

# **Great stone industrial park**

## **Tax and custom preferences**

The industrial park in Belarus offers to investors:

1. Preferential taxation by formula «10+10»: exemption from all corporate taxes for 10 years from the date of registration as a Park resident and reduction of the effective tax rate by 50% for the next 10 years of activity in the Park.

By formula «10+10» Park residents are exempt from:

- income tax in respect of profits derived from the sale of home-made goods (works, services) manufactured in the Park;
- property tax on buildings and facilities located on the territory of the Park;
- land tax in respect of privately owned land plots on the territory of the Park.

2. Park residents exemption from customs duties and VAT on goods imported to Belarus for use in investment projects implementation in the Park

Benefits are provided for import of equipment (components and spare parts), as well as for raw stock and materials if such raw stock and materials are not produced in the countries of the Customs Union (produced in insufficient quantity or do not comply with the specifications of the investment project)

3. Regime of a free customs zone that gives the right to import goods (raw stock, materials) without payment of customs duties (customs, VAT, excise duties) subject to further processing and export outside the countries of the Customs Union.

4. Benefits for employees of companies operating in the industrial park: rate of personal income tax is fixed and comprises only 9% that is by 25% less than in Belarus.

5. Park residents, as well as foreign employees are exempt from compulsory insurance contributions from their wages fund. Mandatory insurance contributions are not charged from income of Park residents employees with Belarusian citizenship to a part of income in case such a part exceeds one-time amount of the average wage in the country.

6. Special procedure in respect of attracted foreign labour power.

Exemption from payment of fees for issuance, renewal of permits for attracting of foreign labour power, special permits for employment in Belarus, for issuance of permits for temporary residence in Belarus.

7. In full VAT deduction paid at acquisition of goods (works, services, property rights) used for design, building and equipping of buildings and facilities in the Park.

8. Exemption from tax on dividend income accrued for the founders for 5 years from the year of gross income origin of a Park resident.

9. Tax rate on income of foreign companies without permanent representation in Belarus according to royalty accrued by Park residents as a reward for know-how, licenses, patents, utility models, process, and comprises 5% (3 times less than that in the country).

When new taxes and fees are established on the territory of the Republic, obligation to pay such taxes and fees for Park residents does not arise.

The said preferences are established by a special Decree of the President of the Republic of Belarus.

### **Infrastructure and Use of Land**

The industrial park develops potential of Belarus as a communication link between the CIS, Russia and Europe, and provides the possibility of duty-free entry into the market of countries of the Customs Union and Common Free Market Zone (Russia + Belarus + Kazakhstan) with capacity of 170 million of people.

Proximity to Minsk (population of the capital is 1.9 million of people, among them there are 450 thousand of students) and Smolevichy, a satellite town of the capital (population is 15 thousand of people; the town is located 15 km far from the Park), contributes to the Park by means of professional staff providing.

Forest area, a pond and nature reserve with unique species of animals and birds, high standards of groundwater create a perfect ecological park complex.

Coming to the Park an investor receives a ready transport and engineering infrastructure conducted to the selected land plot. Construction of infrastructure in the Park and its connection with investor facilities is provided by the management company.

In order to use the best practices on the territory of the Park opportunity to design according to technical standards of foreign countries is provided in case they meet the requirements for operational safety, reliability of the main design decisions, fire and explosive hazardous facilities.

An investor can get land plots for use (lease) on the territory of the Park for the period of 99 years or own the said land plots. Rent and sale of land plots is carried out by the management company.

## **Separate Jurisdiction and Guarantees**

Favorable and stable investment climate in the industrial park is set at the intergovernmental level and is ensured by a special Agreement between the Government of the Republic of Belarus and the Government of the People's Republic of China. The agreement was ratified by the Republic of Belarus (Law of the Republic of Belarus of January 7, 2012 No. 348-3) and the People's Republic of China and entered into force on January 31, 2012.

At the level of the national legislation a special Decree was adopted by the President of the Republic of Belarus according to which the following was specified:

- boundaries of the industrial park are determined,
- the industrial park status is confirmed as a separate territorial unit of the Republic of Belarus with a regime of a special economic zone,
- structure of the Park management is specified that includes the Intergovernmental Coordination Council as the supreme Park authority, the separate administration as an executive body, and the private management company,
- privileges and preferences in the Park are specified,
- additional guarantees to investors are established.

Apart from guarantees specified by the legislation of Belarus and bilateral international agreements, investors are granted with supplementary guarantees of a free transfer of realized profit from the Republic of Belarus, as well as of invariability of preference treatment even if new taxes and fees are established in the country.

**More Information:** <http://www.industrialpark.by/en/>