-driving vehicles	Capital flow deregulation	IT-education
Venture investment	Attraction of foreign IT-specialists	Blockchain technology	'English law'

Belarus Hi-Tech Park **HTP** BELARUS

- Providing services globally to 60+ of Fortune's 200 largest companies
- HTP residents with foreign or joint ownership amount to 48% of the total 454 resident companies
- 92% of the software products of HTP are exported
- Preferential treatment for resident companies:
 - favourable tax regime until 2020 (incl. exception from income tax and VAT)
 - lower personal income tax
 - extraterritorial principle of registration
 - access to qualified workforce

IT Services Growth

■ Export of IT services, USD mn
— Share of IT services, % of total export of services



¹ According to the global IT research and consultancy company Gartner

Great Stone Industrial Park – new ecofriendly smart city



112 km²
total area

42
residents

in such spheres as electronics and telecommunications; pharmaceuticals; fine chemistry; biotechnologies; machine engineering; innovative materials; comprehensive logistic services; electronic commerce; BIG DATA

> USD 1.0 bn

planned volume of investments

Concept and objectives

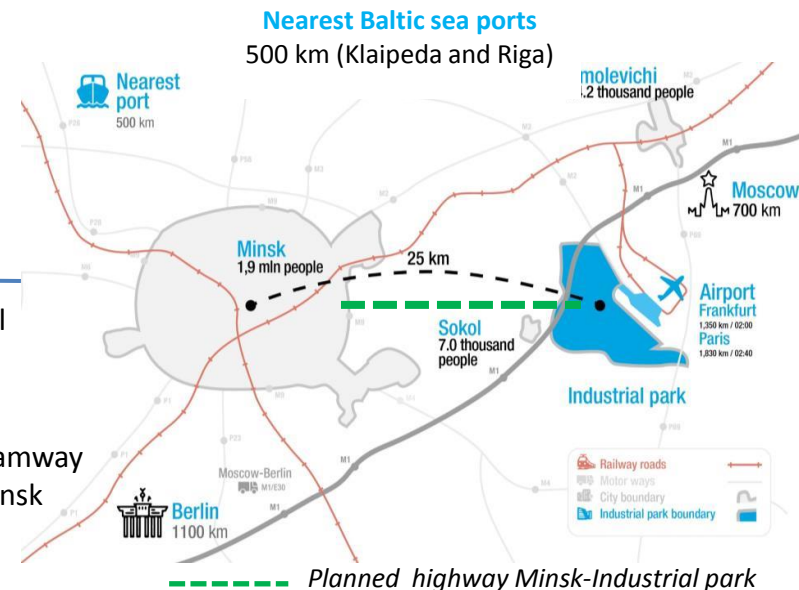
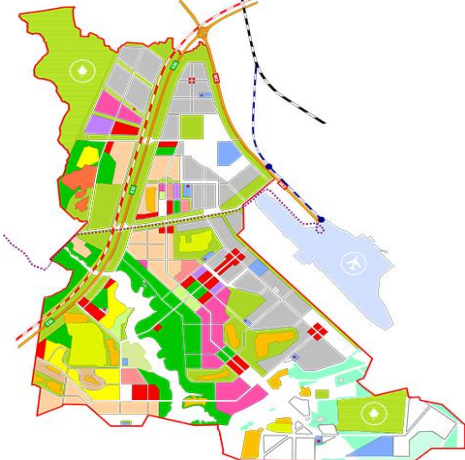
- ❑ Place for industries of the future
- ❑ International business cooperation platform
- ❑ Innovations and new technologies exchange platform
- ❑ Ecofriendly smart city

Potential PPP projects in Great Stone

- ❑ Development of residential area and social infrastructure
- ❑ Transport infrastructure
- ❑ Construction of motorway and express tramway Minsk – Great Stone – National Airport Minsk
- ❑ Construction of 330 kV power station

The most convenient conditions for doing business in the Eurasian region

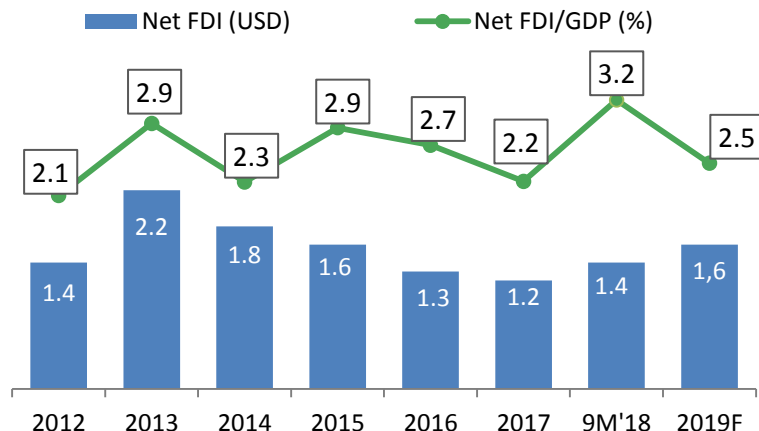
- ❑ Ready to use production areas and land plots (rent/purchase)
- ❑ Tax privileges and benefits
- ❑ Grandfather's clause on non-deterioration of business environment for 10 years
- ❑ Comprehensive service for investors
- ❑ Special customs regime
- ❑ Advantageous geographical location
- ❑ Simplified process of designing and construction
- ❑ Developing comfortable living conditions



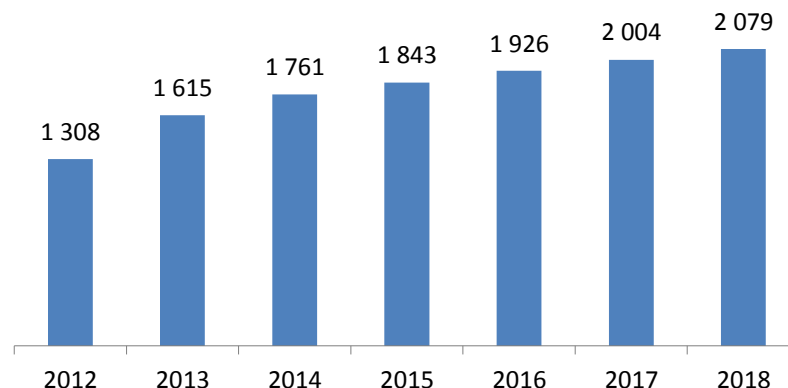
The Government has Prioritized Attracting FDI



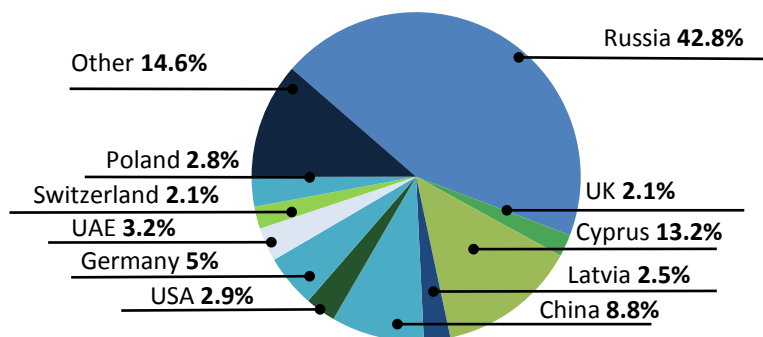
FDI Inflows, USD bln/%



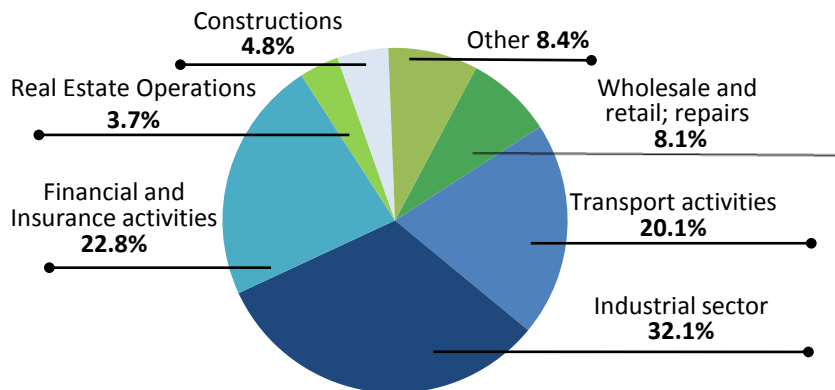
Dynamics of investment contracts with the Republic of Belarus, cumulatively



FDI Inflows by Country, 9M 2018¹



FDI Inflows by Sector, 9M 2018²



Sources: National Statistical Committee, National Bank, IMF for countries other than Belarus

¹ Excluding the banking sector, sale of property and payments to budget.

² Excluding sale of property and payments to budget.

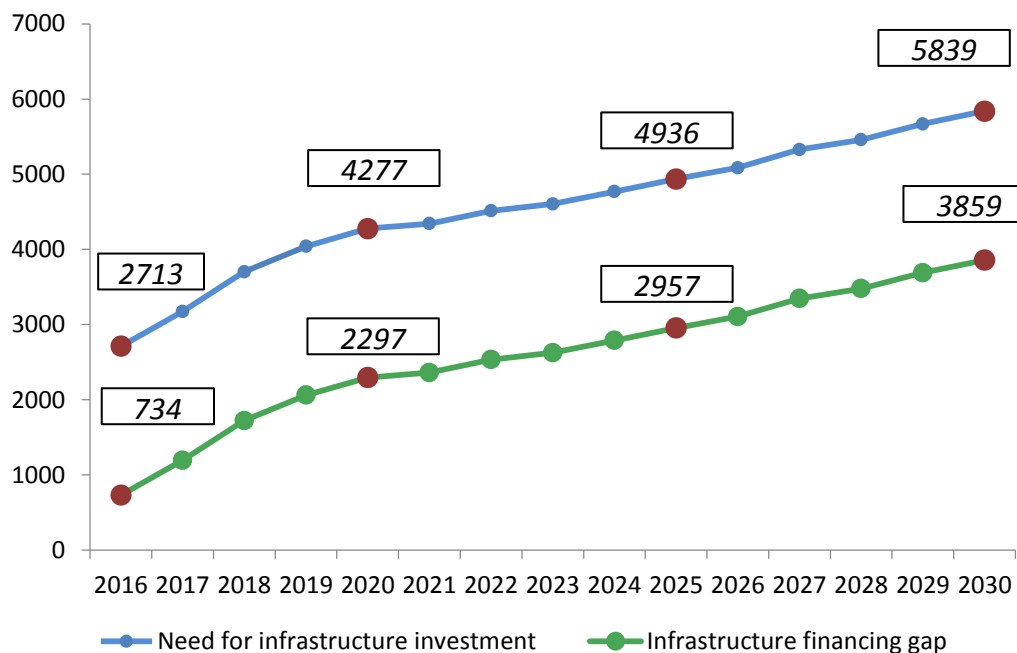
Infrastructure and PPP

The Bolshoi Theatre of Belarus

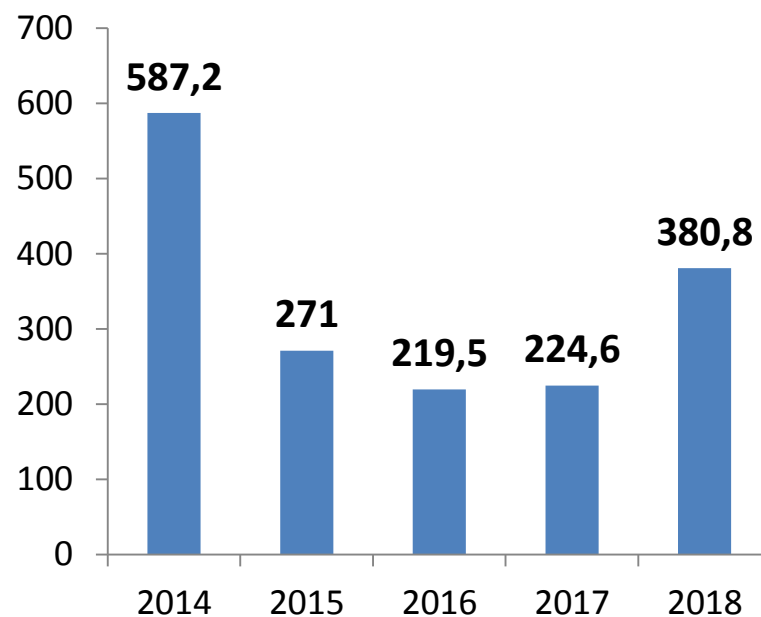




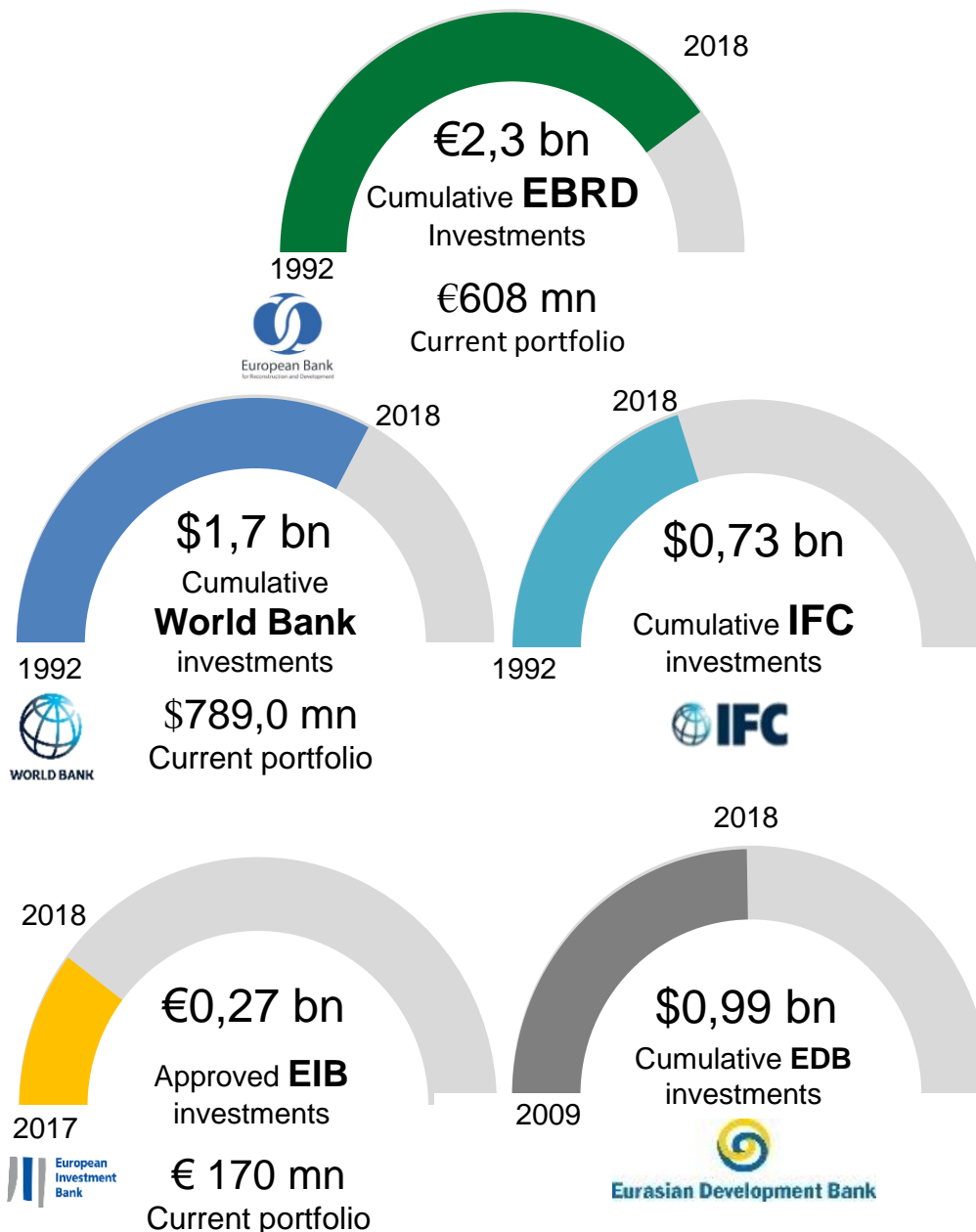
Infrastructure need for 2017-2030,
million USD



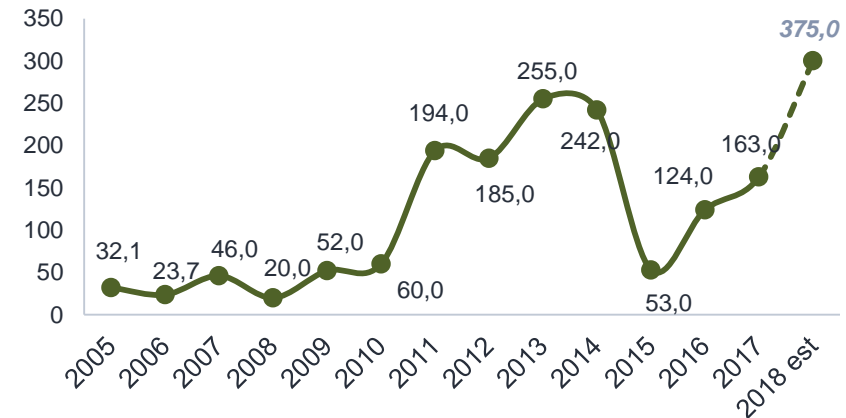
National budget to the infrastructure development under the State Investment Program,
million USD



Source: National statistics committee



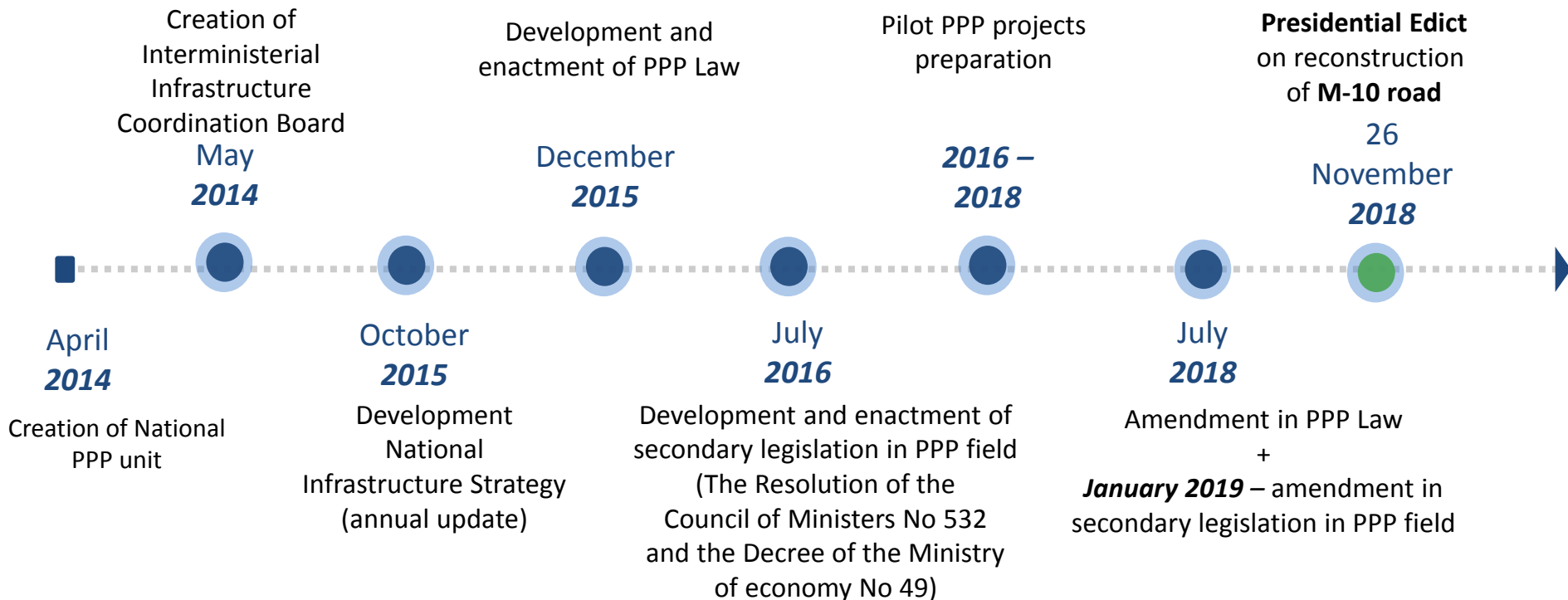
EBRD annual investments, mln EUR



The Republic of Belarus cooperates with some other IFIs, financial institutions and development funds:

- The Asian Infrastructure Investment Bank (since 2018)
- China Development Bank
- The Export-Import Bank of China
- Development funds: Silk Road Fund, Saudi Fund for Development (SFD), Abu Dhabi Fund for Development, Kuwait Fund for Arab Economic Development and others

Development of PPP institutional framework



PROSPECTIVE PPP DIRECTIONS



Transport infrastructure



Social infrastructure (hospitals, schools, kindergartens, etc)



Housing and utilities infrastructure, incl. solid waste recycling



IT technologies