

Belarus adopted a procedure for getting permission to alienate stakes/shares and real estate belonging to foreign investors

The Order No. 326 of the President of the Republic of Belarus of 19 October 2023 established that stakes/shares in authorized capitals of Belarusian legal entities, Belarusian enterprises and immovable property that are located in Belarus and belong to foreign legal and physical persons from so-called "unfriendly countries" ("Foreign Investors") may only be alienated by permission from the Council of Ministers of Belarus. Moreover, it will be necessary to pay an „exit tax“ in amount of at least 25 % of the market-based value of the stakes/shares in authorized capitals of Belarusian entities or immovable property.

19 January 2024 came into force a Regulation of the Council of Ministers of Belarus dated 12 January 2024 which has set conditions and procedures for obtaining such permission.

To obtain the permission, a Foreign Investor or a foreign owner of immovable property is to apply to the respective Regional Executive Committee or Minsk City Executive Committee ("Ex-Com") depending on the legal entity's place of registration and file a respective request to be accompanied with various documents as balance sheet / profit and loss statement as of the last reporting date (if profits/losses were available), copy of an expert opinion by a state-owned organization authorized to do appraisals regarding the market-based value of the stakes in authorized capitals (shares) and/or immovable property to be alienated by Foreign Investors. The ExCom is to take a decision within 30 business days of the date on which the applicant furnished all required documents.

Decisions to grant permission for alienation are to be sent by ExComs to the State Committee for Property. Based on these decisions, every month the Committee makes an aggregated draft Resolution to be adopted by the Council of Ministers of the Republic of Belarus (where necessary). This draft Resolution is to be agreed upon with the Ministry of Justice (in respect of the information about the legal entity, its members and the property owner); in case shares of legal entities are to be alienated, the draft is to be agreed upon with the Ministry of Finance (in respect of the information about the shareholder and the number of shares he/she/it holds). Once agreed upon, the draft is submitted for consideration to the Council of Ministers.

If a positive decision is taken, the seller and/or the acquirer of stakes in authorized capitals (shares) and/or immovable property pay(s) a deposit of at least 25 % of the market-based

value of the stakes/shares in authorized capitals of Belarusian entities or immovable property to be alienated („Exit Tax“).

If the transaction to alienate immovable property fails to be carried out/fulfilled, the above-mentioned Exit Tax may be recovered.