

EDICT OF THE PRESIDENT OF THE REPUBLIC OF BELARUS  
No. 231 of June 4, 2015

**On Carrying out Activities in the Over-the-counter Forex Market**

Amendments and supplements:

Edict of the President of the Republic of Belarus of Ma 31, 2016 No. 184  
(National Legal Internet Portal of the Republic of Belarus, 04.06.2016, 1/16438)

With a view to supervise activities of legal entities on conducting operations involving non-deliverable over-the-counter (OTC) financial instruments initiated by individuals and legal entities (activities in the OTC forex market):

1. To establish that the following entities are authorized to carry out activities on conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market) in the Republic of Belarus:

legal persons registered in the Republic of Belarus, the authorized capital of which is formed in compliance with the requirements of this Edict in the amount of not less than BYN 200 000, and included by the National Bank in the register of forex companies (hereinafter referred to as the forex companies);

- National Forex Center;
- banks;
- non-bank financial institutions.

Conduct of operations involving OTC financial instruments initiated by individuals and legal entities not specified in part one herein shall be deemed illegal and shall be prohibited.

2. An operation involving non-deliverable OTC financial instrument is the OTC transaction; it is composed of two parts – position opening and closure, it does not provide for the rights and does not establish duties of the parties on purchasing (selling) an underlying asset, but makes an obligation to pay (the right to obtain) a sum of a difference between an underlying asset value effective at the time of position opening and that effective at the time of the position closure.

Position opening shall be effected by a legal entity or individual which/who signed an agreement on conducting operations involving non-deliverable OTC financial instruments with a forex company, the National Forex Center, bank, non-bank financial institution (hereinafter referred to as “the Customer”), by way of communicating an order to fix an underlying asset price.

Position closure shall be effected by the Customer by way of communicating an order to fix an underlying asset price to a forex company, the National Forex Center, bank, non-bank financial institution with which an agreement was signed on conducting operations involving non-deliverable OTC financial instruments (hereinafter referred to as “the Agreement”). Position closure may be effected by a forex company, the National Forex Center, bank, non-bank financial institution in the procedure set out in the Agreement, by way of independent fixing an underlying asset price, if monetary funds in a foreign currency contributed by the Customer for opening and/or maintaining its opened position (hereinafter referred to as “the margin security”), is insufficient for maintaining its opened position.

The underlying assets on operations involving non-deliverable OTC financial instruments may be foreign currencies, precious metals, securities, crude oil, as well as other underlying assets, determined by the Council of Ministers of the Republic of Belarus jointly with the National Bank.

An operation involving non-deliverable OTC financial instruments may be conducted in respect to an aggregate of underlying assets.

3. The operations involving non-deliverable OTC financial instruments shall be conducted by a forex company, the National Forex Center, bank, non-bank financial institution under agreements signed with customers. The customers of the National Forex Center may be only forex companies, banks, non-bank financial institutions producing an aggregate open position of their customers (a sum of open positions of customers) under a separate underlying asset for the National Forex Center.

Under such agreement a forex company, the National forex center, bank, non-bank financial institution shall assume obligations to effect in their own name and at their own account operations involving non-deliverable OTC financial instruments initiated by customers through the Internet and/or by employing other means of communication.

The material provisions of such agreements are:

the procedure of contributing by a customer a margin security, its accounting and refunding to such a customer. At that the accrued positive price spread not obtained by a customer under an operation involving non-deliverable OTC financial instrument shall be included in a margin security except as otherwise expressly provided in the relevant agreement;

the procedure of determining a balance between the sum specified in a customer's order on fixing an underlying asset price when opening a position, and a sum of a margin security (hereinafter referred to as "the leverage");

the procedure of determining underlying assets' prices;

the procedure of closing a position by a forex company, the National Forex Center, bank, non-bank financial institution where the margin security is insufficient for maintaining an opened position;

the procedure of effecting settlements between a forex company, the National Forex Center, bank, non-bank financial institution;

the procedure of initiating an operation by a customer involving non-deliverable OTC financial instrument by way of giving a relevant order;

the procedure of determining a size of remunerations to be paid to a forex company, the National Forex Center, bank, non-bank financial institution for conducting operations involving non-deliverable OTC financial instruments, as well as the procedure and terms of paying thereof;

the procedure and terms of submitting reports to a customer on the operations effected with non-deliverable OTC financial instruments, expenses incurred and revenue gained thereby;

other material terms and conditions set out in the relevant agreement between the parties in compliance with the provisions contained herein and in other relevant legal acts.

The procedure of effecting by forex companies, the National Forex Center, banks, non-bank financial institutions operations involving non-deliverable OTC financial instruments shall be determined in the regulations on conducting operations involving non-deliverable OTC financial instruments approved by them (hereinafter referred to as "the regulations on conducting operations"). The requirements to such regulations shall be set up by the National Bank.

4. To be included in the Register of forex companies (hereinafter referred to as "the Register") legal entities shall submit to the National Bank:

an application on inclusion in the Register in the form set up by the National Bank;

a copy of legal entity's Articles of Association;

a copy of the document certifying generation of legal entity's authorized capital in a size not less than that specified in paragraph two of part 1 above with due account of the requirements set out herein;

copies of documents certifying the compliance of a legal entity manager and officers of structural division exercising internal control (a manager of such structural division inclusive), with the eligibility requirements and business worthiness imposed thereon, specified in Clause 5 below;

copies of documents certifying the compliance of a legal entity founder (participant) with the requirements to business worthiness specified in Clause 5 below;

copies of service records of a legal entity manager and officers of the structural division exercising internal control (a manager of such structural division inclusive).

The National Bank shall refuse in accepting an application from a legal entity in the event of its failure to submit all the documents specified in part one herein.

The National Bank shall verify the documents submitted by a legal entity to be included in the Register and consider a decision on including (refusal on including) the legal entity in the Register within 30 business days following receipt of the documents specified in part one herein.

The fact of a legal entity inclusion in the Register shall be certified by a certificate of inclusion thereof in the Register issued by the National Bank in the established form within at least 3 business days following a decision on including such legal entity in the Register.

No payments related to examination of the documents, a legal entity inclusion in the Register and issue of the certificate of inclusion thereof in the Register shall be collected.

The National Bank shall make a decision on refusing a legal entity in inclusion thereof in the Register in the following cases:

failure by a legal entity to file an application on including in the Register its request on generating its authorized capital in a size not less than that specified in paragraph two of Clause 1 above or the procedure of its generation set out herein;

failure by a legal entity manager and/or officers of a structural division exercising internal control (a manager of such structural division inclusive) with the eligibility requirements and business worthiness imposed thereon, specified in Clause 5 below;

a failure by a legal entity founder (participant) to comply with the requirements to business worthiness specified in Clause 5 below;

a failure to apply for the inclusion in the Register prior to maturity as set out in part ten herein;

the submission of documents and/or data not complying with relevant legislative requirements, counterfeit, forgery or invalid ones inclusive;

the possession by the National Bank of the data, including those obtained from a foreign state, certifying the fact that a founder (participant) of a legal entity is (was) a founder, participant, manager, another official of a legal entity, a foreign legal entity inclusive, in respect to which a special permit (license) authorizing operations in the OTC forex market, banking, microfinance or other financial operations has been recalled or in respect to which other arrangements have been made similar to their consequences, or a relevant individual has committed any faulty actions leading to loss of trust therein.

A decision of the National Bank on refusing in inclusion in the Register may be appealed in a judicial procedure within one month following making thereof.

Grounds for deletion by the National Bank of a forex company from the Register may be as follows:

request from a forex company;

deletion of a legal entity acting as a forex company from the Unified State Register of Legal Entities and Individual Entrepreneurs;

where a forex company is involved in the businesses not specified in paragraphs four-six of part one in Clause 15 below;

permanent (two times and over within one calendar year) failure by a forex company to answer written orders and/or adhere to the requirements of the National Bank (a failure to meet thereof when due);

the possession by the National Bank of the data, including those obtained from a foreign state, certifying the fact that a founder (participant) of a legal entity certifying the fact that a founder (participant) of a legal entity is (was) a founder, participant, manager, another official of a legal entity, a foreign legal entity inclusive, in respect to which a special permit (license) authorizing operations in the OTC forex market, banking, microfinance or other financial operations has been recalled or in respect to which other arrangements have been made similar to

their consequences, or a relevant individual has committed any faulty actions leading to loss of trust therein.

The National Bank within 3 business days following a decision on deleting a forex company from the Register shall advise it in writing with the specification of the grounds of such deletion.

A legal entity deleted from the Register for the reason set out in paragraph five of part eight herein shall be entitled to apply to the National Bank with request to be included in the Register upon expiry of two years following a decision on deleting it from the Register.

Where the National Bank makes a decision on deleting a forex company from the Register it shall be obliged to discharge all of its pecuniary obligations to customers pursuant to relevant agreements signed or transfer such obligations to another forex company determined by the National Bank, with concurrent transfer of monetary funds contributed by such customers as the margin security, placed in current (settlement) bank accounts with a special functioning mode (hereinafter referred to as “the security capital”), in a size corresponding to such transferred obligations.

A decision of the National Bank on deleting from the Register may be appealed in a judicial procedure within one month following making thereof.

The Register shall be published on the Internet in open access.

5. Eligibility requirement to a manager of a forex company, the National forex center, officers of a structural division exercising internal control (a manager thereof inclusive) shall be higher education in the field of law or economy or another higher education provided they were retrained on a higher education level majoring in the field of law or economy.

The requirements to business worthiness lodged to a founder (participant), manager of a forex company, the National forex center, officers of a structural division exercising internal control (a manager thereof inclusive), a forex company, the National forex center are:

the absence within recent two years of the facts of termination of a labour agreement (contract) on the initiative of an employer in the event of committing by a person any faulty actions which are the reasons for loss of trust from the part of such employer;

the absence of outstanding conviction for committing crimes against property and a procedure of carrying out business operations;

the absence of a resolution of a prosecuting agency on initiating a criminal case against a person as a suspect or an accused in criminal case.

6. The National forex center shall be established by the Council of Ministers of the Republic of Belarus jointly with the National Bank.

The National forex center may be only an economic entity in the authorized capital of which over 50 per cent of equity (shares) are owned by the Republic of Belarus.

The National forex center shall carry out activities on conducting operations involving non-deliverable OTC financial instruments initiated by forex companies, banks, non-bank financial institutions acting as its customers in the procedure set out by the Edict for forex companies with due account of specific features provided for in the Regulations on the National forex center activities approved by the Council of Ministers of the Republic of Belarus jointly with the National Bank.

Major objectives of the National forex center include:

collection, classification, recording and storage of reporting regarding operations involving non-deliverable OTC financial instruments effected by forex companies, banks, non-bank financial institutions and submission thereof to the National Bank;

collection, classification, recording and storage of reporting regarding assessing the financial standing of forex companies. Where any material risk occurs for the financial standing of a forex company the National forex center shall advise the National Bank of it on a day when such risk occurs;

generation of a guarantee fund with a view to discharge obligations and liabilities of forex companies, banks, non-bank financial institutions on refunding a margin security where such

forex companies can not discharge thereof at the cost of their own funds and a security capital, and banks, non-bank financial institutions cannot discharge such obligations and liabilities at the cost of their own funds;

detection of violations in effecting by forex companies, banks, non-bank financial institutions operations involving non-deliverable OTC financial instruments and advising the National Bank of them in the procedure and on dates established by the National Bank;

performing other functions provided for herein, in the Regulations of the National forex center activity and set forth by other relevant legal acts.

7. Guarantee fund shall be generated by the National forex center at the cost of contributions deposited by forex companies, banks, non-bank financial institutions. The guarantee fund assets shall be placed by the National forex center in special-status current (settlement) bank accounts with 'Savings Bank 'Belarusbank' Joint Stock Company.

A procedure of guarantee fund generation, including that of depositing by forex companies, banks, non-bank financial institutions contributions therein and a size of such contributions, a procedure of refunding the contributions deposited by forex companies, banks, non-bank financial institutions, ceiling amount of payments from such guarantee fund to customers under liabilities of forex companies, banks, non-bank financial institutions shall be specified in the Regulations of the National forex center activity.

8. A forex company, the National forex center, bank, non-bank financial institution when effecting operations involving non-deliverable OTC financial instruments shall be obliged to:

draw up and submit statements to the National Bank, a form, scope, submission dates and procedure of which shall be established by the National Bank;

furnish customers with complete and reliable data on the procedure and terms of conducting operations involving non-deliverable OTC financial instruments, on the rights and duties of customers;

have own web-site;

scatter a text of the rules on effecting the operations in a place accessible for customers and post thereof in their web-sites in the Internet;

advise customers of any amendments in the rules of effecting the operations within at least 10 calendar days prior to enforcement thereof by way of posting relevant information on their web-sites or by other ways to be specified in an agreement on conducting operations involving non-deliverable OTC financial instruments;

generate and keep records of their liabilities in respect to each customer and store such data within at least two years following the date when all liabilities have been discharged by the parties in full scope;

develop and approve regulations on giving, processing and executing customer orders on price-fixing when conducting operations involving non-deliverable OTC financial instruments;

execute customer orders on fixing a price for an underlying asset when conducting operations involving non-deliverable OTC financial instruments under the terms and conditions most favourable for a customer at this date;

discharge other duties set forth by the legislation.

When advertising their activity and operations involving non-deliverable OTC financial instruments a forex company, the National forex center, bank, non-bank financial institution shall be obliged to point a risky nature of effected operations, inter alia, advise customers of the fact that an opportunity to gain profit is inseparably associated with the risk to suffer losses. At that a forex company, the National forex center, bank, non-bank financial institution shall not be entitled to:

provide not documented data;

promote formation of an impression that acquisition of income in consequence of effecting operations involving non-deliverable OTC financial instruments may be guaranteed;

make references to the fact of earned profit in the past with not indicating that the results in past times have no relation to probable results in times to come;

specify an assumed amount of proceeds from operations involving non-deliverable OTC financial instruments.

9. For effecting operations involving non-deliverable OTC financial instruments a forex company, bank, non-bank financial institution shall be obliged to:

use the software provided by the National forex center under the relevant license agreement and/or verified software programs which are acknowledged by the National forex center to be complying with the requirements to software programs set out by the National Bank. The procedure for verifying the software shall be determined by the National Bank;

make contributions to the guarantee fund generated by the National forex center;

draw up and submit to the National forex center reports on all operations effected with non-deliverable OTC financial instruments; a forex company shall also submit the reports required for assessing its financial standing, a form, scope, dates and procedure for submission of which are to be established by the National Bank.

10. When effecting operations involving non-deliverable OTC financial instruments a forex company, the National forex center shall be obliged to:

comply with the financial ratios and requirements established by the National Bank in accordance with the provisions contained herein;

have in their organizational structure a division (an officer), which/who in accordance with the requirements set forth by the National Bank implement measures on reducing risks related to effecting operations in the OTC forex market (hereinafter referred to as “the management of risks”);

have in their organizational structure a division exercising internal control, involving that over the preservation of assets and deposits of a forex company and the National forex center, over reliability, completeness and timeliness of accounting records, drawing up and submission of statements, taking actions on preventing legalization of proceeds of crime, financing terrorism and proliferation of mass destruction weapons, over the efficiency and effectiveness of risk management information systems operation, performance of information systems, information stream (data acquisition and communication), information security safeguarding, over requests of individuals and legal entities;

elaborate local normative legal acts governing the activity of the divisions (officers) specified in paragraphs three and four herein;

advise the National Bank of appointment to a position and dismissal of a manager of a forex company, the National forex center, officers of a structural division exercising internal control (a manager thereof inclusive), within five days following appointment to a position and dismissal. At that the documents specified in paragraphs five of part one of Clause 4 above shall be attached to such notice;

generate a security capital with a view to ultimately discharge their obligations and liabilities before customers on refunding a margin security, raise the financial standing. A minimum amount of such margin security, a procedure of its generation, replenishment and use shall be established by the National Bank.

11. A forex company shall be obliged to generate its authorized capital in the following procedure:

a part of the authorized capital corresponding to its minimum size set out in paragraph two of part one of Clause 1 above shall be contributed in the form of monetary funds;

a part of the authorized capital exceeding such minimum size may be generated by way of contributing by owner (founders, participants) of a legal entity’s property non-monetary contributions in the procedure set forth by the legislation and constituent documents thereof. All payments by non-residents\* of their shares in authorized capitals (equity) of forex companies shall be effected exclusively in monetary funds.

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\* The terms «resident» and «non-resident» have the meanings set out in Clauses 7 and 8 of Article 1 of the Law of the Republic of Belarus of 22 July 2003 “On currency regulation and

currency control” (National Register of legal acts of the Republic of Belarus, 2003, No. 85, 2/978).

12. The payment of taxes, charges (duties), other mandatory contributions in the republican and/or local budgets (state target budgetary funds inclusive), in state non-budgetary funds at the cost of a security capital placed in special-status current (settlement) bank accounts shall not be effected, the debit operations set forth by the legislation shall not be suspended, save the cases set forth by the legislation on preventing legalization of proceeds of crime, financing terrorism and proliferation of mass destruction weapons. The monetary funds placed in such accounts may not be attached. Levy of execution under orders of enforcement, execution of judicial decisions or levy of execution under other documents, including debiting in uncontested proceeding of monetary funds placed in such account shall not be effected.

In the event that bankruptcy procedure is initiated against a forex company no security capital funds shall be included in its property and may be directed only for effecting settlements with customers-individuals, and after total satisfaction of their demands – for effecting settlements with customers-legal entities. Any remaining funds shall be directed for effecting payments due under liabilities of such forex company according to the effective legislation on economic insolvency (bankruptcy).

When being dissolved such forex company shall be obliged to discharge all of its liabilities assumed under relevant agreements or transfer thereof to another forex company to be defined by the National Bank with concurrent transferring of the security capital funds in the amount corresponding to such liabilities transferred.

13. A forex company shall be entitled and where a risk limit is exceeded it shall be obliged to funnel under a separate underlying asset to the National forex center, and where a sum is exceeding a risk limit of the National forex center – to another forex company, bank, non-bank financial institution, legal entity – non-resident entitled to effect operations in the OTC forex market according to the effective legislation of a foreign state (hereinafter referred to as “the foreign counteragent”).

In the event that the National forex center has no technological capability to conduct operations involving non-deliverable OTC financial instruments when an aggregate open position of customers (a sum of open positions of customers) is funneled thereto by forex companies, banks, non-bank financial institutions such forex companies, banks, non-bank financial institutions shall be entitled to funnel such position to the foreign counteragent complying with the criteria set out by the National Bank as per the provisions of paragraph twelve of part one of Clause 17 below.

A forex company risk limit is defined as the relation between an aggregate open position of customers (a sum of open positions of customers) under a separate underlying asset and a forex company net worth, a risk limit of the National forex center – as a limit ratio between an aggregate open position of customers (a sum of open positions of customers) under a separate underlying asset and the National forex center’s net worth. A net worth of a forex company, the National forex center constitutes an authorized capital, incremental fund, surplus fund, profits of previous years and a current year, as well as funds generated out of profits.

The requirement specified in part one herein shall not cover forex companies where they are complying with the criteria set out by the National Bank as per the provisions of paragraph eleven of part one of Clause 17 below, for funneling an aggregate open position of customers (a sum of open positions of customers) to the foreign counteragent complying with the criteria set out by the National Bank as per the provisions of paragraph twelve of part one of Clause 17 below.

14. Forex companies, banks, non-bank financial institutions shall be entitled to use foreign currencies when effecting settlements with:

- customers (both residents and non-residents) under signed agreements;
- the National forex center when generating a security fund;
- foreign counteragents – residents with a view to manage risks arising in connection with effecting operations involving non-deliverable OTC financial instruments.

15. Forex companies shall be entitled to:

Purchase foreign currencies in the domestic foreign exchange market with a view to manage risks arising in connection with effecting operations involving non-deliverable OTC financial instruments, as well as deposit monetary funds in a security fund;

With no permit from the part of the National Bank open accounts with non-resident banks and effect conversion operations thereunder in the domestic foreign exchange market with a view to manage risks arising in connection with effecting operations involving non-deliverable OTC financial instruments, including with a view to funnel an aggregate open position of customers (a sum of open positions of customers) to the foreign counteragent;

In addition to its activity in the OTC forex market carry out the following activities:

- render consultancy services related to the activity in the OTC forex market;
- implement a training programs (training courses, auditories, seminars and workshops, laboratory courses, trainings etc.) concerning the issues of effecting operations involving non-deliverable OTC financial instruments.

Forex companies shall be prohibited to be involved in other activity types not covered in paragraphs four-six of part one herein.

16. The National forex center shall be entitled to:

Use foreign currencies when effecting settlements with forex companies, banks, non-bank financial institutions under agreements signed, when generating security fund, as well as when effecting payments from security fund to customers under liabilities of such forex companies, banks, non-bank financial institutions;

Purchase foreign currencies in the domestic foreign exchange market, with no permit from the part of the National Bank open accounts with non-resident banks and effect conversion operations thereunder in a foreign exchange market for the purposes set out in the Regulations of the National forex center activity.

17. The National Bank shall:

- draw up and keep a register in the procedure set out thereby;
- define the forms of legal entity's application on the inclusion in the register and of certificate of the inclusion therein;
- set out a minimum size of security capital, procedure of its generation, replenishment and use;

specify requirements to the subject matter of the rules on effecting operations;

set out a forex company risk limit;

set out the National forex center risk limit when conducting operations involving non-deliverable OTC financial instruments with forex companies, banks, non-bank financial institutions in respect to an aggregate open position of customers (a sum of customers' open positions);

establish the procedure of examination by the National forex center of relevant software programs with a view to verify their compliance with the requirements specified by the National Bank;

define the forms and scope of financial statements to be submitted by forex companies, banks, non-bank financial institutions and procedure of drawing up and submission thereof to the National Bank and the National forex center;

define the forms and scope of financial statements to be submitted by the National forex center to the National Bank, as well as a procedure and dates of their drawing up and submission;



establish the criteria while complying with which a forex company is entitled to funnel an aggregate open position of customers (a sum of open positions of customers) to a foreign counteragent with due account of the limitations set out herein;

establish the criteria in respect to foreign counteragents to which forex companies are entitled to funnel an aggregate open position of customers (a sum of open positions of customers) funnel an aggregate open position of customers (a sum of open positions of customers);

establish requirements to:

software programs required for effecting operations in the OTC forex market via the Internet and/or using other technical means and for submitting financial statements to the National Bank and the National forex center;

arranging the internal control and risk management procedures at forex companies and the National forex center;

a special-status current (settlement) bank account for generating a security capital.

18. The National Bank shall be entitled to:

act as a customer of an audit service when carrying out audit of forex company's accounting (financial) statements;

establish a limit size of the leverage;

establish minimum sizes of foreign companies' reserves, a procedure of their generation;

establish financial ratios for forex companies, including a liquidity ratio and a limit ratio of the monetary funds raised from customers to a forex company net worth, as well as the size of such ratios.

19. The National Bank shall exercise control over the compliance with the legislation governing the procedure and terms of conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities, including by way of carrying out audits at the National Bank place of business based on examination of documents, statements and other data obtained thereby in accordance with the effective legislation, with no vindication from a forex company, the National forex center, bank, non-bank financial institution of other documents (desk audits).

To exercise control over the compliance with the legislation governing the procedure and terms of conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities the National Bank shall be entitled to set the following compulsory requirements:

requirement (an order) on elimination of the detected violations;

requirement on taking by a forex company actions to improve its financial standing in the event that such forex company faces the situation threatening its financial standing, to timely and completely discharge its obligations and liabilities;

requirement to deposit funds in a security fund (including the case where the National forex center obtains information certifying the fact that a forex company, bank, non-bank financial institution fails to discharge their duty on generating security fund);

order stating prohibition to raise by a forex company, bank, non-bank financial institution monetary funds from customers under agreements;

order stating prohibition to effect operations involving non-deliverable OTC financial instruments in the cases set out in part three herein;

requirement to dismiss from office a forex company manager, an officer of a structural division exercising internal control (manager of such structural division inclusive) in the cases set out in part three herein.

The grounds for such requirements (orders) of the National Bank set out in paragraphs five-seven of part two herein may be the following violations detected in the course of auditing, desk audit inclusive:

failure by a forex company to comply with the minimum size of its authorized capital;

failure by a forex company to comply with the minimum size of security capital;

failure by a forex company to comply with financial ratios (financial ratio) in the cases where they are set by the National Bank;

failure by a forex company manager, an officer of a structural division exercising internal control (manager of such structural division inclusive) to comply with his/her eligibility requirements and/or with those to business worthiness;

failure to take actions to improve a forex company financial standing in the event that such forex company faces a situation threatening its financial standing, discharge its obligations and liabilities timely and in full;

regular (two times and over within one calendar year) failure to submit (untimely submission, submission of unreliable) statements by a forex company, bank, non-bank financial institution to the National Bank, the National forex center;

regular (two times and over within one calendar year) failure by a forex company, bank, non-bank financial institution to comply with the requirement to execute customer's order to fix an underlying asset price when conducting operations involving non-deliverable OTC financial instruments under the terms and conditions which are the best at a certain period of time;

regular (two times and over within one calendar year) failure to comply with a leverage limit size in the event that it is set by the National Bank;

regular (two times and over within one calendar year) failure by a forex company to comply with the procedure of security capital generation, replenishment and use.

20. Before 1 March 2019:

all individuals shall be exempted from tax on income earned thereby under agreements signed with forex companies, banks, non-bank financial institutions;

the income tax rate set in Clause 1 of Article 142 of the tax Code of the Republic of Belarus shall be reduced by 50 per cent when collecting taxes from profit gained by a forex company, the National forex center from operations in the OTC forex market.

21. In the territory of the Republic of Belarus the promotion of operations involving non-deliverable OTC financial instruments by the entities which are not forex companies, the National forex center, banks, non-bank financial institutions shall be prohibited.

22. The following Edicts of the President of the Republic of Belarus shall be supplemented as follows:

22.1. in Clause 12 of the Articles of Association of the National Bank approved by Edict of the President of the Republic of Belarus of June 13, 2001 No. 320 (National Register of Legal Acts of the Republic of Belarus, 2001, No. 58, 1/2748; 2007, No. 148, 1/8682; National Legal Internet Portal of the Republic of Belarus, 06.02.2013, 1/14055; 27.02.2014, 1/14857; 03.07.2014, 1/15134; 30.12.2014, 1/15537):

paragraph fifty nine the word "organizations" should be followed by ", forex companies";

paragraph sixty shall be followed by the following paragraphs:

«pursuant to the effective legislation it shall govern the activity on improving the operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market);

exercise control over the compliance with the legislation governing the procedure and terms of effecting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market);

paragraph sixty one shall be deemed paragraph sixty three;

22.2. in Edict of the President of the Republic of Belarus of October 16, 2009 No. 510 "On Improvement of Control (Supervision) Activity in the Republic of Belarus" (National Register of Legal Acts of the Republic of Belarus, 2009, № 253, 1/11062; National Law Internet Portal of the Republic of Belarus, 31.07.2012, 1/13654; 27.02.2014, 1/14857; 03.07.2014, 1/15134):

Paragraph seven of part one of Clause 5 shall be supplemented with the words ", and to exercise control over the compliance with the legislation governing the procedure and terms of carrying out activities on conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market);

the column “Control (supervision) field” of Clause 3 in the List of controlling bodies (supervisory agencies) and the scope of their control (supervision) activity, approved by the above Edict, shall be supplemented with paragraph eight of the following wording:

“control over the compliance with the legislation governing the procedure and terms of carrying out activities on conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market);

The criteria of qualifying the audited entities to be a risk group to conduct scheduled audits, approved by the above Edict, shall be supplemented with Clause 16<sup>1</sup> of the following wording:

“16<sup>1</sup>. Raising monetary high funds of individuals forex companies”.

23. It is to be ascertained, that the legal entities, which on the date this Edict publishing carry out activities, which according this Edict are treated as the activities on conducting operations involving non-deliverable OTC financial instruments initiated by individuals and legal entities (activities in the OTC forex market) shall be entitled to be involved in such activities as per the provisions set out herein in respect to forex companies without the inclusion in the Register within three months following enforcement hereof. Where intend to continue carrying out these activities in future they shall prior to maturity apply to the National Bank with request to be included in the Register as per the provisions contained herein.

24. The National Bank shall be afforded the right to explain the issues of applying the provisions contained herein.

25. The Council of Ministers of the Republic of Belarus within a period of nine months shall ensure:

bringing relevant legal acts into line with the provisions contained herein;  
take other actions on implementing this Edict.

26. This Edict shall become effective in the following order:

26.1. Clauses 1–24 – in nine months following this Edict official publishing;

26.2. other provisions contained in the Edict – upon this Edict official publishing.

**President of the Republic of Belarus**

**A.Lukashenko**