

BELARUS

AUTHORITY GUIDE

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Introduction

This guide provides explanation of the recently enacted changes to the Belarusian Tax Code.

From 1 January 2018, VAT will apply to cross-border electronic services supplied by non-resident suppliers to Belarusian-resident final consumers. The new rules will require non-resident suppliers to register and file VAT returns on these supplies.

The new rules will apply to a broad range of cross-border electronic services. The new wording of article 33 of the Belarusian Tax Code defines supply of electronic services as “services rendered by a foreign company with the use of information technologies on an automated basis provided via the Internet, inter alia, with the assistance of a foreign intermediary in settlements”. The article then lists a number of specific services that would qualify within the referred description.

The key point is, the supply of an electronic service by a non-resident, who is not physically present in Belarus, to a final consumer in the referred country will be subject to taxation and the supplier will have to register within the country for VAT purposes.

Based on the current configuration of Determination for services for the authority of Belarus, changes are needed in the system in order to return the correct tax result. For this purposes, the authority option of Physical Performance has been updated from the setting “Not Applicable/Not Applicable” to the following new setting: “Both/Dual Registration”.

The new setting for the authority option will allow our clients to get an error message in case where the place of supply of the electronic services is in Belarus and the foreign seller is not registered within the country. In the opposite case, if the foreign seller is registered in Belarus, it will get back a normal VAT output result.

Bellow you can find examples of expected results for Belarus for supply of electronic services by a foreign supplier to a final consumer located within Belarus.



PART II – TAX RESULT EXAMPLE

Test 1: Foreign Electronic Services – Sale (Seller is registered in Belarus)

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Electronic Services
Seller Primary	United Kingdom
Buyer Primary	Belarus
Seller Registration	United Kingdom: GB123456789 Belarus: 123456789

The image below shows Scenario 2017 October Update - Belarus Authority Options tax result.

Scenario 2017 October Update - Belarus Authority Options update:										
View Results: 3 ▾		Gross Amount: 1000.00		Eff%: 20%						
Zone		Authority		Invoice Desc		Type	Dir	Fee	Rate	Tax Amt
Country: BELARUS		Belarus		VAT		S	O		20%	200.00
										200.00 BYN
<input type="checkbox"/> Authority Messages:										
Authority		RuleOrder		Message						
Belarus		10000		GCSP2: Output VAT in Service location.						

Test 2: Foreign Electronic Services – Sale (Seller is not registered in Belarus)

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Electronic Services
Seller Primary	United Kingdom
Buyer Primary	Belarus
Seller Registration	United Kingdom: GB123456789

Scenario 2017 October Update - Belarus Authority Options update:

View Results: 1 Zone		Gross Amount: 1000.00	Eff%: 0%									
Authority		Invoice Desc	Type	Dir	Fee	Rate	Tax Amt 0 BYN	TT	IT			
Authority Messages:												
Authority		RuleOrder	Message									
System Messages:												
Code		Message										
USING_COMPANY_ACTIVE_MAPPING_GROUP		Using company's active product mapping group.										
TAX_RESULT_IS_ROUNDED		Output XML tax results are rounded. Rule [Round] Precision [2] MAU [0.01]										
WORKBENCH_GETS_ALL_XML		No action is required.										
TRANS_EDITOR_GROUP_APPLIED		TransEditor Group was applied to Input XML. TransEditorGroupName=DEFAULT										
NO_VALID_REGISTRATION		No valid registration numbers were found for the authority. No valid BUYER registration found for Authority Belarus and Supply Location BELARUS with mask ^\d{9}\$										
NO_VALID_REGISTRATION		No valid registration numbers were found for the authority. No valid SELLER registration found for Authority Belarus and Supply Location BELARUS with mask ^\d{9}\$										
GCSP4		Seller must register to collect VAT in Service location. Authority: Belarus										

In this case, the image above shows a message saying that the seller must register in Belarus will be returned.

Test 3: Foreign Electronic Services – Purchase (Seller is registered in Belarus)

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Electronic Services
Seller Primary	United Kingdom
Buyer Primary	Belarus
Seller Registration	United Kingdom: GB123456789 Belarus: 123456789

The image below shows the Russia seller purchase.

Scenario Russia ES Seller B2C:								
View Results: 1 ▼		Gross Amount: 1000.00		Eff%: 18%				
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	
Country: RUSSIA	Russia	VAT	S	I		18%	180.00	
							180.00 RUB	
☐ Authority Messages:								
Authority	RuleOrder	Message						
Russia	10000	GCBCL35: Input VAT in Buyer's country.						

CONCLUSION

This guide explains law changes that will become effective in Belarus on 1st January, 2018 in connection with the provision of electronic services by non-registered foreign suppliers to final consumers located in Belarus. Please contact Customer Support with any additional questions.