

CERHA HEMPEL CEE NEWSLETTER *Belarus*

New Guarantees for Foreign Investors

Introduction

The Law on Investments No. 53-Z dated 12 July 2013 (the "**Law on Investments**") was recently amended by Law No. 149-Z dated 5 January 2022. A number of significant provisions were introduced that serve to protect the legitimate interests of foreign investors. The new version of the Law on Investment will come into force on 12 July 2022.

Guarantee against unfavourable changes in tax laws

Under the amended Law on Investment, an investor who concludes an investment agreement with the Republic of Belarus is provided with a guarantee against unfavourable changes in tax legislation. An unfavourable change in tax legislation means an increase in tax rates and/or the introduction of new taxes and fees.

Compensation of the value of nationalized or requisitioned property

The amended Law on Investments now envisages that the investor will receive compensation

for any property that is nationalized or requisitioned in an adequate and timely fashion. Compensation is considered adequate if its value is equivalent to the market value of the property seized and the compensation is paid either in Belarusian rubles or in a foreign currency at the discretion of the foreign investor. Compensation is deemed to have been paid in a timely manner if payment is received within one year of the day on which the decision to nationalize the property is taken or within three months of the day on which the decision to requisition the property is taken.

Summary

The introduction of more preferential treatment of foreign investors is a clear attempt by the state to improve the overall investment climate in Belarus and attract new investors. Such measures can definitely play a role in the revitalization of the Belarusian economy.

For more information

Sergei Makarchuk, LL.M.
Managing Partner Belarus, Advocate
sergei.makarchuk@cerhahempel.com
Tel: +375 17 2663417