

Law of the Republic of Belarus

No. 213-Z of December 7, 1998

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On Free Economic Zones

CHAPTER 1

GENERAL PROVISIONS

Article 1. Main Terms Used in this Law and their Definitions

The following main terms and their definitions are used in this Law:

“free economic zone” is a part of the territory of the Republic of Belarus with determined boundaries, within which a special legal regime in relation to the residents of that free economic zone is established and effective for their carrying out investment and entrepreneurial activity;

“resident of the free economic zones” is a legal person of the Republic of Belarus or an individual entrepreneur of the Republic of Belarus, registered by the administration of the free economic zone as resident of the free economic zone in the order established by the legislation on free economic zones;

“special legal regime of the free economic zone” is the aggregation of legal norms providing for more favourable, than those generally established, conditions for carrying out investment and entrepreneurial activity ;

“administration of the free economic zone” is a body of management of the free economic zone, created in the order and the form, provided for by this Law.

Article 2. Legislation on Free Economic Zones

The legislation on free economic zones is based on the Constitution of the Republic of Belarus and includes this Law, normative legal acts of the President of the Republic of Belarus and other acts of legislation, including treaties of the Republic of Belarus regulating the issues of creation, functioning and liquidation of free economic zones.

If a treaty of the Republic of Belarus establishes other rules than those contained in this Law, the rules of the treaty are to be applied.

Article 3. Objectives of Creation of Free Economic Zones

Free economic zones are created with a view of facilitating the social and economic development of the Republic of Belarus and individual administrative and territorial units, attracting investments in creation and development of export-oriented and import-substituting industries based on new and high technologies and/or for other purposes determined at creation of the free economic zone.

Article 4. Types of Free Economic Zones

In the it may be created free economic zones of a function type with is determined by the purposes for which the free economic zone is being created and by the nature of activity to be carries out in the zone, as well as complex free economic zones for realization of objectives and carrying out activity, appropriate for different function-type free economic zones.

Article 5. Activities Prohibited in Free Economic Zones

Activity prohibited in the territory of the Republic of Belarus by the legislative acts, and also activity prohibited in the territory of free (special) economic zones of the states – members of the Customs Union and the Single Economic Space in accordance with treaties of the Republic of Belarus, is not allowed in free economic zones.

For the residents of a free economic zone are also prohibited the following activities within that free economic zone:

production, storage, realization, repair of arms, their integral parts and components, ammunition for arms, explosive devices, and also production, storage, realization of explosive substances;

production, processing, storage, decontamination, and realization of radioactive and other dangerous materials;

turnover of narcotic drugs, psychotropic substances and their precursors;

seeding, cultivation, processing, storage, and realization of cultures containing poisonous substances;

production of alcohol beverages, with the exception of champagne, wines, and beer;

production of tobacco articles;

production of securities, money banknotes and coins, postal stamps;

lottery activity;

preparation and broadcasting of audio and TV programs, with the exception of technical maintenance of radio and television;

treatment of persons suffering of illnesses constituting danger for health of the population;

treatment of animals with particularly dangerous diseases;

activity connected with employment of citizens of the Republic of Belarus, foreign citizens, stateless persons, permanently residing in the Republic of Belarus, abroad.

CHAPTER 2

STATE REGULATION AND CONTROL IN FREE ECONOMIC ZONES

Article 6. State Bodies Exercising the State Regulation in the Sphere of Creation, Functioning and Liquidation of Free Economic Zones

State regulation in the sphere of creation, functioning and liquidation of free economic zones is carried out by the President of the Republic of Belarus, Council of Ministers of the Republic of Belarus, respective regional (Minsk City) executive committees, other state bodies within their competence.

Article 7. Powers of the President of the Republic of Belarus in the Sphere of Creation, Functioning and Liquidation of Free Economic Zones

The President of the Republic of Belarus, in the sphere of creation, functioning and liquidation of free economic zones:

determines state policy;

takes decisions about creation, prolongation of the term of functioning and premature liquidation of a free economic zone, change of its boundaries;

exercises other powers in accordance with this law and other legislative acts.

Article 8. Powers of the Council of Ministers of the Republic of Belarus in the Sphere of Creation, Functioning and Liquidation of Free Economic Zones

The Council of Ministers of the Republic of Belarus, in the sphere of creation, functioning and liquidation of free economic zones:

ensures implementation of the state policy;

coordinates work on ensuring functioning and development of free economic zones;

advances the initiative about creation, prolongation of the term of functioning and premature liquidation of a free economic zone, change of its boundaries;

takes decision on creation of the administration of a free economic zones and approves the statute of the administration of a free economic zone;

upon proposal of a respective regional (Minsk City) executive committee, appoints (dismisses) the head of the administration of a free economic zone;

approves regulations on a free economic zone, development programs of free economic zones;

establishes the form of the certificate of registration of a legal person or individual entrepreneur as resident of a free economic zone, unless another form is established by an authorized body of the Customs Union and the Single Economic Space;

upon proposal of the administration of a free economic zone approves regulations on development fund of the free economic zone;

takes decision about creation of the supervisory board of free economic zones and approves its personal composition and regulations on it;

at liquidation of a free economic zones, creates the liquidation commission, determines its personal composition and competence and also approves the order of liquidation of a free economic zone at its premature liquidation;

considers proposals of the administration of a free economic zone about preparation of normative legal acts on issues of functioning of the free economic zone, including improvement of the special legal regime of the free economic zone;

establishes the procedure of maintenance of the register of residents of the free economic zone;

exercises other powers in accordance with this Law and other legislative acts.

Article 9. Powers of Local Councils of Deputies and Local Executive and Administrative Bodies of Respective Administrative and Territorial Units in a Free Economic Zone

Local councils of deputies and local executive and administrative bodies of respective administrative and territorial units exercise, in a free economic zone, powers provided for by this Law and other legislative acts, with the exception of cases when such powers are exercised by the administration of the free economic zone in accordance with this Law and other legislative acts.

Local executive and administrative bodies may delegate their certain powers to the administration of the free economic zone for the whole period of its operation or for a shorter time, with the exception of cases provided for by legislative acts.

Article 10. General Control over Functioning and Efficiency of Activity of Free Economic Zones

General control over functioning and efficiency of activity of free economic zones is exercised by the Council of Ministers of the Republic of Belarus, the Committee of State Control of the Republic of Belarus, and respective regional (Minsk City) executive committees.

CHAPTER 3

CREATION, PROLONGATION OF THE TERM OF FUNCTIONING AND LIQUIDATION OF A FREE ECONOMIC ZONE, CHANGE OF ITS BOUNDARIES

Article 11. Creation of a Free Economic Zone

A free economic zone is created upon a decision of the President of the Republic of Belarus.

The Council of Ministers of the Republic of Belarus, a respective regional (Minsk City) executive committee may advance the initiative to create a free economic zone.

The proposal of a respective regional (Minsk City) executive committee about the creation of a free economic zone shall be submitted to the Council of Ministers of the Republic of Belarus with enclosure of the documents specified in part 4 of this Article.

The documents submitted for the consideration of the issue about the creation of a free economic zone shall include:

a draft Edict of the President of the Republic of Belarus on creation of the free economic zone in which shall be indicated the name of the free economic zone, the term for which it is being created, objectives of creation and type of the free economic zone, specific features of its special legal regime, total area and description of boundaries of the free economic zone, measures on ensuring its creation and development;

draft Regulations on the free economic zone;

a draft statute of the administration of the free economic zone;

a draft program of development of the free economic zone with indication of definite measures, and persons and organizations, responsible for holding them, of sources of financing of the works on development of the free economic zone;

a copy of the land-cadastral plan with indication of supposed boundaries of the free economic zone;

land composition, list of owners, possessors, users and leaseholders of land plots located within the supposed boundaries of the free economic zone;

list of legal persons and individual entrepreneurs, acting in territories located within the supposed boundaries of the free economic zone;

a feasibility study of the necessity and possibility of creation of the free economic zone, its type, worked out based on the analysis of social, ecological and economic conditions on the respective territory, availability of material and labour resources for it, of communication utilities, as well as feasibility study for the special legal regime of the free economic zone.

The Council of Ministers of the Republic of Belarus submits, in the order established by the legislation, the documents specified in part 4 of this article to the President of the Republic of Belarus for consideration and adoption of a corresponding decision.

In accordance with the edict of the President of the Republic of Belarus on creation of the free economic zone and this law, the Council of Ministers of the Republic of Belarus shall approve the development program of the free economic zone, regulations on the free economic zone, take decision on creation of the administration of the free economic zone and approve the statute of the administration of the free economic zone.

The Ministry of Economy of the Republic of Belarus shall within a thirty-day period from the day of creation of the free economic zone forward information thereabout to the authorized body of the Customs Union and the Single Economic Space.

Article 12. Change of Boundaries of a Free Economic Zone

Changing boundaries of a free economic zone is made upon a decision of the President of the Republic of Belarus.

The Council of Ministers of the Republic of Belarus, a respective regional (Minsk City) executive committee, the administration of a free economic zone may advance the initiative to change boundaries of the free economic zone.

The proposal of a respective regional (Minsk City) executive committee about the changing boundaries of a free economic zone shall be submitted to the Council of Ministers of the Republic of Belarus with enclosure of the documents specified in part 4 of this Article. The proposal of the administration of a free economic zone on this issue shall be submitted to the Council of Ministers of the Republic of Belarus through a respective regional (Minsk City) executive committee with enclosure of the documents specified in part 4 of this Article.

The documents submitted for the consideration of the issue about changing boundaries of a free economic zone shall include:

a draft Edict of the President of the Republic of Belarus on changing boundaries of the free economic zone;

a copy of the land-cadastral plan with indication of supposed boundaries of the free economic zone with regard to the supposed changing of its boundaries;

land composition, list of owners, possessors, users and leaseholders of land plots located in the territory proposed for inclusion into the boundaries of the free economic zone;

list of legal persons and individual entrepreneurs, acting in territories proposed for inclusion into the boundaries of the free economic zone;

list of free economic zone residents acting in territories proposed for exclusion from the boundaries of the free economic zone;

substantiation of the necessity and possibility of changing boundaries of the free economic zone, including feasibility study.

The Council of Ministers of the Republic of Belarus submits, in the order established by the legislation, the documents specified in part 4 of this article to the President of the Republic of Belarus for consideration and adoption of a corresponding decision.

Article 13. Prolongation of Term of Functioning of a Free Economic Zone

Prolongation of the term of functioning of a free economic zone is made upon a decision of the President of the Republic of Belarus.

The Council of Ministers of the Republic of Belarus, a respective regional (Minsk City) executive committee, the administration of a free economic zone may advance the initiative to prolong the term of functioning of the free economic zone.

The proposal of a respective regional (Minsk City) executive committee about the prolongation of the term of functioning of a free economic zone shall be submitted to the Council of Ministers of the Republic of Belarus with enclosure of the documents specified in part 4 of this Article. The proposal of the administration of a free economic zone on this issue shall be submitted to the Council of Ministers of the Republic of Belarus through a respective regional (Minsk City) executive committee with enclosure of the documents specified in part 4 of this Article.

The documents submitted for the consideration of the issue about the prolongation of the term of functioning of a free economic zone shall include:

a draft Edict of the President of the Republic of Belarus on the prolongation of the term of functioning of the free economic zone;

feasibility study of the necessity to prolong the term of functioning of a free economic zone.

The Council of Ministers of the Republic of Belarus submits, in the order established by the legislation, the documents specified in part 4 of this article to the President of the Republic of Belarus for consideration and adoption of a corresponding decision.

The Ministry of Economy of the Republic of Belarus shall within a thirty-day period from the day of extension of the period of functioning of the free economic zone forward information thereabout to the authorized body of the Customs Union and the Single Economic Space.

Article 14. Liquidation of a Free Economic Zone

A free economic zone shall be considered liquidated upon termination of the term for which it has been established, unless it will be extended by a decision of the President of the Republic of Belarus.

Prior to the termination of this term the free economic zone may be liquidated by a decision of the President of the Republic of Belarus only if:

it is due to the necessity of protection of life and health of people, protection of the environment and cultural valuables, ensuring the national security and defence of the state;

within one year from the day of creation of the free economic zone, no legal person or individual entrepreneur has been registered as resident of that free economic zone;

for twelve consecutive months, its all residents have not carried out activities on implementation of the investment projects proposed by them;

the free economic zone has no residents because of loss of the free economic zone resident status and within one year from the day of deprivation or loss of such status by the last resident of that free economic zone, no legal person or individual entrepreneur has been registered as resident;

achievement of the objectives of creation of the free economic zone, determined by the edict of the President of the Republic of Belarus on creation of the free economic zone, has become impossible for other reasons.

In the event of premature liquidation of a free economic zone on grounds specified by indents 2 and 6 of part 2 of this article, the residents of that free economic zone may be given, upon a decision of the President of the Republic of Belarus, guarantees and/or compensations.

The Council of Ministers of the Republic of Belarus, a respective regional (Minsk City) executive committee may advance the initiative to liquidate prematurely a free economic zone.

The proposal of a respective regional (Minsk City) executive committee about the premature liquidation of a free economic zone shall be submitted to the Council of Ministers of the Republic of Belarus with enclosure of the documents specified in part 6 of this Article.

The documents submitted for the consideration of the issue about the premature liquidation of a free economic zone shall include:

a draft Edict of the President of the Republic of Belarus on premature liquidation of the free economic zone providing for a complex of organizational and other measures on ensuring the liquidation of the free economic zone, and, if necessary, guarantees and/or compensations to its residents;

a draft resolution of the Council of Ministers of the Republic of Belarus determining the personal composition and competence of the liquidation commission, and also the order of liquidation of the free economic zone;

list of free economic zone residents with indication of investment projects being implemented by them in the event of liquidation of the free economic zone on grounds specified by indents 2 and 6 of part 2 of this article;

a feasibility study of the necessity and possibility of premature liquidation of the free economic zone with indication of reasons and possible consequences of its premature liquidation for respective administrative and territorial units and the Republic of Belarus as a whole, free economic zone residents based on the analysis of social, ecological, economic, and other conditions on the respective territory, and also of indicators of functioning and efficiency of the activity of the free economic zone being liquidated.

The Council of Ministers of the Republic of Belarus submits, in the order established by the legislation, the documents specified in part 6 of this article to the President of the Republic of Belarus for consideration and adoption of a corresponding decision.

For solution of material and other issues connected with liquidation of the free economic zone, regulation of relations between the administration of the free economic zone and its residents, other organizations and natural person, the Council of Minister of the Republic of Belarus shall create the liquidation commission, determine its personal composition and competence, and also approve the order of liquidation of the free economic zone at its premature liquidation.

The Ministry of Economy of the Republic of Belarus shall within a thirty-day period from the day of liquidation of the free economic zone forward information thereabout to the authorized body of the Customs Union and the Single Economic Space.

CHAPTER 4

MANAGEMENT AND FINANCING OF FREE ECONOMIC ZONE

Article 15. Administration of a Free Economic Zone

The administration of a free economic zone is a republic legal person which is created by the Council of Ministers in the form of an institution.

The administration of a free economic zone shall:

operate in accordance with the legislation on the basis on the statute approved by the Council of Ministers of the Republic of Belarus;

report in its activity to the Council of Ministers of the Republic of Belarus and, on issues of fulfilment of programs of social and economic development of the region (city of Minsk), be subordinated to the respective regional (Minsk City) executive committee.

Powers of the administration of a free economic zone are determined by this Law, the statute of the administration of the free economic zone and other legislation.

The administration of a free economic zone is lead by the head of the administration of the free economic zone appointed to the office (dismissed from the office) by the Council of Ministers of the Republic of Belarus upon proposal of the respective regional (Minsk City) executive committee. Powers of the head of the administration of a free economic zone are determined by this Law, the statute of the administration of the free economic zone and other legislation.

Deputy heads of the administration of a free economic zone are appointed to the office (dismissed from the office) by the head of the administration of the free economic zone upon agreement with the respective regional (Minsk City) executive committee.

For consideration of issues being in the competence of the administration of the free economic zone, the head of the administration of the free economic zone may create the council of the administration of the free economic zone. Powers and order of work of the council of the administration of the free economic zone are determined by the statute of the free economic zone.

Salary rates for the workers of the administration of the free economic zone, including the head of the administration of the free economic zone, shall be determined by the Council of Ministers of the Republic of Belarus.

Article 16. Powers of the Administration of a Free Economic Zone

The administration of a free economic zone shall:

take part in designing and implementing programs of economic and social development of the respective administrative and territorial units and submit proposal in the process of preparation of the drafts of local budgets;

jointly with the respective regional (Minsk City) executive committee, organize work on development of the free economic zone and implement its development programs;

submit proposals about preparation of normative legal acts on issues of functioning of the free economic zone, including improvement of the special legal regime of the free economic zone;

advance the initiative about changing boundaries of the free economic zone, prolongation fo the term of its functioning;

act as principal in designing and building of objects of industrial, transport, and other infrastructure within the boundaries of the free economic zone;

carry out promotional, information activity in the Republic of Belarus and abroad with a view to promote conditions for investment and entrepreneurial activity in the free economic zone and attracting foreign and national investors;

in the established order, consider investment projects proposed for implementation in the free economic zone;

perform state registration of legal persons and individual entrepreneurs in the free economic zone, with the exception of banks, non-bank credit and finance organizations, insurance organizations, insurance brokers, associations of insurers;

approve a model contract on conditions of activity in the free economic zone;

conclude (prolong) contracts on conditions of activity in the free economic zone and control its fulfilment;

register legal persons and individual entrepreneurs of the Republic of Belarus as free economic zone residents in the order established by the legislation on free economic zones;

obtain from the free economic zone residents statistical data (information) about their activity, established by the legislation and the contract on conditions of activity in the free economic zone, and also other information connected with their activity as free economic zone residents;

represent interests of the free economic zone in relations with state bodies and other organizations;

upon obtaining consent of the customs body, takes a decision about determining the limits of the free customs zone, abolition of the free customs zone for a specific resident of the free economic zone;

issue conclusions about results of implementation of an investment project of a resident of the free economic zone;

take a decision about loss by a legal person or individual entrepreneur of the free economic zone resident status (hereinafter – decision about status loss);

seize and give to lease, in the established order, land plots within the boundaries of the free economic zone to free economic zone residents, perform, if necessary, the transfer of land plots from one category into other, if such rights have been delegated to it by a respective regional (Minsk City), city (of region-subordinated cities) executive committees and/or otherwise has not been provided for by the President of the Republic of Belarus;

dispose, in accordance with the legislation, of property transferred to it in operative administration, including acting as a lessor in relation to the said property;

work out the draft regulation on the development fund of the free economic zone and dispose, in accordance with the legislation, of means of that fund;

provide assistance, within the competence, to work of customs, controlling (supervising) and law-enforcement bodies of the Republic of Belarus;

carries out the conducting of the register of residents of the free economic zone;

ensures placement and timely actualization of the register of residents of the free economic zone on the official site of the administration of the free economic zone in the global computer network Internet;

exercise other powers provided for by this Law, the statute of the administration of the free economic zone, and by other legislation.

Article 17. Supervisory Council of Free Economic Zones

With a view of ensuring harmonious combination of republic and local interests and interests of residents of free economic zones and other organizations and individual entrepreneurs, the Council of Minister of the Republic of Belarus may create the Supervisory Council of Free Economic Zones, which include heads of free economic zones, representatives of the Council

of Minister of the Republic of Belarus, respective regional (Minsk City) executive committees, and other organizations and individual entrepreneurs.

The personal composition and regulations on the Supervisory Council of Free Economic Zones are approved by the Council of Minister of the Republic of Belarus.

Article 18. Financing of a Free Economic Zone Development Fund of a Free Economic Zone

Financing of creation and development of a free economic zone, inclusive of industrial, engineering, transport and other infrastructure, of maintenance of property being in the republic ownership and transferred into operative administration to the administration of the free economic zone, of other expenses connected with functioning of the free economic zone, including maintenance of its administration, is made from the republic budget and other sources in accordance with the legislation.

For financing of the infrastructure of a free economic zone, of promotional and publishing activity, of material stimulation of workers of the administration of the free economic zone and for other purposes, the development fund of the free economic zone shall be formed.

Disposal of means of the development fund of a free economic zone is performed by the administration of the free economic zone, which shall create the fund council for the rational use of received means.

Specific sources of formation of the development fund of a free economic zone, spending directions of its means, composition and powers of the fund council are determined by the regulations on the development fund of the free economic zone, which shall be approved by the Council of Ministers of the Republic of Belarus upon proposal of the administration of the free economic zone.

CHAPTER 5

RESIDENTS OF FREE ECONOMIC ZONE

Article 19. Registration as Resident of a Free Economic Zone

Registration as resident of the free economic zone is performed by the administration of the free economic zone in the order established by the legislation on free economic zone with regard to requirements of this article.

The state duty is charged, in accordance with legislative acts, for the registration as resident of the free economic zone.

Only legal persons of the Republic of Belarus or individual entrepreneurs of the Republic of Belarus, with the place of location within the boundaries of the given free economic zone, which have concluded a contract on conditions of activity in the free economic zone, are registered as resident of the free economic zone. For the purposes of this Law, the place of location of an individual entrepreneur means his/her place of residence, indicated in the certificate of state registration of the individual entrepreneur.

Registration of a legal person or individual entrepreneur as free economic zone resident is carried out by means of entering the date about it into the register of residents of the free

economic zone on the day of conclusion of the contracts on activity conditions in the free economic zone for the validity term of such a contract. Within three days from the day of registration, the administration of the free economic zone shall issue the certificate about registration of the legal person or individual entrepreneur as free economic zone resident according to the form established by the Council of Ministers of the Republic of Belarus, unless another form established by authorized body of the Customs Union and the Single Economic Space.

The administration of the free economic zone shall, within 10 working days from the day of registration of the legal person or individual entrepreneur as resident of the free economic zone, forward information thereabout to the Ministry of Economy of the Republic of Belarus, the Ministry of Justice of the Republic of Belarus, relevant inspectorate of the Ministry on Taxes and Dues of the Republic of Belarus and the body of state statistics, and also inform other state bodies in the cases and order provided for by the legislative acts.

The Ministry of Economy of the Republic of Belarus shall, within thirty-day period from the day of inclusion of residents of free economic zones into the register of a respective free economic zone, inform thereabout the authorized body of the Customs Union and the Single Economic Space.

In the event of refusal of registration as resident of the free economic zone, the administration of the free economic zone is obliged to notify, in a written form, the legal person or individual entrepreneur about the decision taken within 3 working days.

The refusal of registration as resident of the free economic zone may be appealed against by the legal person and individual entrepreneur to the economic court within a month period from the day of taking the corresponding decision.

Article 20. General Conditions of Activity of Residents of a Free Economic Zone Contract on Conditions of Activity in the Free Economic Zone

A resident of a free economic zone carries out its activity in accordance with this Law, regulations on the free economic zone and other legislation, and also with the contract on conditions of activity in the free economic zone.

The contract on conditions of activity in the free economic zone is concluded between the legal person or individual entrepreneur and the administration of the free economic zone and determines the order and conditions of implementation by the resident of the free economic zone of the investment project proposed by it.

The contract on conditions of activity in the free economic zone shall be concluded for the period of implementation of the investment project. The model contract on conditions of activity in the free economic zone shall be approved by the administration of the free economic zone.

The delegation by the resident of the free economic zone of its rights and duties on the contract on conditions of activity in the free economic to another legal person or individual entrepreneur is not allowed with the exception of the case specified in part 3 of article 21 of this Law.

The contract on conditions of activity in the free economic zone may be prolonged by an agreement of the parties upon an application of its resident, which shall be submitted to the administration of the free economic zone not later than a month prior to the termination of the validity period of the said contract. The application shall be accompanied by the business plan of the investment project being implemented in the free economic zone, which shall contain substantiation of the necessity and possibility of continuation of its implementation.

The administration of the free economic zone shall consider the submitted documents within 10 working days from the day of their submission, take decision about prolongation of refusal of prolongation of the contract on conditions of activity in the free economic zone, and within 3 working days, notify, in a written form, the resident of the free economic zone about the decision taken.

In the event of prolongation of the contract on conditions of activity in the free economic zone, the term of registration as resident of the free economic zone shall be prolonged simultaneously.

The administration of the free economic zone shall, within 10 working days from the day of prolongation of the contract on conditions of activity in the free economic zone, inform the state bodies indicated in part five of Article 19 of this Law about the prolongation of the term of registration as resident of the free economic zone.

The decision about refusal of prolongation of the contract on conditions of activity in the free economic zone may be appealed against by the resident of the free economic zone to the economic court within a month period from the day of its taking.

The resident of the free economic zone is entitled to be engaged in investment and entrepreneurial activity outside the free economic zone in compliance with general rules established by the legislation. And in this case such activity is not covered by the special legal regime of the free economic zone.

Certain activities, list of which is established by the legislative acts of the Republic of Belarus, may be undertaken by a resident of the free economic zone only on the basis of special permits (licenses).

The state bears no responsibility on obligations of free economic zone residents, and the residents of free economic zones bear no responsibility on obligations of the state, with the exceptions of the cases provided for by the legislative acts.

Article 21. Reorganization of a Legal Person Registered as Resident of a Free Economic Zone

Preservation or transfer of the resident status of a free economic zone in the process of reorganization of the legal person registered as resident of the free economic zone is allowed when it is reorganized only in the form of affiliation of another legal person or splitting-off of one or several legal person or of its transformation.

At reorganization of the legal person registered as resident of the free economic zone in the form of affiliation of another legal person or splitting-off of one or several legal person, the resident status of the free economic zone is preserved for the reorganized legal person.

At reorganization of the legal person registered as resident of the free economic zone in the form of transformation, the resident status of the free economic zone passes to the newly created legal person from the moment of the state registration of the newly created legal person.

Article 22. Loss of Free Economic Zone Resident Status

A legal person or individual entrepreneur loses the free economic zone resident status on following grounds:

liquidation of the free economic zone;

exclusion from the boundaries of the free economic zone of territories with the place of location of this legal person or individual entrepreneur;

liquidation (termination of activities) of this legal person (individual entrepreneur);

reorganization of the legal person in the form of merging, affiliation, splitting-up, its accession to another legal person;

change of the place of location of this legal person or individual entrepreneur in the case if the new place of location is situated outside the territory of the respective free economic zone;

termination of the contract on conditions of activity in the free economic zone;

decision about status loss taken by the administration of the free economic zone:

upon application of the resident of free economic zone;

in relation to non-fulfillment or improper fulfillment by the resident of free economic zone of conditions of the contract on conditions of activity in the free economic zone;

in relation to non-observance by a legal person being the resident of free economic zone of time limit for formation of the statutory fund;

in other instances provided for by the legislative acts.

The administration of the free economic zone is obliged, not later than one month prior to taking a decision about status loss on the grounds set forth in indents ten – twelve of part one of this Article, to notify in writing the resident of free economic zone about the forthcoming decision with indication of the grounds for its taking.

In case of taking a decision about status loss on the grounds set forth in indents ten – twelve of part one of this Article, the administration of the free economic zone is obliged to notify the legal person or individual entrepreneur about the decision taken within three working days from the day of its taking.

A decision about status loss taken on the grounds set forth in indents ten – twelve of part one of this Article may be appealed by the legal person or individual entrepreneur to the economic court within one-month time limit from the day of its taking.

The data about the resident of free economic zone are subject to be excluded from the respective register of residents of the free economic zone:

as of the date of arising of grounds for loss of the free economic zone resident status, set forth in indents two, three, six and seven of part one of this Article;

as of the date of taking decision about entering into the Unified State Register of Legal Persons and Individual Entrepreneurs the record about exclusion of the legal person or individual entrepreneur from this register in case of loss of the free economic zone resident status on a ground set forth in indent four of part one of this Article;

as of the date of entering into the Unified State Register of Legal Persons and Individual Entrepreneurs the record about termination of activity of the legal person in case of loss of the free economic zone resident status on a ground set forth in indent five of part one of this Article;

as of the date of the decision of the administration of the free economic zone about status loss on the grounds set forth in indents nine-twelve of part one of this Article, unless another date indicated in the application of the free economic zone resident in case of loss of the free economic zone resident status on a ground set forth in indent nine of part one of this Article.

The legal person or individual entrepreneur is deemed to be deprived of the free economic zone resident status after exclusion of the data about them from the register of residents of the respective free economic zone. In this instance the date from which the legal person or individual entrepreneur is deemed to be deprived of the free economic zone resident status is determined in accordance with part five of this Article.

The administration of the free economic zone shall, within ten working days from the day of exclusion the data about the free economic zone resident from the register of residents of the respective free economic zone, forward the information thereabout to state bodies listed in part five of Article 19 of this Law with indication of the date and the ground of loss of the free economic zone resident status.

The Ministry of Economy of the Republic of Belarus shall, within thirty-day period from the day of loss of the free economic zone resident status, inform thereabout the authorized body of the Customs Union and the Single Economic Space.

Loss of the free economic zone resident status entails the termination of obligation under the contract on conditions of activity in the free economic zone and other contracts the conclusion of which is motivated by the fact that the legal person or individual entrepreneur possesses the free economic zone resident status.

The legal person or individual entrepreneur is not entitled, from the day of loss of the free economic zone resident status, to use special legal regime of free economic zone, and also to use state guarantees to free economic zone residents.

The certificate about registration of the legal person or individual entrepreneur as free economic zone resident is deemed to be invalid from the day of loss of the free economic zone resident status. The said certificate is subject to be returned to the administration of free economic zone not later than ten working days from the day of loss of the free economic zone resident status. In case of absence of the original of this certificate, the administration of free economic zone shall be presented a statement about its loss with enclosing the data about the publication of a notification about the loss of the certificate about registration of the legal person or individual entrepreneur as free economic zone resident, place in one of the printed mass media.

Upon loss of the free economic zone resident status, the legal person or individual entrepreneur may be liquidated (terminate its activity) or continue its activity on common terms in the order provided by the legislation without additional state registration (re-registration).

In case of continuing activity on common terms by the legal person or individual entrepreneur, which was deprived of the free economic zone resident status on the grounds set forth in indents two and three of part one of this Article, contracts of lease of allocated land plots, capital constructions (buildings, structures), isolated premises, car parking spaces, parts thereof, other immovable property being in the state ownership, the obligations under which are terminated in accordance with part nine of this Article, at the option of this legal person or individual entrepreneur must be re-concluded with them for a period of not less than remaining periods of lease by state bodies and other organizations authorized to dispose of this property. In this instance such contracts, with the exception of contracts of lease of land plots shall be re-concluded on old conditions.

CHAPTER 6

SPECIAL LEGAL REGIME OF FREE ECONOMIC ZONE. STATE GUARANTEES TO FREE ECONOMIC ZONE RESIDENTS

Article 23. Taxation in a Free Economic Zone

Special features of taxation in the free economic zone are established in accordance with the Tax Code of the Republic of Belarus, other laws of the Republic of Belarus and/or acts of the President of the Republic of Belarus, treaties of the Republic of Belarus.

Article 24. Free Customs Zones

In the territory of a free economic zone, free customs zones are created for its residents within the limits of which the customs procedure of free customs zone is applied in the prescribed manner.

The order of creation and termination of functioning of free customs zones, requirements to their facilities and equipment, duties of holders of free customs zones are determined by legislative acts.

Article 25. Regulation of Land Relations in a Free Economic Zone

Land relations in a free economic zone are regulated by the legislation on protection and use of lands.

Relations concerning establishing, charging, and using the rent for land in the free economic zone are regulated by legislative acts with regard to peculiarities established by the legislation on free economic zones.

Article 26. Regulation of Labour and Connected Relations in a Free Economic Zone

Labour and connected relations in a free economic zone are regulated by the labour legislation.

Provision of a free economic zone with labour resources is carried out via attraction of primarily local labour resources, and also, at the wish of the employer, of labour resources from other areas of the Republic of Belarus, employment of foreign citizens and stateless persons in accordance with the legislation.

Article 27. State Guarantees to Free Economic Zone Residents

The legislation on the free economic zone and other legislation establish guarantees to free economic zone residents.

Guarantees of rights of investors and protection of investments, provided for by the legislation in the sphere of investments, cover free economic zone residents.