

*Unofficial translation*

## THE LAW OF THE REPUBLIC OF BELARUS

July 12, 2013 N 53-3

### ON INVESTMENTS

Adopted by the House of Representatives on June 26, 2013

Approved by the Council of the Republic on June 28, 2013

*This Law establishes legal foundations and basic principles of making investments on the territory of the Republic of Belarus and aimed at attracting investments into the economy of the Republic of Belarus, securing warranties, rights and legitimate interests, as well as their equal protection.*

#### CHAPTER 1

#### GENERAL PROVISIONS

##### **Article 1. Key terms used in this Law and their determinations**

Investments are any property and other objects of civil rights that belong to the investor on the right of ownership, other legal basis, allowing him to dispose of such objects invested on the territory of the Republic of Belarus by the methods provided for in this Law, in order to make a profit (income) and (or) to achieve other significant results or for other purposes not related to personal, family, household or other similar use, in particular:

movable and immovable property, including stocks, shares in the registered capital, equity interests in the property of the commercial organization established on the territory of the Republic of Belarus, monetary funds, including the attracted, among them loans and credits;

rights of claim, with assessment of their value;

other objects of civil rights, with assessment of their value, except for the types of objects of civil rights, the circulation of which is not allowed (objects taken out of circulation).

Investors:

the citizens of the Republic of Belarus, foreign citizens and stateless persons permanently residing in the Republic of Belarus, including individual

entrepreneurs and legal entities of the Republic of Belarus making investments on the territory of the Republic of Belarus;

foreign citizens and stateless persons not permanently residing in the Republic of Belarus, the citizens of the Republic of Belarus permanently residing outside of the Republic of Belarus, foreign and international legal entities (organizations that are not legal entities) making investments on the territory of the Republic of Belarus (hereinafter referred to as the foreign investors).

## **Article 2. Scope of application of this Law**

The force of this Law applies to the relations connected with making investments on the territory of the Republic of Belarus, except for:

investments of property to non-profit organizations, in respect of the property of which their founders (participants) do not have property rights or other proprietary rights;

acquisition of securities, except for stock certificates;

acquisition or construction by the citizens of the Republic of Belarus, foreign citizens and stateless persons of apartment houses, residential accommodations for those citizens of the Republic of Belarus, foreign citizens and stateless persons and (or) their family members;

granting of loans and their repayment, placement of bank deposits (deposits).

## **Article 3. Law of the Republic of Belarus in the field of investments**

The Law of the Republic of Belarus in the field of investments is based on the Constitution of the Republic of Belarus and consists of this Law and other legislative acts of the Republic of Belarus.

If the international treaty of the Republic of Belarus establishes other rules, other from those that are provided by this Law, then the rules of the international treaty shall apply.

## **Article 4. Methods of making investments**

On the territory of the Republic of Belarus investments shall be made by the following methods:

the creation of the commercial organization;

the acquisition, creation, including by means of construction, of objects of immovable property, except for the cases determined by paragraph 4 of Article 2 of this Law;

the acquisition of rights on the objects of intellectual property;

the acquisition of stocks, shares in the registered capital, equity interests in the property of the commercial organization, including the cases of increase of the registered capital of the commercial organization;

on the concession basis;

by other methods, except for those prohibited by the legislative acts of the Republic of Belarus.

## **Article 5. Basic principles of making investments**

Making investments is based on the following principles:

investors, as well as the state, its agencies and officials act within the scope of the Constitution of the Republic of Belarus and the legislative acts of the Republic of Belarus adopted in accordance with it (the principle of the supremacy of law);

investors are equal before the law and exercise the rights without any discrimination (the principle of equality of investors);

investors make investments in good faith and in reason without doing harm to another person, the environment, historical and cultural values, infringement of rights and legally protected interests of other persons or abuse of rights in other forms (the principle of fairness and reasonableness of making investments);

intervention in private affairs is not allowed, except in cases when such an intervention is made on the basis of legislative acts of the Republic of Belarus in the interests of national security (including the protection of the environment, historical and cultural values), public order, protection of morality, health, rights and freedoms of other persons (the principle of inadmissibility of arbitrary interference in private affairs);

investors are guaranteed to exercise rights and legitimate interests in court and by other methods allowed by the law of the Republic of Belarus, including international treaties of the Republic of Belarus (the principle of ensuring the restoration of violated rights and legitimate interests, their judicial protection).

When making investments the priority of the generally accepted principles of the international law is recognized.

#### **Article 6. Restriction of rights when making investments**

It is not allowed to make investments into the property of legal entities with dominant position in product markets of the Republic of Belarus, without the consent of the antimonopoly agency of the Republic of Belarus in the cases established by the antimonopoly law of the Republic of Belarus, as well as the types of activities prohibited by the legislative acts of the Republic of Belarus. Restrictions when making investments can also be established on the basis of legislative acts of the Republic of Belarus in the interests of national security (including protection of the environment, historical and cultural values), public order, protection morality, health, rights and freedoms of other persons.

## CHAPTER 2

### STATE REGULATION IN THE FIELD OF INVESTMENTS

#### **Article 7. Performance of the state regulation in the field of investments**

State regulation in the field of investments is performed by the President of the Republic of Belarus, the Government of the Republic of Belarus, the republican body of state regulation and control in the field of investments, other republican bodies of state control, other state organizations subordinated to the Government of the Republic of Belarus, local executive and administrative bodies, the state organization authorized to represent the interests of the Republic of Belarus on the issues of attracting investments into the Republic of Belarus, within their powers in accordance with the law of the Republic of Belarus.

#### **Article 8. Powers of the President of the Republic of Belarus in the field of investments**

The President of the Republic of Belarus in the field of investments:  
determines the unified state policy;  
determines the republican body of state control performing regulation and management in the field of investments;

determines the conditions of concluding investment agreements with the Republic of Belarus;

exercises other powers in accordance with the Constitution of the Republic of Belarus, this Law and other legislative acts of the Republic of Belarus.

#### **Article 9. Powers of the Government of the Republic of Belarus in the field of investments**

The Government of the Republic of Belarus in the field of investments: ensures conducting the unified state policy;

determines priority types of activities (sectors of economy) for making investments;

determines the procedure for the conclusion, modification, termination and state registration of investment agreements with the Republic of Belarus;

exercises other powers conferred on it by the Constitution of the Republic of Belarus, the laws of the Republic of Belarus and the acts of the President of the Republic of Belarus.

#### **Article 10. Powers of other state bodies and other state agencies in the field of investments**

The republican body of state control performing regulation and control in the field of investments, other republican bodies of state control, other state organizations subordinated to the Government of the Republic of Belarus, local executive and administrative bodies ensure the implementation of the unified state policy in the field of investments within its competence.

The state organization authorized to represent the interests of the Republic of Belarus on the issues of attracting investments into the Republic of Belarus, ensures the interaction of investors with the republican bodies of state control, other state organizations subordinated to the Government of the Republic of Belarus, local executive and administrative bodies, exercises other powers in accordance with the law of the Republic of Belarus.

### CHAPTER 3

## GUARANTEES OF RIGHTS OF INVESTORS AND PROTECTION OF INVESTMENTS

## **Article 11. Guarantees of transfer of compensation and other monetary funds of foreign investors**

Foreign investors are guaranteed a free transfer outside the Republic of Belarus of the compensation provided for in the second and fourth paragraphs of Article 12 of this Law.

After payment of taxes and levies (duties) and other obligatory payments established by the law of the Republic of Belarus to the national and local budgets, state non-budgetary funds foreign investors are guaranteed a free transfer outside the Republic of Belarus of the profit (income) and other legally obtained monetary funds related to making investments on the territory of the Republic of Belarus, as well as the payments made in favor of the foreign investor, and related to making investments, including:

monetary funds received by foreign investors after the partial or complete stopping of making investments on the territory of the Republic of Belarus, including monetary funds received by foreign investors as a result of the alienation of investments, as well as formed as a result of making investments of the property, other objects of civil rights;

monetary funds that are due on account of the payment of wages to foreign citizens and stateless persons working under an employment contract;

monetary funds owed to foreign investors according to the court decision.

Transfer of the compensation provided for in the second and fourth paragraphs of Article 12 of this Law shall be performed at the option of the foreign investor in the Belarusian rubles or foreign currency to the country specified by the foreign investor, if such a transfer is not contrary to the international obligations of the Republic of Belarus.

Transfer of monetary funds specified in the second paragraph of this article may be restricted in the manner and on the conditions specified by the legislative acts of the Republic of Belarus and (or) according to the court decision, adopted in accordance with the law of the Republic of Belarus and entered into force.

## **Article 12. Protection of property against nationalization and requisition**

The property which is formed by investments or as a result of making investments may not be nationalized or requisitioned.

Nationalization is possible only on the grounds of public necessity and on condition of a timely and complete compensation of value of the nationalized property and other damages caused by nationalization.

The procedure and conditions of nationalization, as well as payment of compensation of value of the nationalized property and other damages caused by nationalization shall be determined on the basis of the law on the procedure and conditions for the nationalization of this property taken in accordance with the Constitution of the Republic of Belarus.

The requisition is possible only in cases of natural disasters, accidents, epidemics, epizootics and in other circumstances of extraordinary nature in the public interests by the decision of the state bodies in the manner and on the conditions provided by the law, with the payment of compensation to the investor of the value of the requisitioned property.

The investor whose property is requisitioned shall be entitled upon termination of the circumstances in connection with which the requisition is performed to require to return the remaining property to him at law.

The size of the compensation provided for in the second and fourth paragraphs of this Article may be appealed by the investor to the court.

### **Article 13. Resolution of disputes between the investor and the Republic of Belarus**

The disputes between the investor and the Republic of Belarus arising when making investments shall be resolved in an out-of-court procedure through negotiations unless established otherwise by the legislative acts of the Republic of Belarus.

The disputes between the investor and the Republic of Belarus not resolved in an out-of-court procedure through negotiations within three months from the date of receipt of the written proposal for their resolving shall be resolved by judicial means in accordance with the law of the Republic of Belarus.

If disputes not being within the exclusive jurisdiction of the courts of the Republic of Belarus that arose between the foreign investor and the Republic of Belarus are not resolved in an out-of-court procedure through negotiations within three months from the date of receipt of the written proposal for their resolution in an out-of-court procedure, then such disputes at the option of the investor may be resolved:

in the arbitration court established to resolve each specific dispute in accordance with the Arbitration Rules of the United Nations Commission on the Law of International Trade (UNCITRAL) if the parties to the dispute will not agree otherwise;

in the International Centre for Settlement of Investment Disputes (ICSID) in case this foreign investor is the citizen or the legal entity of the state – the party to the Convention on the settlement of investment disputes between the states and natural persons or legal entities of other states dd. March 18, 1965.

In case the international treaty of the Republic of Belarus and (or) the agreement concluded between the investor and the Republic of Belarus establishes otherwise with regard to the resolution of disputes between the investor and the Republic of Belarus arising when making investments, then the provisions of the international treaty of the Republic of Belarus and (or) the agreement concluded between the investor and the Republic of Belarus shall apply.

## CHAPTER 4 RIGHTS AND OBLIGATIONS OF INVESTORS

### **Article 14. Rights of investors**

Investors are entitled to sell their property and non-property rights in accordance with the law of the Republic of Belarus.

On the part of the investors are the exclusive rights to the objects of intellectual property.

Investors and (or) commercial organizations established in the prescribed manner with the participation of the investor (investors) have the right to get plots of land in use, rent, property in accordance with the law of the Republic of Belarus on the protection and use of land.

### **Article 15. Right for the creation of the commercial organization**

Investors shall be entitled to create on the territory of the Republic of Belarus commercial organizations with any volume of investments, in any organizational and legal forms provided for by the law of the Republic of Belarus, subject to the restrictions established by Article 6 of this Law.



Commercial organizations are created and registered on the territory of the Republic of Belarus in the manner established by the law of the Republic of Belarus, regardless of participation of the foreign investor in this organization.

Foreign investors shall be entitled during the creation of the commercial organization to acquire stocks, shares in the registered capital, equity interests in the property of the commercial organization, including cases of increasing the registered capital of the commercial organization, to contribute in the foreign currency and (or) Belarusian rubles, as well as a nonmonetary contribution with assessment of its value in accordance with the law of the Republic of Belarus.

### **Article 16. Rights for benefits and preferences**

Investors when making investments into the priority types of activities (sectors of economy), and in other cases established by the legislative acts of the Republic of Belarus and (or) international legislation that are mandatory for the Republic of Belarus shall be entitled to use benefits and preferences in accordance with the law of the Republic of Belarus and (or) international legislation that are mandatory for the Republic of Belarus.

Article 17. Right for the conclusion of the agreement (agreements) with the Republic of Belarus The investor shall be entitled to conclude an agreement (agreements) with the Republic of Belarus connected with the implementation of investments, on the terms and conditions established by the law of the Republic of Belarus.

In order to create additional conditions for making investments the investor or investors shall be entitled to conclude an investment agreement with the Republic of Belarus.

The investment agreement with the Republic of Belarus is concluded on the basis of the decision of the state body or other public organizations that are determined in accordance with the legislative acts of the Republic of Belarus.

The investment agreement with the Republic of Belarus shall specify:  
the object, the amount, terms and conditions of making investments;  
rights and liabilities of investors (investors) and the Republic of Belarus;

the liability of the parties to the agreement for non-compliance of its terms;

other terms determined in accordance with the legislative acts of the Republic of Belarus.

### **Article 18. Right for the attraction to the Republic of Belarus of foreign citizens and stateless persons for work**

Investors and (or) commercial organizations established in the prescribed manner with the participation of the investor (investors) shall be entitled to attract to the Republic of Belarus foreign citizens and stateless persons, including those not having a permit for permanent residence in the Republic of Belarus, for the work activity in the Republic of Belarus under labor contracts in accordance with the law of the Republic of Belarus.

### **Article 19. Liabilities of investors**

Investors shall be obliged:

to abide by the Constitution of the Republic of Belarus and the legislative acts of the Republic of Belarus adopted in accordance with it;

not to take actions of unfair competition, as well as actions (inactivity), aimed at the prevention, elimination or restriction of competition, doing harm to the rights, freedoms and lawful interests of other persons;

to perform other duties established by the law of the Republic of Belarus.

## CHAPTER 5 FINAL PROVISIONS

### **Article 20. Introduction of changes into the Investment code of the Republic of Belarus**

To exclude Sections I, II, IV and V of the Investment code of the Republic of Belarus dd. June 22, 2001 (National register of legislative acts of the Republic of Belarus, 2001, N 62, 2/780; 2004, N 126, 2/1062; N 175, 2/1074; 2006, N 122, 2/1256; 2008, N 172, 2/1469; N 175, 2/1494; 2009, N 276, 2/1607).

### **Article 21. Transitional provisions**

Prior to bringing the legislative acts of the Republic of Belarus in conformity with this Law that shall be applied in the part which is not contrary to this Law unless otherwise provided by the Constitution of the Republic of Belarus.

Commercial organizations recognized prior to the entry into force of this Law as the commercial organizations with foreign investments, shall be entitled:

to use in their names the words indicating the participation of the foreign investor (foreign investors) before the cessation of membership of the last in the commercial organization;

to form the registered capital in the amount specified in the charter (the memorandum of association – for a commercial organization operating only on the basis of the memorandum of association), within two years from the date of entry into force of this Law in case the registered capital was not formed in the specified amount on the date of entry into force of this Law;

to change the size of the registered capital specified in the charter (the memorandum of association – for the commercial organization operating only on the basis of the memorandum of association), but not less than the minimum amount prescribed by the law of the Republic of Belarus in accordance with the law of the Republic of Belarus.

## **Article 22. Measures on the implementation of provisions of this Law**

For the Council of Ministers in six months:

to provide bringing the legislative acts of the Republic of Belarus in conformity with this Law;

to take other measures necessary for the implementation of the provisions of this Law.

## **Article 23. Entry into force of this Law**

This Law shall enter into force in the following order:

Articles 1 - 21 – in six months after the official publication of this Law;

Article 22 – after the official publication of this Law.

President of the Republic of Belarus

A.Lukashenko