



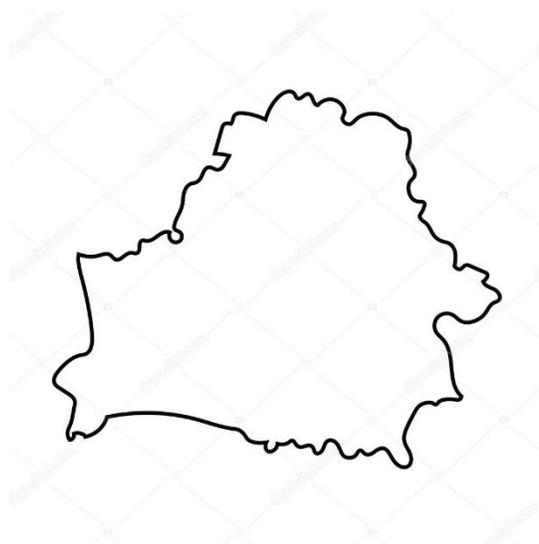
BOROVTSOV & SALEI: NEWSLETTER 2018

INTRODUCTION

2018 is coming to an end and now it is the best time to sum it up and set new goals for the future. In our opinion, the year of 2018 turned out to be bright but complicated, and put a number of questions to the Belarusian business and the country in general. Answers to this questions will determine where we find ourselves in the near future.

Borovtsov & Salei team remains optimistic about the future and invariably continues to fight for the rule of law in the Republic of Belarus and honestly defend the interests of our Clients.

We truly believe that it is an honest approach to work, integrity and professionalism that allow Borovtsov & Salei to maintain our leading position in the Belarusian market and annually participate in implementation of the most significant projects that take place in Belarus.



LEGISLATIVE DEVELOPMENTS

In 2018 Belarusian legislative framework has faced significant changes which can generally be characterized as positive and market oriented. Here are some of the most important ones in our view:

I. [CIVIL CODE](#)

Law of the Republic of Belarus of 17 July 2018 No.135-3 has introduced significant changes to Belarusian Civil Code. Namely, *inter alia*:

- electronic form of a transaction is recognized as made in writing;
- introduction of irrevocable power of attorney;
- introduction of indemnities;
- introduction of security payments;
- regulation of pledge as securing future obligations, etc.

Most of the changes come in force on 1 February 2019.

II. [ANTIMONOPOLY](#)

On 3 August 2018 a new edition of Belarusian antimonopoly law came in force. The new edition *inter alia* has:

- named individuals carrying out licensed activity and non-profit organizations carrying out income-generating activities as business entities;
- identified restrictions of competition;
- lowered threshold for recognition of an entity as holding a dominant position in the market;
- established special antimonopoly requirements for procurement of goods, etc.

III. [REPRESENTATIVE OFFICES OF FOREIGN COMPANIES](#)

Resolution of the Council of Ministers of Belarus of 30 May 2018 No. 408 has approved new Regulations on Representative Offices of Foreign Companies in Belarus. The new Regulations *inter alia* has:

- shifted registering authority from the Ministry of Foreign Affairs to local executive committees;
- approved new sample documents related to Representative Office's registration and operation;
- established an exhaustive list of reasons for refusal to register a Representative Office.

Representative Offices of Foreign Companies in Belarus are still not allowed to carry out business activity.

IV. [LABOUR LAW](#)

On 29 June 2018 Belarusian Parliament has approved a Bill aimed at introduction of the following changes to Belarusian Labour Code:

- regulation of a special remote work regime and freelancers' activity;
- introduction of a short-term (up to 14 days) non-paid leave for men after birth of a child;
- introduction of a possibility to transfer an employee to another job for up to 6 months during a calendar year in case of the employee's written consent.

V. [IMMIGRATION LAW](#)

On 27 July 2018 a new Presidential Decree on visa-free regime came in force. Under the Decree citizens from 74 states are allowed to enter Belarus visa-free for up to 30 days in case of arrival and departure through Minsk International Airport. The rule is not applicable to passengers arriving from or leaving for Russian Federation.

VI. [MANAGEMENT LIABILITY](#)

After the entry into force of the Presidential Decree No. 7 of 23 November 2017 "On the Development of Entrepreneurship", the approach to bringing directors, shareholders and other stakeholders to financial liability in bankruptcy proceedings has significantly changed. Now management and stakeholders are subjects to additional (supplementary)

financial liability only if they have committed active actions that have led to bankruptcy of the company. Inaction is no longer a ground for bringing to additional (supplementary) financial liability.

VII. [PHARMA PRICES REGULATION](#)

Starting 22 August 2018 retail prices for drugs used for treatment of oncological and cardiovascular diseases are subject to state registration. Maximum retail prices are established by the Ministry of Antimonopoly Regulation and Trade.

VIII. [IT / HIGH TECH PARK](#)

In March 2018 Presidential Decree No.8 “On Economy Digitalization” came in force. The Decree *inter alia* has increased a number of types of business activity that can be performed by High Tech Park (HTP) companies, abolished necessity of any work permits for foreign employees of HTP resident companies, implemented new legislative instruments for transactions structuring and allowed blockchain related activity. On 30 November 2018 detailed Rules on activity of blockchain companies, including regulations on ICOs, have been released by HTP.

IX. [INVESTMENT FUNDS](#)

In July 2018 a new Law On Investment Funds came in force. The Law has laid basic legal framework for establishment of investment funds in Belarus which will drive additional opportunities for companies seeking financing and allow unprofessional players to enter the financial market.

X. [ONLINE GAMBLING](#)

Decree of the President of Belarus No. 305 “On Improvement of Legal Regulation of Gambling Business” has been released in August 2018. The Decree has made online gambling legal and allowed registration and operation of online casinos in Belarus starting April 2019.

XI. [CURRENCY REGULATIONS](#)

National Bank of Belarus has continued liberalization of Belarusian foreign currency control regulations. Namely, in 2018 mandatory sale of foreign currency earnings and the procedure of target purchase of foreign currency for Belarusian companies have been abolished. It is expected that in 2019 Belarusian residents will be allowed to maintain bank account overseas without a permit of Belarusian National Bank.

XII. [BANKING CODE](#)

Significant changes to Banking Code of Belarus came in force in the end of October 2018. The changes *inter alia* have expanded the list of persons to whom a bank can provide information containing banking secrets, banned unilateral raising of interest rates on loans, introduced two new form of non-cash payments, i.e. direct debit of the account and bank payment obligation.

XIII. [TAXES](#)

On 18 December 2018 a Bill introducing changes to Belarusian Tax Code has been for the first time approved by the Parliament. The key changes introduced by the Bill are:

- reduction of corporate and personal income taxes;
- abolishment of real estate tax for unfinished construction;
- a penalty for non-paid taxes cannot be larger than the unpaid amount of tax;
- introduction of a right to appeal the results of state tax audit directly to the Ministry of Tax of Belarus;
- limitation of a number of persons whose transactions are subject to transfer pricing control.

BOROVTSOV & SALEI NEWS

I. [25 YEARS OF EXCELLENCE](#)

On 1 February 2019 Borovtsov & Salei will turn **25**.

The Anniversary is very important and exciting for each of us at Borovtsov & Salei and we are happy to share it with our Clients, Partners and Friends without whom our success would not be so significant and the name of Borovtsov & Salei would be nothing more than just two words on a business card.

Thanks to the people who have been with us for the past quarter of a century Borovtsov & Salei has become not just a name but a true legal brand well recognized far outside Belarus. The brand name that has been repeatedly recognized as the best in the country and most importantly has remained unchanged since its foundation back in 1994.



II. [UNIQUE PROJECTS OF 2018](#)

In 2018 Borovtsov & Salei advised on a number of projects unique for the Belarusian legal market:

- first ever in Belarus mezzanine financing provided to the largest private pharmaceutical retail company by European Bank for Reconstruction and Development;
- acting as leading counsel in preparation of a Belarusian company for initial public offering of shares on a foreign stock exchange;
- advising cornerstone investor on potential acquisition of shares planned for initial public offering by Belarusian company on a foreign stock exchange;
- legal support of the first ever in Belarus production of all-electric cars.

Participation in some of the most significant projects that took place in Belarus in 2018 Borovtsov & Salei has been repeatedly recognized as one of the leading law firms by all major international legal rankings.

We are grateful for the year 2018 and look forward to what the year 2019 will bring us!

HOLIDAY GREETINGS!



Vassili Salei
Senior Partner

Dear Clients, Colleagues and Friends!

On behalf of Borovtsov & Salei team let me sincerely wish you a very Happy Christmas and a prosperous New Year!

We wish you to stand firm on the ground and remain optimistic. Do not be afraid to experiment, but do it professionally and rest assured that we will always support you. All the best to You and Your families in 2019!



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