

Limitations may be imposed in Belarus on financial transactions by Belarusian companies' foreign members from "unfriendly" countries

Approved by *Presidential Order No. 285 of 13 September 2023 on Special Accounts, the Regulation on the Operation Procedure for Current/Settlement Bank Accounts That are Subject to a Special Operation Regime* will come into effect if Belarus imposes a special restriction on "the conduct of financial transactions related to the receipt of profits and/or dividends by foreign members of Belarusian companies".

The above-mentioned restrictive measure has not been introduced yet; however, if and when introduced, it can apply to entire "unfriendly" countries and/or separate persons from such countries.

According to *Presidential Order No. 285*, the Belarusian companies and their foreign members that are subjected to the restrictions will have to open special accounts in Belarusian roubles with Belarus-based banks.

Two separate special accounts will have to be opened:

- One account is to be opened by the Belarusian company; the latter must remit dividends and distributed (allocated) profits for its foreign members to this account. Also, these monetary funds will have a designated end use.
- The second account is to be directly opened by the foreign member of the Belarusian company.
This is the only account to which Belarusian companies will be allowed to remit the distributed (allocated) profits and/or dividends for their foreign member(s). Also, one foreign member will be able to open only one special account. The monetary funds from the Belarusian company's special account are remitted to the foreign member's special account within 10 business days of the foreign member's request.

The foreign member may only spend the profits or dividends from the special account for the following purposes:

- To finance investment projects in Belarus;

- To repay outstanding amounts of loans/credits extended by the Development Bank and commercial banks;
- To purchase state securities issued by the Belarusian Government;
- To make an irrevocable term deposit for a period of no less than one year with the bank where the special account is opened;
- To use the funds for other purposes subject to agreement with the Belarusian Government.