

Does your company sell content or provide digital services over internet to individuals resident in other countries? If yes, the below information may be relevant for you.

VAT on digital services in Belarus

Starting 1 January 2018, **foreign companies providing electronic services to individuals in Belarus** must register with the Belarusian tax authorities for VAT purposes and pay VAT on revenues from such services at the rate of 20%. The approach is similar to what was previously implemented in EU, Russia and some other countries.

The information sheet should help you determine whether your company is affected.

Who is liable for e-VAT registration and payment?

Any company nonresident in Belarus which provides electronic services to individuals in Belarus and receives payment from individuals or an intermediary between an electronic service provider and individual customers in Belarus as long as the intermediary is involved with receiving payments from the individuals.

What electronic services are affected?

According to the Tax Code, the description of digital services subject to VAT is quite wide and includes

- granting the rights to use of software (including computer games), databases, their updates and functional optionality also via remote access, as well as electronic books and other electronic publications, information, educational documents, graphic images, music with or without text, audiovisual products on the Internet, including remote access for viewing and (or) listening on the Internet;
- advertising on the Internet, including with the use of computer software and databases operating on the Internet, as well as provision of space and time for advertising on the Internet;
- services to place offers on purchases (sales) of goods and services and property rights on the Internet;
- services delivered automatically via the Internet after data entry by a consumer, automated data search services, their selection and sorting and services on provision of

the data to the users via information and telecommunication network (including real time market data of stock exchanges, real time automated translation);

- search services and (or) services on provision of information about potential customers;
- services on provision via the Internet of technical, organizational, informational and other possibilities, implemented with the use of information technologies and systems, for establishing contacts and making deals between buyers and sellers (including the provision of the real time trading platform on the Internet where potential customers offer their prices via automated procedure and the parties are notified of the sale by an automatically generated message);
- maintaining and support of the presence on the Internet for personal purposes or for business activity, support of the electronic resources of users (web sites and (or) web pages on the Internet), arranging access thereto of other users, provision of modification opportunities to the users and information system administration services;
- information processing and storage as long as the person who provided the information has access thereto via the Internet;
- real time provision of computing capacity for placing information in the information system;
- supplying of domain names and hosting services;
- provision of access to a search systems on the Internet;
- maintaining web site statistics on the Internet.

On the other hand, some services are expressly excluded from the definition of electronic services, namely advisory services over internet, sales of goods or services if delivery is made offline, sales of software and games on tangible media (e.g. CD), provision of internet access.

Who is an individual customer in Belarus?

An individual is deemed an individual customer in Belarus if any of the following conditions is met:

- the individual is physically located in Belarus, or
- the account used by the individual for payment of electronic services is with a bank or an e-payments operator in Belarus, or
- the IP address used for purchasing electronic services is registered in or allocated to Belarus, or
- the international dialing code of the phone number used for purchasing or paying for the services is the one of Belarus, i.e. 375.

What are the deadlines?

A foreign company subject to the e-VAT requirements must register with the Belarusian tax authorities before end of the quarter in which the services to Belarusian individuals were provided. For example, if any electronic services were provided in the 1 quarter of 2018, then the company must register with the tax authorities before March 31st, 2018.

The dates for filing the VAT return and payment of tax in 2018 are as follows:

The period of services	Deadline for return submission	Deadline for payment of tax
1 quarter	April 20 th , 2018	April 23 rd , 2018
2 quarter	July 20 th , 2018	July 23 rd , 2018
3 quarter	October 22 nd , 2018	October 22 nd , 2018
4 quarter	January 21 st , 2019	January 22 nd , 2019

What assistance can I receive in respect of the e-VAT compliance in Belarus?

We can

- Help you determine whether your company is subject to the e-VAT requirements in Belarus, based on the analysis of the scope of your services and your customer base;
- Carry out the VAT registration of your company with the Belarusian tax authorities;
- Advise on any practical matters related to the VAT registration and compliance in Belarus.

For more information and a discussion on the most effective way your company can meet these VAT regulations, please contact:

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